

Cholamandalam Investment and Finance Company Limited

PROCEEDINGS OF THE THIRTY THIRD ANNUAL GENERAL MEETING OF CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED HELD AT 4 P.M. ON THURSDAY, THE 28th JULY 2011 AT THE MUSIC ACADEMY, NEW NO.168 (OLD NO.306), T.T.K ROAD, ROYAPETTAH, CHENNAI 600 014.

=====

1. Mr. M B N Rao took the Chair and declared that the necessary quorum for the meeting was present with 2369 members registering their attendance.
2. The Chairman welcomed the members and introduced the other directors, secretary and senior management on the dais. The Chairman further introduced Mr. V Srinivasa Rangan, who had been nominated for appointment as a director at the meeting.
3. The Chairman announced that the Register of Directors' shareholdings maintained under Section 307 of the Companies Act, 1956 was on the table and that it was available for inspection by the members at any time during the meeting.
4. The Chairman further announced that the certificate received from the Statutory auditors of the Company, M/s Deloitte Haskins & Sells, certifying that the Employee Stock Option Scheme - 2007 of the Company had been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999 and the resolutions passed by the members in this regard on 30th July 2007, was available for inspection by the members at any time during the meeting.
5. The Chairman informed that 91 proxies had been received for 9,46,57,144 shares.
6. With the permission of the members present, the notice convening the meeting was taken as read.
7. The Chairman called upon the Company Secretary to read the auditors' report for the year ended 31st March 2011.
8. The Company Secretary read the auditors' report.
9. The Chairman requested the shareholders to collect the printed copies of his speech on the economic scenario and Company's performance distributed at the venue of the meeting.
10. The Chairman made a presentation to the members highlighting the executive summary, key highlights of the Company and its businesses, description of various businesses and their respective managed assets as at 31st March 2011. The presentation further covered the credit ratings, subsidiaries performance, strategy and road ahead. The Chairman further presented the financial results of Q1 of 2011-12.

Cholamandalam Investment and Finance Company Limited

11. The Chairman proposed the following as an ordinary resolution:

RESOLVED THAT the Report of the Directors, the Report of the Auditors and the Audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as at that date be and are hereby considered, approved and adopted.

Mr. N Kalyanam seconded the motion.

Before presenting the motion to the meeting, the Chairman invited queries on the accounts and operations of the Company.

After the queries and comments were made by the members on the performance and other operations of the Company and the related issues, the Chairman answered them.

The Chairman then put the motion to the meeting and the same was passed unanimously.

12. The Chairman stated that the second item of the notice related to declaration of dividend and proposed the following as an ordinary resolution:

RESOLVED THAT a dividend of 15% as recommended by the Board of Directors be and is hereby declared on the equity shares of Rs.10/- each of the Company for the year ended March 31, 2011 and paid to those shareholders, in case of shares held in physical form, whose names appear in the register of members as on 28th July 2011 and in case of shares held in dematerialised form, as per the details furnished by the depositories for this purpose.

Mr. Mahesh Madhukar Waikar seconded the motion.

The Chairman then put the motion to the meeting and the same was passed by majority.

13. The Chairman stated that the item no.3 of the notice related to appointment of a director in the place of Mr. V P Mahendra, director retiring by rotation at the meeting. The Chairman stated that Mr. V P Mahendra had expressed his desire not to seek re-appointment in view of his long tenure with the Company and that he would be retiring by rotation at the close of the annual general meeting. On behalf of the Board and shareholders, he placed on record his sincere appreciation for the contributions made by Mr. Mahendra to the Company during his long association as a director. He further added that as mentioned in the notice, the vacancy caused by Mr. Mahendra's retirement was proposed to be filled up by Mr. V Srinivasan Rangan at the meeting. The Chairman introduced Mr. Rangan as a graduate in Commerce, Grad. Cost and Works Accountant and a Chartered Accountant. He is the Executive Director of Housing Development Finance Corporation Limited (HDFC Ltd.), and he held 4000 equity shares of the Company.

Cholamandalam Investment and Finance Company Limited

14. The Chairman proposed the following as an ordinary resolution:

RESOLVED THAT Mr. V Srinivasa Rangan be and is hereby appointed as a Director of the Company.

Mr. M Chakrapani seconded the motion.

The Chairman then put the motion to the meeting and the same was passed unanimously.

15. The Chairman mentioned that item No.4 of the notice related to the appointment of a director in the place of Mr. R V Kanoria who retired by rotation at the meeting and being eligible offered himself for re-appointment. The Chairman introduced Mr. Kanoria as a MBA (Hons) from IMD, Switzerland. Mr. Kanoria is on the Board of the Company since September 1995 and is the Chairman of the Compensation and Nomination Committee of the Company. In view of his health reasons, he had not been able to attend the meeting. The Chairman proposed the following as an ordinary resolution:

RESOLVED THAT Mr. R V Kanoria, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.

Dr. B. R. Parekh seconded the motion.

The Chairman then put the motion to the meeting and the same was passed unanimously.

16. The Chairman mentioned that Item no.5 of the notice related to appointment of auditors of the Company and proposed the following as an ordinary resolution:

RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai bearing registration no.008072S be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of the 33rd Annual General Meeting till the conclusion of the 34th Annual General Meeting at a remuneration of Rs.18 lakhs in addition to service tax as applicable and reimbursement of actual travelling and out-of-pocket expenses to be incurred by them in connection with the audit.

Mr. M Chakrapani seconded the motion.

The Chairman then put the motion to the meeting and the same was passed unanimously.

17. As the next item no. 6 related to his own appointment as a director, as a good convention and practice, the Chairman requested Mr. Indresh Narain to preside over the meeting for that item. Mr. Indresh Narain occupied the Chair. The pro-term Chairman introduced Mr. Rao as an associate of the Chartered Institute of Bankers, London and a fellow of the Indian Institute of Banking and Finance. Mr. Rao was the former Chairman and Managing Director of Canara Bank and Indian Bank and is currently serving the Board of reputed companies including B.E.M.L. Ltd and EID Parry (India) Ltd.

Cholamandalam Investment and Finance Company Limited

Mr. Rao has been on the Board of the company since July 2010. Mr. Rao is the Chairman of the Business Committee and a member of the Audit Committee of the Company and proposed the following as an ordinary resolution:

RESOLVED THAT Mr. M B N Rao be and is hereby appointed as a Director of the Company

Dr. B. R. Parekh seconded the motion.

The Chairman then put the motion to the meeting and the same was passed unanimously. Mr. Narain requested Mr. Rao to take the Chair. Mr. Rao thanked Mr. Narain and resumed the Chair.

18. The Chairman mentioned that the item No.7 related to appointment of Mr. L Ramkumar. The Chairman introduced Mr. Ramkumar as holding masters in Business Administration from IIM (Ahmedabad) and as also a qualified Cost Accountant. He is the Managing Director of Tube Investments of India Ltd. He has been on the Board of the Company since July 2010. The Chairman proposed the following as an ordinary resolution:

RESOLVED THAT Mr. L Ramkumar be and is hereby appointed as a Director of the Company

Mr. N Kalyanam seconded the motion.

The Chairman then put the motion to the meeting and the same was passed unanimously.

19. The Chairman mentioned that next item no.8 of the notice related to appointment of Mr. Vellayan Subbiah as a Managing Director of the Company including approval for his remuneration. He mentioned that Mr. Subbiah holds a degree of Bachelor of Technology in Civil Engineering from IIT (Madras) and also holds masters in Business Administration from the University of Michigan. Before joining the Company he was the Managing Director of Laserwords Private Ltd. He has been on the board of the Company since August 19 2010. The Chairman proposed the following as an ordinary resolution:

RESOLVED THAT Mr. Vellayan Subbiah be and is hereby appointed as a director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of sections 198, 269, 309, 310 and other applicable provisions, if any, read with schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be required, the company hereby approves the appointment, by the board of directors ("the Board"), of Mr. Vellayan Subbiah as managing director of the company for a period of five years with effect from 19th August, 2010 and be paid remuneration by way of salary, allowances, perquisites and commission as detailed below subject to an overall limit of 5% of the net profits of the company for each financial year computed in the manner prescribed in sections 349 and 350 of the Companies Act, 1956 and in the event of inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites,

Cholamandalam Investment and Finance Company Limited

amenities, facilities, incentive and retirements benefits to Mr. Vellayan Subbiah be paid in accordance with section II of part II of schedule XIII of the Companies Act, 1956.

a. Salary

Rs.2,89,120/- per month in the scale of Rs.2,50,000/-p.m. to Rs.7,50,000/-p.m. Increments to be decided by the Compensation & Nomination Committee.

b. Allowances / Perquisites / Commission

As may be determined by the Compensation & Nomination Committee as per the rules of the company in force from time to time.

c. Retirement benefits

- i. Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Fund / Scheme in force from time to time.
- ii. Encashment of leave as per the rules of the company in force from time to time.

d. General

- i. In the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Mr. Vellayan Subbiah as may be determined by the Board or Compensation & Nomination Committee, shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 1956 and rules made there under or any statutory modification or re-enactment thereof.
- ii. Perquisites shall be valued in terms of actual expenditure incurred by the company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be valued as per income tax rules.
- iii. Commission/incentive shall be determined by the Compensation & Nomination Committee based on the company's scheme in force from time to time.
- iv. Mr. Vellayan Subbiah will not be entitled to any sitting fees for attending meetings of the Board or of any committee thereof.
- v. Mr. Vellayan Subbiah will be subject to all other service conditions as applicable to any other employee of the company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or the Compensation & Nomination Committee thereof be and is hereby authorised to

Cholamandalam Investment and Finance Company Limited

do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the company.

Dr. B. R. Parekh seconded the motion.

The Chairman then put the motion to the meeting and the same was passed unanimously.

20. The Chairman mentioned that item no.9 in the notice related to increasing the Borrowing Powers of the Company. He mentioned that this was required in view of the increased volume of operations of the Company planned for the next few years and proposed the following as an ordinary resolution:

RESOLVED THAT in supersession of the resolutions passed earlier, sanction be and is hereby accorded under Section 293(1)(d) of the Companies Act, 1956 to the board of directors of the company to borrow from time to time such sum or sums of money as they may deem fit notwithstanding however, that the total borrowings exceed the aggregate of paid up capital and free reserves of the company, provided however that the aggregate of amounts so borrowed and outstanding at any one time (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed an amount of Rs.17,500 crores.

Mr. Mahesh Madhukar Waikar seconded the motion.

The Chairman then put the motion to the meeting and the same was passed unanimously.

As there was no other business to be transacted, the Chairman proposed a vote of thanks and declared the meeting as closed.