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August 26, 2014

The Secretary
National Stock Exchange of India Limited
Capital Market – Listing
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

Dear Sir,

Sub.: Annual General Meeting Proceedings and the Chairman's message

We enclose herewith a copy of the proceedings of the 36th Annual General Meeting held on 31st July 2014 and the Chairman's message, distributed at the venue of the meeting.

We request you to kindly take the above on record and acknowledge receipt.

Thanking you,

Yours faithfully,
For Cholamandalam Investment and Finance Company Limited

P Sujatha
Company Secretary

Encl. : As above

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. ★ CHENNAI 600 001

Cholamandalam Investment and Finance Company Ltd.
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Tel : 91.44.30007172 / Fax : 91.44.25346464
Website : www.cholamandalam.com
CIN – L65993TN1978PLC007576

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PROCEEDINGS OF THE THIRTY SIXTH ANNUAL GENERAL MEETING OF CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED HELD AT 4.00 P.M. ON THURSDAY, THE 31st JULY 2014 AT THE MUSIC ACADEMY, NEW NO.168 (OLD NO.306), T.T.K ROAD, ROYAPETTAH, CHENNAI 600 014.

PRESENT : Mr. M B N RAO, Chairman of the Board and Business Committee

Mr. N SRINIVASAN, Vice Chairman

Mr. V SRINIVASA RANGAN, Chairman of the Risk Management Committee

Mr. NALIN MANSUKHLAL SHAH, Chairman of the Audit Committee

Mr. L RAMKUMAR, Chairman of the Stakeholders Relationship Committee

Mr. VELLAYAN SUBBIAH, Managing Director

IN ATTENDANCE: Mr. ROHIT PHADKE, President & Business Head - Home Equity, Home Loan & Corporate Finance

Mr. D ARUL SELVAN, Executive Vice President - Finance & CFO

Ms. P SUJATHA, Company Secretary

1. Mr. M B N Rao took the Chair and declared that the necessary quorum for the meeting was present with 2318 members (including proxies) registering their attendance and called the meeting to order.

2. The Chairman welcomed the members to the 36th annual general meeting of the Company and introduced the other directors, secretary and senior management on the dais. Chairman informed that Ms. Geetha Suryanarayanan, Partner and Ms. Ananthi Amarnath, Director of M/s. Deloitte Haskins & Sells were also present at the meeting.

3. The Chairman announced that the Register of Directors, Key Managerial Personnel and Directors' shareholding and the Register of Contracts or Arrangements in which the Directors are interested maintained in accordance with the provisions of the Companies Act, 2013 and the draft letter for appointment of independent directors had been tabled and were 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, were available for inspection by the members at any time during the meeting.

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

5. The Chairman informed that with the advent of the new Companies Act and consequential amendments, the manner of conduct of the meetings including the voting process had undergone significant changes as compared to the earlier years practice. The most significant of the changes in the AGM proceedings is that the traditional way of voting by show of hands had been replaced with e-voting and ballot at the meetings. Also under the new law, voting is in proportion to the number of shares held by the members as against one vote one shareholder norm in voting by show of hands.

6. The Chairman informed that the copies of the annual general meeting notice with the annual report had been sent to all the shareholders. For those with a registered e-mail ID by e-mail and for those without a registered e-mail ID or for those who had requested for physical copies, the same had been sent by speed post and registered parcel.

7. The Chairman further informed that in accordance with the provisions of the listing agreement, the Company had provided an e-voting facility for its shareholders to enable larger participation in the voting process. The Company had provided e-voting facility on the CDSL e-voting platform for transacting the businesses contained in the notice to all the shareholders of the Company as on the cut-off date (20th June 2014). The e-voting period commenced on Thursday, July 24, 2014 (9.00 a.m.) and ended on Saturday, July 26, 2014 (6.00 p.m.). As required under law, the e-voting module was disabled by CDSL thereafter.

8. Chairman requested members to cast their vote at the venue of the meeting if they had not casted their vote electronically as on the cut-off date i.e. 20th June 2014. Ballot counters were open for voting and the ballot forms were made available for the purpose of voting. Chairman clarified that the members can opt for only one mode of voting i.e. either through e-voting or voting at the AGM. Chairman further clarified that if a member casts votes by both modes, then voting done through e-voting would prevail. The ballot paper voting was made available for the benefit of the members to cast their vote as they deem proper and was kept open till the closure of the meeting. Dedicated volunteers were also present to assist the shareholders in this regard. The voting facility at the venue was made available to the members throughout the proceedings.

9. Chairman informed that the Board of Directors had appointed Mr. R Sridharan, President of ICSI, M/s. R Sridharan & Associates as scrutinizer for conducting the voting process, both the e-voting and the physical ballot at the AGM in a fair and transparent manner. Mr. R Sridharan had submitted the E-voting report.

10. The Chairman informed that 28 proxies had been received for 38,490,019 shares.

11. With the permission of the members present, the notice convening the meeting was taken as read.

12. The Chairman informed that the Auditors' Report on the financial statement of the Company for the year ended March 31, 2014 did not have any qualifications or observations or comments on financial transactions or matters as having any adverse effect on the functioning of the Company. Accordingly, the Auditors' Report was not required to be read out before the meeting, as provided in the new Companies Act, 2013.

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

13. The Chairman informed the shareholders that printed copies of his speech had been distributed at the meeting venue and those shareholders who had not collected could obtain a copy, if interested.

14. The Chairman called upon Mr. Vellayan Subbiah, Managing Director to make a brief presentation on the developments in the Company during the financial year (FY) 2013-14 and the performance during the quarter ended 30th June 2014.

    Mr. Vellayan Subbiah made a presentation to the members highlighting the executive summary of FY14 vs. FY13, key initiatives undertaken in FY 2013-14, the geographical presence and an update on human resources, key highlights – shareholders/businesses, business lines, consolidated financials and financial results for the first quarter of FY 2014-15.

15. The Chairman then briefed the members about the ordinary businesses set out in the AGM notice under Item No. 1 to 4 and the special businesses under Item No. 5 to 12.

16. 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 operations of the Company and the related issues, the Chairman answered them.

17. Chairman requested members to cast their vote before leaving the venue of the meeting if they had not casted their vote electronically or at the venue of the meeting before.

18. After conclusion of the poll, Chairman announced that the final results of the voting (after consolidating the result of e-voting as well as physical voting at the AGM through ballot paper) would be declared along with the scrutiniser's report to the stock exchanges and posted on the website of the Company and on the website of the CDSL within 48 hours.

19. The final results of voting announced to stock exchanges, where the shares of the Company are listed as well as CDSL and the resolutions passed are as under:

20. **Ordinary Business:**

Item No.1: Adoption of Financial Statements and Directors' report for the year ended 31 March, 2014:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
73	85472805	43	38495094	123967899	100%

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
NIL	**NIL**	**1**	**2**	**2**	**0%**

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT the directors' report, the statement of profit and loss for the year ended 31 March, 2014 and the balance sheet as at that date together with the independent auditors' report thereon be and are hereby considered, approved and adopted.

Result: As the number of votes cast in favour of the resolution was more than the number of votes cast against, the ordinary resolution with regard to item no.1 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

Item No.2: Approval of final dividend for the year ended 31 March, 2014 and confirmation of interim dividend:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) – Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
74	**85493916**	**42**	**38494844**	**123988760**	**100%**

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
NIL	**NIL**	**2**	**252**	**252**	**0%**

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) – Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT the interim dividend of 25% declared by the board of directors on 29 January, 2014 on the equity shares of Rs.10/- each of the company and paid to those equity shareholders whose name appeared in the register of members as on 8 February, 2014 being the record date fixed for this purpose be and is hereby approved for the year ended 31 March, 2014.

RESOLVED FURTHER THAT a final dividend of 10% 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 31 March, 2014 and paid to those shareholders, in case of shares held in physical form, whose names

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

appear in the register of members as on 31 July, 2014 and in case of shares held in dematerialised form, as per the details furnished by the depositories for this purpose.

Result: As the number of votes cast in favour of the resolution was more than the number of votes cast against, the ordinary resolution with regard to item no.2 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

Item No.3: Re-appointment of Mr. L Ramkumar who retires by rotation and being eligible, offers himself for re-appointment:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
74	**85493916**	**41**	**38495090**	**123989006**	**100%**

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
NIL	**NIL**	**3**	**6**	**6**	**0%**

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT Mr. L.Ramkumar (holding DIN 00090089), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the company liable to retire by rotation.

Result: As the number of votes cast in favour of the resolution was more than the number of votes cast against, the ordinary resolution with regard to item no.3 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

Item No.4: Appointment of M/s. Deloitte Haskins & Sells as auditors and fixing their remuneration:

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
74	**85493916**	**42**	**38495092**	**123989008**	**100%**

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
NIL	**NIL**	**2**	**4**	**4**	**0%**

(iii)**Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai bearing registration no. 008072S be and are hereby appointed as the auditors of the company for a period of three years commencing from the conclusion of the thirty sixth annual general meeting till the conclusion of the thirty ninth annual general meeting subject to ratification of such appointment by members at every annual general meeting at a remuneration of Rs.30 lakhs per annum including the actual travelling and out of pocket expenses incurred in connection with the audit in addition to service tax as applicable.

Result: As the number of votes cast in favour of the resolution was more than the number of votes cast against, the ordinary resolution with regard to item no.4 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

21. Special Business:

Item No.5: Appointment of Mr. Nalin Mansukhlal Shah as an Independent Director:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
74	**85493916**	**40**	**38495040**	**123988956**	**100%**

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
NIL	**NIL**	**4**	**56**	**56**	**0%**

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, 161, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to clause 49 of the listing agreement, Mr. Nalin Mansukhlal Shah (holding DIN 00882723), additional director, who holds office up to the date of this annual general meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of a director under section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the company not liable to retire by rotation, to hold office for a term of 3 consecutive years up to 39th annual general meeting.

Result: As the number of votes cast in favour of the resolution was more than the number of votes cast against, the ordinary resolution with regard to item no.5 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

Item No.6: Appointment of Mr. M.B.N.Rao as an Independent Director:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
73	**85472805**	**40**	**38494990**	**123967795**	**99.98%**

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
1	**21111**	**4**	**106**	**21217**	**0.02%**

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) – Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to clause 49 of the listing agreement, Mr. M.B.N. Rao (holding DIN 00287260), director, in respect of whom the company has received a notice in writing proposing his candidature for the office of a director under section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the company not liable to retire by rotation, to hold office for a term of 4 consecutive years up to 40th annual general meeting.

Result: As the number of votes cast in favour of the resolution was more than the number of votes cast against, the ordinary resolution with regard to item no.6 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

Item No.7: Appointment of Mr. Indresh Narain as an Independent Director:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
73	**85493616**	**40**	**38494942**	**123988558**	**100%**

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
1	**300**	**4**	**154**	**454**	**0%**

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) – Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to clause 49 of the listing agreement, Mr. Indresh Narain (holding DIN 00501297), director, in respect of whom the

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

company has received a notice in writing proposing his candidature for the office of a director under section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the company not liable to retire by rotation, to hold office for a term of one year up to 37th annual general meeting.

Result: As the number of votes cast in favour of the resolution was more than the number of votes cast against, the ordinary resolution with regard to item no.7 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

Item No.8: Appointment of Mr. V Srinivasa Rangan as an Independent Director:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
72	**85414541**	**42**	**38495092**	**123909633**	**99.98%**

(ii) Voted in **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
1	**21111**	**2**	**4**	**21115**	**0.02%**

(iii)**Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) – Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to clause 49 of the listing agreement, Mr. V. Srinivasa Rangan (holding DIN 00030248), director in respect of whom the company has received a notice in writing proposing his candidature for the office of a director under section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the company not liable to retire by rotation, to hold office for a term of 5 consecutive years up to 31 March, 2019.

Result: As the number of votes cast in favour of the resolution was more than the number of votes cast against, the ordinary resolution with regard to item no.8 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

Item No.9: Special Resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing money up to Rs. 40,000 Crores:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
73	**85493616**	**40**	**38494838**	**123988454**	**100%**

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
1	**300**	**3**	**254**	**554**	**0%**

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**14**	**2358**	**2358**

RESOLVED THAT in supersession of the resolutions passed earlier and pursuant to the provisions of section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members 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 committee thereof), 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.40,000 crores.

RESOLVED FURTHER THAT the board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

Result: As the number of votes cast in favour of the resolution was more than three times the number of votes cast against, the special resolution with regard to item no.9 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

Item No.10: Special Resolution for issue of securities on private placement basis under section 42 of the Companies Act, 2013:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
73	**85493616**	**40**	**38494838**	**123988454**	**100%**

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
1	**300**	**3**	**254**	**554**	**0%**

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) – Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**14**	**2358**	**2358**

RESOLVED THAT pursuant to the provisions of sections 42, 71 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008, the rules, regulations, guidelines and circulars as amended from time to time, the Memorandum and Articles of Association of the company and subject to such other requirements as may be prescribed by regulatory authorities from time to time, consent of the members of the company be and is hereby accorded to offer, issue and allot, in one or more series or tranches, secured and unsecured non-convertible debentures on private placement basis during the period commencing from the date of this 36th annual general meeting until the conclusion of the 37th annual general meeting, for an amount not exceeding Rs.10,000 crores within the overall borrowing limits of the company, as approved by the members, on such terms and conditions and at such times at par or at such premium as may be decided by the board of directors of the company (including committees thereof), from time to time, to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case may be or such other person /persons as the board of directors of the company (including committees thereof) may determine and consider proper and most beneficial to the company including rate of interest, tenure and security cover thereof, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

RESOLVED FURTHER THAT pursuant to the provisions of sections 42, 71 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the company be and is hereby accorded to approve and ratify the secured and unsecured non-convertible debentures issued and allotted on private placement basis, in tranches, from 1 April, 2014 till the conclusion of this 36th annual general meeting, within the overall borrowing limits of the company, as approved by the members, on such terms and conditions as decided by the board of directors of the company (including committees thereof), to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case may be or such other person / persons as the board of directors of the company (including committees thereof) determined and considered proper and most beneficial to the company including rate of interest, tenure and security cover thereof, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the board of directors of the company (including any committee thereof), be and is hereby authorised to do all such acts, deeds and things and give such directions and further to execute such documents, deeds, instruments and writings as may be deemed necessary, proper, desirable or expedient to give effect to this resolution.

Result: As the number of votes cast in favour of the resolution was more than three times the number of votes cast against, the special resolution with regard to item no.10 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

Item No.11: Special Resolution for payment of remuneration to non-executive directors under section 197 of the Companies Act, 2013:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
73	**85493616**	**40**	**38495051**	**123988667**	**100%**

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
1	**300**	**4**	**45**	**345**	**0%**

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT pursuant to the provisions of sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the company and subject to such approvals as may be required, the non-executive directors (excluding managing director / executive director / whole-time directors but including alternate directors, if any) be paid remuneration by way of commission for a period of five financial years commencing from 1 April, 2014, a sum not exceeding 1% of the net profits of the company for each financial year, as computed in the manner laid down under section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the board of directors be and is hereby authorised to decide, from time to time the maximum commission payable to directors subject to the above ceiling of 1% and also to decide from time to time, the quantum and manner of distribution of the commission to one or more directors within the limit prescribed.

RESOLVED FURTHER THAT the aforesaid commission shall be exclusive of fees payable to such directors for attending any meetings of the board or a committee thereof.

RESOLVED FURTHER THAT the board of directors be and is hereby authorised to take all steps. as may necessary, desirable or expedient to give effect to this resolution.

Result: As the number of votes cast in favour of the resolution was more than three times the number of votes cast against, the special resolution with regard to item no.11 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

Item No.12: Special Resolution to sell, mortgage and / or create charge under section 180 (1) (a) of the Companies Act, 2013:

(i) Voted in **favour** of the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
73	**85493616**	**39**	**38494801**	**123988417**	**100%**

(ii) Voted **against** the resolution:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll	% of total number of valid votes cast
1	**300**	**5**	**295**	**595**	**0%**

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. CHENNAI 600 001

(iii) **Invalid** Votes:

Number of members voted in E-voting	Number of votes cast (Shares) – E Voting	Number of members/Proxies voted by Poll	Number of votes cast (Shares) - Poll	Total Number of votes cast through E-Voting and Poll
NIL	**NIL**	**13**	**2350**	**2350**

RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other applicable provisions. if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the company and subject to such other approvals and permissions as may be required, consent of the members be and is hereby accorded to sell, mortgage and / or create charge, in addition to the mortgages / charges created / to be created by the company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and / or immovable properties of the company and / or the interest held by the company in all or any of the movable and / or immovable properties, both present and future and / or the whole or any part of the undertaking(s) of the company, in favour of lender(s), agent(s) and trustee(s) for securing the borrowings of the company availed / to be availed by way of loan(s) and securities (comprising non-convertible debentures, bonds or other debt instruments), issued / to be issued by the company, from time to time, together with interest at the respective agreed rates and all other costs, charges and expenses and all other monies payable by the company in terms of the loan agreement(s), debenture trust deed(s) or any other agreement / document, entered into / to be entered into between the company and the lender(s) / investor(s) / agent(s) and / or trustee(s), in respect of the said loans, borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the company and the lender(s), agent(s) and / or trustee(s).

RESOLVED FURTHER THAT the board of directors of the company (including any committee thereof), be and is hereby authorised to finalise and execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and all such deeds, documents, instruments or writings as may be necessary, proper, desirable or expedient as they may deem fit and to do all such acts, deeds and things and give such directions, as may be deemed necessary, desirable or expedient, to give effect to this resolution.

Result: As the number of votes cast in favour of the resolution was more than three times the number of votes cast against, the special resolution with regard to item no.12 as set out in the Notice of the AGM was passed in favour of the resolution with requisite majority.

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

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD. ★ CHENNAI 600 001

Cholamandalam Investment and Finance Company Limited

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Chairman's Speech

Address by Mr. M. B. N. Rao, Chairman at the 36th Annual General Meeting of the Company held on 31 July, 2014

Ladies and Gentlemen

On behalf of the board of directors, it gives me great pleasure in welcoming you to your company's 36th Annual General Meeting. The company's annual report including the audited accounts for the year ended 31 March, 2014 has been with you for some time now and with your permission I shall take them as read.

Economic Review

The year saw the global economy maintain its path of gradual recovery with a growth of 3% which is marginally lower than 3.2% growth in the last year. The first half was a bit sluggish with a growth of 2.7%. However, the growth in the second half of 2013-14 strengthened to 3.7%. The strengthening of growth in the second half was largely supported by strong revival in the growth of developed economies.

India on the other hand grew at a sluggish growth rate with a GDP growth of 4.7% in the year 2013-14. However, it marginally revived from 4.5% in the previous year. The key reasons for the sluggish growth has been significant delays in project clearances, deceleration in corporate investment, high interest rates and supply bottlenecks including land and fuel availability.

The Wholesale Price Index inflation during the year largely remained above Reserve Bank of India's (RBI) comfortable zone, due to which, even after a sluggish overall economic environment, RBI kept the repo rate at an elevated level. This led to high cost of funds in the system. The growth in the Index of Industrial Production (IIP) in the year 2013-14 was negative by 0.1% and for mining it was negative by 0.8%.

The slow moving economy had its repercussions on the overall auto sales growth in India which remained sluggish at 3.5% in 2013-14. This has been due to the significant fall in commercial and passenger vehicle sales. The commercial vehicle sales for the year 2013-14 were down by 20% of which the medium and heavy commercial vehicle sales were down by 27%. The overall utilisation level for commercial vehicles also

dropped to 65%, which had a negative impact on the vehicle operator's cash flows. Hence, during the year the overall delinquencies in the financial system for commercial vehicles have gone up.

Company Performance

After continuously growing at a significant pace over the last two years, your company took a conscious decision to consolidate its growth this year and remained focused towards asset quality. Hence, its overall growth in disbursement has been at 8.2% in 2013-14 as against an average of 46% over the past 3 years. The disbursements for the year was ₹ 13,114 crores as against ₹ 12,118 crores in the previous year. During the year, with the overall market conditions being unstable, the gross non-performing assets (GNPA) moved up from 1% in 2012-13 to 1.9% in 2013-14. Net non-performing assets (NNPA) stand at 0.7% in 2013-14 compared to 0.2% in 2012-13. Despite an increase in cost of funds, your company was able to marginally enhance its net interest margin to 7.7% in 2013-14 as against 7.6% in the previous year.

With these measures, amid a very challenging business environment, your company's net income margin during the year increased to ₹ 1,492 crores as against ₹ 1,145 crores in the previous year. The net profit after tax also grew by 18.57% from ₹ 307 crores in 2012-13 to ₹ 364 crores in 2013-14.

Vehicle Finance (VF)

The auto industry witnessed a very sluggish growth for the second year in a row. The commercial vehicle segment has been the worst hit with a 20% fall in sales volume. Only the tractor segment was able to see some growth. However, the long-term perspective of the commercial vehicle industry continues to remain positive and is expected to grow at a compound annual growth rate (CAGR) of 10-12% till 2017-18 (Source: CRISIL Research).

During the year, your company slowed the branch expansion nevertheless added 54 new branches taking the total branch strength to 527. The disbursement for VF during the year grew by 2.5% from ₹ 9,882 crores in 2012-13 to ₹ 10,128 crores in 2013-14. The total assets under management (AUM) for VF segment at the end of 2013-14 reached ₹ 17,065 crores, up by 18.8% over 2012-13. The asset quality noticed some degradation but is well in control.

Home Equity (HE)

The HE business segment of your company during the year performed well. Disbursement grew by 30%. Share of HE in the total on book asset enhanced to 25.2% in 2013-14 from 22.8% in 2012-13. During the year, your company extended the HE offering to 68 branches, up from 61 branches in 2012-13. Your company continues to remain focused towards self-employed segment in this business where most of its customers

have been from micro, small and medium enterprises (MSME). With increased awareness and gradual enhancement of reach, this business has great potential for growth in the coming years.

Other Businesses

Among its new businesses, home loan and wealth management businesses made noteworthy progress during the year. The affordable home loans business was launched in 2012-13 and has been growing since then. The business built an AUM of ₹ 41.10 crores with 291 active customers. During the year, the MSME segment disbursed ₹ 137 crores.

New Product lines

During the year, your company introduced two new products, rural finance and construction equipment finance and is running on a pilot basis. Your company would continue to grow its branch network and new businesses to further broaden its presence and revenue stream.

Subsidiaries' Performance

Despite the slack investment cycle in India due to a sluggish overall economic growth, the performance of product distribution as well as securities of your company fared well during the year 2013-14. The Cholamandalam Distribution Services income during the year grew to ₹ 11.8 crores as against ₹ 11.6 crores in the previous year. The net profit was ₹ 4.7 crores as against ₹ 2 crores in the previous year. The Cholamandalam Securities income grew from ₹ 7.2 crores to ₹ 8.0 crores. Further, the losses in the business have come down from ₹ 1 crore in 2012-13 to ₹ 0.4 crore in 2013-14.

Outlook

The year 2013-14 has been one of the toughest years in terms of business environment. The double whammy of significantly high inflation as well as cost of funds had taken a toll on the growth as well as margins of the financial services industry. However, over the last three months, many key economic data points have shown good signs of revival. Consumer price index (CPI) which stood at 8.31% at the end of March 2014 has come down to 7.31% in the month of June 2014. Also IIP which stood in the negative territory for the year as well as for the month ended March 2014 has significantly revived to 3.4% in the month of April 2014 and further moved up to 4.7% in May 2014. Hence, the Indian economy is now showing good signs of revival. Also as per the Economic survey report, the GDP growth for India for the year 2014-15 is expected to rise and is projected to be in the range of 5.4% to 5.9%.

The fall in subsidy for retail diesel prices, although negative for the vehicle finance industry, would lead to significant reduction in the fuel subsidy for the government. This would lead to lower fiscal deficit. The fiscal

deficit target set in the budget for the year 2014-15 is 4.1% of the GDP, which is lower than the fiscal deficit of 4.5% in the previous year. This would also help in better liquidity scenario in the industry. With falling inflation, there is higher probability that the RBI may reduce the repo rate, which would lead to lower cost of funds in the system.

Hence, all key economic data are currently indicating towards a better growth for the financial services industry over the coming years.

Acknowledgement

To conclude, I, on behalf of the company and the board of directors, express my sincere thanks to our customers, stakeholders, bankers, financial institutions, rating agencies, vehicle manufacturers, vehicle dealers, service providers and all other constituents for their valuable support and unstinted co-operation. To my colleagues on the board, I owe a great deal of gratitude for their prudent counsel and continued guidance. My special thanks and appreciation goes to the employees of the company at all levels for their hard work, dedication and continued commitment. I also take this opportunity to thank all the shareholders for the unstinted support in all our endeavours.

Thank you,

M B N Rao

Chairman