

EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED

TRANSCRIPT OF THE PROCEEDINGS OF THE 14TH ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED HELD ON FRIDAY, JUNE 25, 2021 AT 10:00 A.M. THROUGH VIDEO CONFERENCING / OTHER AUDIO-VISUAL MEANS

Welcome Address by Mr. Rashesh Shah, Chairman:

Good morning!!! I extend a very warm welcome to all the Members of the Company at the 14th Annual General Meeting ("AGM") of the Company. The Members may please note that in view of the restrictions due to outbreak of COVID-19 and considering the social distancing norms, the AGM is being conducted through video conferencing ("VC") in compliance with the Circulars issued by MCA, by using Microsoft Team Platform.

I would request each member to switch on their video for the purpose of identification. The Members are also requested to keep their microphone on mute and un-mute their microphone only when they want to speak. I thank all the shareholders and other participants who have joined this meeting through VC. I hope you all are safe and in good health. The Company has made necessary arrangements to ensure participation of members at this meeting through VC and to enable them to vote on the resolutions set forth in the Notice convening the AGM sent to them. Trust all of you have referred general instructions for voting and for participating in this meeting.

In total Seven (7) members are present through their authorised representative which represent 15,74,73,684 equity shares constituting 74.81% of the paid-up capital of the Company. The requisite quorum being present, I declare the meeting in order, and we can commence the meeting.

Mr. Mohan Tanksale, Mr. P. N. Venkatachalam, Mr. Rajkumar Bansal, Mr. Venkatchalam Ramaswamy, Ms. Vidya Shah, Directors of the Company are also attending this meeting. The other Directors namely Mr. Vikal Balia and Mr. Manish Sanghi have expressed their inability to join the AGM.

Apart from Directors, Mr. Ashwani Kumar, Chief Financial Officer and Mr. Deepak Nautiyal, Company Secretary, Mr. Harish Agarwal, Chief Operating Officer of the Company, Mr. Suresh Vishwanathan, Secretarial Auditor, Mr. Shrawan Jalan and Mr. Jitendra Ranawat, Statutory Auditors and other advisors are present in the meeting

I would also like to state that the notice of the AGM and the Annual Report, containing Audited Financial Statements (including consolidated financial statements) for the year ended March 31, 2021 and the Board's and Auditors' Reports, have been sent by electronic mode to those Members whose e-mail addresses are registered/communicated to the Company or Depositories. Considering the above, the Notice is being taken as read.

M/s. S. R. Batliboi & Co. LLP, Statutory Auditors, have submitted their report on the financial statements for the year ended March 31, 2021. The Auditors' report does not contain any qualifications/modified opinion or adverse remarks. There being no qualifications, the entire report is not required to be read in this meeting and the Auditors' Report is being taken as read.

Since the meeting is held through VC, facility for appointment of proxies was not applicable. Hence, the Company has not provided Proxy Form to its Members and did not maintain Proxy Register. The Statutory Registers and copies of the Audited Financial Statements etc. are available for inspection to the Members. Members seeking to inspect such documents can send an email to earc.cs@edelweissfin.com.

Business Outlook

I would like to say here that financial year 2020-21 witnessed a major upheaval across the globe in terms of health emergency caused by the COVID 19 pandemic. No country was spared from the pandemic. All economies witnessed major slowdown in their GDPs, human suffering, crumbling of health infrastructure, loss of business and jobs. India had its share of woes. India's GDP witnessed a major slow down. Any forecast of economic activity and assess the potential impact of the pandemic during the year seemed impossible. Most of the business were to reinvent the way they functioned with most of the financial market entities adopting a work from home approach.

As regards the Company, we have successfully overcome the unprecedented challenges arising from the global COVID-19 pandemic on the strength of superior technology enablers. Like many other businesses, the Company adopted 'Work from Home' culture providing necessary tech enablers for its employees to have a smooth and efficient discharge of their responsibilities. Attention was also paid to constant engagement with the employees virtually, through programmes on wellbeing, team events, reward programmes and knowledge sharing sessions.

In an ever-evolving market, the Company continues to maintain its market leadership position with a market share of ~44%. The business focused through acquisition of corporate assets and retail assets.

During the year, the Company donated Rs. 2 crores to PM CARE fund and Rs. 50 lakhs to CM relief fund. Total CSR spend by the company was Rs. 9.40 crores.

Edelweiss Group continued its invaluable long-term partnership with Caisse de dépôt et placement du Québec's (CDPQ). CDPQ group holds 20% equity stake on a fully diluted basis in the Company.

The infusion of funds from CDPQ (in the form of compulsorily convertible preference shares) and from the Edelweiss Group has helped the Company to continue on its growth trajectory and maintain its leadership position.

Financial Summary / Highlights:

Acquisitions:

During the year under review, your Company acquired debts / Loan Portfolios with an aggregate due of about Rs. 6,804 crore from Banks / FIs/ NBFCs for a total consideration of Rs. 1,607 crore.

Resolution and Recovery:

The aggregate recoveries effected by the Company during the year from the acquired assets amounted to Rs. 5,355 crore (excludes fresh funding recovery).

1. Consolidated Financial Performance:

Particulars	(₹ in crore)	
	2020-21	2019-20
Total Income	962.48	1,300.89
Total Expenditure	720.44	954.94
Profit before tax	242.04	345.95
Provision for tax (including Deferred Tax)	58.80	46.40
Profit after tax	183.24	299.55
Balance in Profit & Loss Account brought forward	899.61	595.90
Securities Premium	596.45	596.45

2. Standalone Financial Performance:

Particulars	(₹ in crore)	
	2020-21	2019-20
Total Income	867.38	1,166.05
Total Expenditure	622.16	817.44
Profit before tax	245.23	348.61
Provision for tax (including Deferred Tax)	59.60	47.06
Profit after tax	185.63	301.55
Balance in Profit & Loss Account brought forward	902.75	597.05
Securities Premium	596.45	596.45

In case any members have any queries or questions we would be happy to answer.

Now let me take up the agenda of the meeting as mentioned in the Notice.

Item No. 1: Ordinary Resolution:

- a. To consider and adopt the Audited Standalone Financial Statement of the Company for the year ended March 31, 2021, together with the Reports of the Board and Auditors thereon.

May I request someone to propose the ordinary resolution.

Mr. Atul Bapna:

I, Atul Bapna, being the authorised representative of Edelweiss Securities Limited, holding 6,89,09,148 equity shares constituting 32.73% of the total voting power demand poll for all the items stated in the Notice.

Mr. Rashesh Shah:

Since the poll is demanded for all the agenda items therefore the members are requested to convey/cast their votes in the format being sent to them to the designated email ID of the Company mentioned in the notice i.e. earc.cs@edelweissfin.com from the email ID informed to the Company or registered with the Company or the Depositories.

May I request Mr. Suresh Vishwanathan, Secretarial Auditor, SVVS & Associates Company Secretaries LLP, to act as a scrutinizer for the Poll purpose and to provide their Report.

Mr. Suresh Vishwanathan:

I, Suresh Vishwanathan from SVVS & Associates Company Secretaries LLP, being the Secretarial Auditor give my consent to act as the Scrutinizer for the AGM.

Mr. Rashesh Shah:

Item No. 1: Ordinary Resolution:

- b. To consider and adopt the Audited Consolidated Financial Statement for the financial year ended March 31, 2021 together with the Report of the Auditors thereon.*

I move the resolution.

Item No. 2: Ordinary Resolution

To appoint a director in place of Mr. Vikas Balia (DIN: 00424524), who retires by rotation, and, being eligible, offers himself for re-appointment.

In case of non-re-appointment, the vacancy so caused not to be filled up as per Section 152(7)(a) of the Companies Act, 2013.

I move the resolution.

SPECIAL BUSINESS

Item No. 3: Ordinary Resolution

Appointment of Rashesh Shah as director:

Mr. Rashesh Shah:

As the item pertains to my appointment, I now request Mr. Venkatchalam Ramaswamy to chair the meeting for this item and move the resolution.

Mr. Venkatchalam Ramaswamy:

I move the resolution.

Mr. Venkatchalam Ramaswamy:

I now request Rashesh to resume the Chair.

Mr. Rashesh Shah:

Item No. 4: Ordinary Resolution

Appointment of Mr. Mohan Vasant Tanksale as Director and Independent Director

I move the resolution.

Item No. 5: Ordinary Resolution

Appointment of Mr. Manish Sanghi as Director and Independent Director

I move the resolution.

Item No. 6: Special Resolution

Re-appointment of Mr. Rajkumar Bansal as Managing Director & CEO

I move the resolution.

Item No. 7: Special Resolution

Issue of Non-convertible Debentures by the Company

I move the resolution.

Item No. 8: Special Resolution

Payment of Commission to the Independent Directors

I move the resolution.

There being no other business to be transacted, I request all the members to convey/cast their votes in the format sent to them to the designated email ID of the Company mentioned in the notice i.e. earc.cs@edelweissfin.com from the emailed ID informed to the Company or registered with the Company or the Depositories. The window to cast the votes will remain open for the next 15 minutes after which the Scrutinizer will count the votes polled and give his Report to me for declaration of results.

(After 15 minutes)

Mr. Suresh Vishwanathan:

All Members are present. Poll results is as follows:

Edelweiss Securities Limited holding 32.73%

Edelweiss Rural & Corporate Services Limited holding 9.96%

Edelweiss Financial Services Limited holding 9.89%

ECap Equities Limited holding 4.98%

Edelcap Securities Limited holding 4.98%

Edel Finance Company Limited holding 7.25%

Edel Land Limited holding 4.98%

In total 74.81% of the voting power is present and voting and have approved all resolutions except re-appointment of Mr. Vikas Balia. All resolutions have been passed / declined with 100% majority. Also, no other voting is received from any other shareholders.

Mr. Rashesh Shah:

Thankyou Mr. Vishwanathan. On the basis on the Scrutinizer's Report, I accept and declare the results and will also countersign the results.

There being no other business to be transacted, I declare the meeting closed.

I thank all of you for sparing your valuable time to attend this meeting.