

## Cholamandalam Investment and Finance Company Limited

Registered Office: "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001.

Phone: 044 3000 7172; Fax: 044 2534 6464;

CIN-L65993TN1978PLC007576

Email ID: investors@chola.murugappa.com; Website: www.cholafinance.com

# Notice to Shareholders

**NOTICE** is hereby given that the thirty sixth annual general meeting of the shareholders of Cholamandalam Investment and Finance Company Limited will be held at 4 p.m. on Thursday, 31 July, 2014 at The Music Academy, New No.168, (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**  
**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.
2. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**  
**RESOLVED THAT** the interim dividend of 25% declared by the board of directors on 29 January, 2014 on the equity shares of ₹ 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 ₹ 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 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.
3. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**  
**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.
4. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**  
**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 ₹ 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.

### SPECIAL BUSINESS:

5. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**  
**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 39<sup>th</sup> annual general meeting.

6. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**  
**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 40<sup>th</sup> annual general meeting.
7. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**  
**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 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 37<sup>th</sup> annual general meeting.
8. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**  
**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.
9. To consider and if deemed fit, to pass, with or without modification(s), the following as a **SPECIAL RESOLUTION:**  
**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 ₹ 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.
10. To consider and if deemed fit, to pass, with or without modification(s), the following as a **SPECIAL RESOLUTION:**  
**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 36<sup>th</sup> annual general meeting until the conclusion of the 37<sup>th</sup> annual general meeting, for an amount not exceeding ₹ 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.

**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 36<sup>th</sup> 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.

11. To consider and if deemed fit, to pass, with or without modification(s), the following as a **SPECIAL RESOLUTION:**

**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.

12. To consider and deem fit, to pass, with or without modification(s), the following as a **SPECIAL RESOLUTION:**

**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.

**By Order of the Board**

Place: Chennai  
Date : 28 April, 2014

**P. Sujatha**  
*Company Secretary*

**NOTES:**

- 1. A member entitled to attend and vote at the annual general meeting (AGM) may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the company. Proxy to be valid shall be deposited at the registered office of the company at least forty eight hours before the time for holding the meeting. A person shall not act as a proxy for more than fifty members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A person holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxy form for the AGM is enclosed.**
2. Members are requested to bring their duly filled in attendance slips enclosed herewith to attend the meeting.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.
4. Information as required under clause 49 of the listing agreement(s) in respect of appointment / re-appointment of directors are furnished and forms a part of the notice.
5. The explanatory statement pursuant to section 102 of the Companies Act, 2013 (the Act) in respect of businesses set out above in item nos. 4 to 12 is annexed.
6. The register of members and share transfer books of the company will remain closed from Friday, 25 July, 2014 to Thursday, 31 July, 2014 (both days inclusive).
7. The final dividend of ₹ 1/- per equity share of the company, as recommended by the board, if declared at the ensuing annual general meeting, will be paid, subject to the provisions of section 126 of the Act, to those members or their mandatees whose names stand registered in the company's register of members as on 24 July, 2014. Members are encouraged to utilise the electronic clearing service (ECS) for receiving dividends by registering their bank mandates.

8. All correspondence relating to change of address, transfer / transmission of shares, issue of duplicate share certificates, bank mandates, dividend and all other matters relating to the shareholding in the company may be made to M/s. Karvy Computershare Private Ltd., the registrar and share transfer agent (RTA). The members holding shares in dematerialised form may send such communication to their respective depository participant/s (DPs).
9. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed form no. SH13, duly filled in to the RTA. The prescribed form can be obtained from the RTA / DPs as well as downloaded from the company website.
10. All unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the company, have been transferred to the investor education and protection fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the company for the amounts so transferred prior to 31 March, 2014, nor shall any payment be made in respect of such claim. However, effective 1 April, 2014, as per the, new Companies Act, 2013, the shareholders shall be entitled to get refund out of fund only in such manner as may be prescribed by the Ministry of Corporate Affairs, from time to time.

It may be noted that the unclaimed dividend in respect of the financial year 2006-07 is due for transfer to the IEPF on 3 September, 2014. Reminders have been sent in February 2014 and June 2014 to those members having unclaimed dividends and not due for remittance to IEPF. Members wishing to claim dividends, which remain unclaimed are advised to write to the company's RTA immediately claiming dividends declared by the company. Members attention is particularly drawn to the "General Shareholders Information" section of the annual report in respect of unclaimed dividend.

11. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including annual reports from time to time in electronic form to the e-mail address provided by you. Members holding shares in dematerialised form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to RTA.
12. Copies of the annual report for 2014, notice of the 36<sup>th</sup> AGM along with attendance slip and proxy form are being sent to all the members whose email IDs are registered with the company / DPs for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.
13. Members may also note that the notice of the 36<sup>th</sup> AGM and the annual report for 2014 will also be available on the company's website [www.cholafinance.com](http://www.cholafinance.com) for their download. The physical copies of the aforesaid documents will also be available at the company's registered office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the company's investor email id: [investors@chola.murugappa.com](mailto:investors@chola.murugappa.com).
14. SEBI has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA for consolidation into a single folio.

**By Order of the Board**

Place : Chennai  
Date : 28 April, 2014

**P. Sujatha**  
*Company Secretary*

## ANNEXURE TO THE NOTICE

### A. INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S):

#### Item No. 3:

##### Re-appointment of Mr. L.Ramkumar as a director liable to retire by rotation:

Mr. L.Ramkumar was appointed as a director of the company on 28 July, 2010. He is liable to retire by rotation at the 36<sup>th</sup> annual general meeting and being eligible has offered himself for re-appointment. His brief resume and nature of his expertise in specific functional area is provided in the annual report. Mr. Ramkumar holds 154 equity shares of the company and is not related to any other director of the company. Names of other companies in which he holds directorship and committee membership as referred in clause 49 of the listing agreement(s) as per his disclosure to the board for the financial year 2014-15 are given below:

Name of the company	Committee membership
Tube Investments of India Limited	Shareholders & investors grievance committee
Shanthi Gears Limited	Shareholders grievance committee - Chairman
TI Financial Holdings Ltd.	-
TI Tsubamex Private Limited	-

#### Item No. 5:

##### Appointment of Mr. Nalin Mansukhlal Shah as an independent director:

Mr. Nalin Mansukhlal Shah was appointed as an additional director of the company at the board meeting on 31 July, 2013. His brief resume and nature of his expertise in specific functional area is provided in the annual report. Mr. Shah does not hold any shares of the company and is not related to any other director of the company. Names of other companies in which he holds directorship and committee membership as referred in clause 49 of the listing agreement(s) as per his disclosure to the board for the financial year 2014-15 are given below:

Name of the company	Committee membership
Eimco-Elecon (India) Limited	Audit committee – Chairman
Artson Engineering Limited	Audit committee – Chairman Investors grievance committee
DCB Bank Limited (formerly, Development Credit Bank Limited)	Audit committee Stakeholders relationship committee
ABC Bearings Limited	Investors grievance committee

#### Item No. 6:

##### Appointment of Mr. M.B.N.Rao as an independent director:

Mr. M.B.N. Rao was appointed as a director of the company on 28 July, 2010. His brief resume and nature of his expertise in specific functional area is provided in the annual report. Mr. Rao does not hold any shares of the company and is not related to any other director of the company. Names of other companies in which he holds directorship and committee membership as referred in clause 49 of the listing agreement(s) as per his disclosure to the board for the financial year 2014-15 are given below:

Name of the company	Committee membership
EID Parry (India) Limited	Audit committee - Chairman
Electro Steel Castings Limited	Audit committee
The Ramco Cements Limited (formerly, Madras Cements Limited)	-
Ramco Industries Limited	Audit committee

<b>Name of the company</b>	<b>Committee membership</b>
Taj GVK Hotels and Resorts Limited	Audit committee
Apollo Munich Health Insurance Company Limited	Audit committee - Chairman
Indian Clearing Corporation Limited	Audit committee - Chairman
Lanco Amarkantak Power Limited	Audit committee - Chairman
Lanco Power Limited	Audit committee
Aircel Cellular Limited	-
Aircel Limited	-
Nuziveedu Seeds Limited	Audit committee
Dishnet Wireless Limited	-
CRISIL Risk and Infrastructure Solutions Limited	-
MMTC - PAMP India Private Limited	-
Franklin Templeton Asset Management (India) Private Limited	-
Mandava Holdings Private Ltd. (Holding company of Nuziveedu Seeds Limited)	-
BFSI Sector Skill Council of India (section 8 company of the Companies Act, 2013)	-

**Item No. 7:**

**Appointment of Mr. Indresh Narain as an independent director:**

Mr. Indresh Narain was appointed as a director of the company on 21 July, 2006. His brief resume and nature of his expertise in specific functional area is provided in the annual report. Mr. Narain does not hold any shares of the company and is not related to any other director of the company. Names of other companies in which he holds directorship and committee membership as referred in clause 49 of the listing agreement(s) as per his disclosure to the board for the financial year 2014-15 are given below:

<b>Name of the company</b>	<b>Committee membership</b>
Dhanuka Agritech Limited	Shareholders grievance committee - Chairman
Pine Bridge Investments Trustee Company (India) Private Limited	Audit committee - Chairman
Governors of the Indian Public Schools Society (section 8 company of the Companies Act, 2013)	-

**Item No. 8:**

**Appointment of Mr. V. Srinivasa Rangan as an independent director:**

Mr. V. Srinivasa Rangan was appointed as a director of the company on 28 July, 2011. His brief resume and nature of his expertise in specific functional area is provided in the annual report. Mr. Rangan holds 4,000 equity shares of the company and is not related to any other director of the company. Names of other companies in which he holds directorship and committee membership as referred in clause 49 of the listing agreement(s) as per his disclosure to the board for the financial year 2014-15 are given below:

<b>Name of the company</b>	<b>Committee membership</b>
Housing Development Finance Corporation Limited	Investor relations and grievance committee
Atul Limited	Audit committee
Hindustan Oil Exploration Company Limited	Audit committee
HDFC Investments Limited	Audit committee
HDFC Venture Capital Limited	-

<b>Name of the company</b>	<b>Committee membership</b>
HDFC Property Ventures Limited	-
HDFC Holdings Limited	Audit committee
HDFC Developers Limited	-
TVS Credit Services Limited	Audit committee
HDFC Trustee Company Limited	Audit committee
IVF Advisors Private Limited	-
Ruralshores Business Services Private Limited	-
Credila Financial Services Private Limited	-
HDFC Education & Development Services Private Limited	Audit committee

## **B. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE ACT)**

### **Item no. 4:**

Pursuant to section 139 of the Companies Act, 2013 (the Act) read with Companies (Audit and Auditors) Rules, 2014, the statutory auditors shall be appointed for two terms of 5 years each, which shall include the tenure already served. The Rules also prescribe the maximum tenure a firm may be appointed as auditors if they have already been serving as auditors for more than 7 years. M/s. Deloitte Haskins & Sells, Chartered Accountants have been functioning as statutory auditors for a term of 9 years and hence as per the Rules, the maximum number of years for which the firm may be appointed shall be 3 consecutive years.

The statutory auditors have confirmed that their appointment, if made, would be within the limits prescribed under section 141(3)(g) of the Act and in accordance with the requirements of section 139(1) of the Act read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014. The auditors have further confirmed that they are not disqualified from being appointed as auditors under the Act or the Chartered Accountants Act, 1949.

Further, section 142 of the Act requires the remuneration of the auditors to be fixed in the general meeting and the same shall include the expenses, if any, incurred by the auditor in connection with the audit of the company and any facility extended to them.

Accordingly, the approval of the members is being sought by means of an ordinary resolution for the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as the statutory auditors, to audit the financial statements of the company for the period from the conclusion of the 36<sup>th</sup> annual general meeting till the conclusion of the 39<sup>th</sup> annual general meeting on the remuneration as per details provided under item no. 4 of the notice.

The board recommends the re-appointment of the statutory auditors of the company for approval of the shareholders.

None of the directors, key managerial personnel and their relatives is concerned or interested in the resolution set forth in item no. 4 of the notice.

### **Item Nos. 5 to 8:**

Pursuant to the provisions of section 149 of the Companies Act, 2013 (the Act), which came into effect from 1 April, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors (IDs). An ID shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for a term up to another five consecutive years on passing of a special resolution by the company and disclosure of such appointment in the board's report. As per the Act, an ID is not liable to retire by rotation.

Keeping in view the new provisions of the Companies Act, 2013 and considering the age and the term the IDs have already served on the board, the board considered and recommended for appointment of IDs for such terms as detailed in their respective appointment resolutions.



In respect of item no.5, Mr. Nalin Mansukhlal Shah was appointed as an additional director of the company on 31 July, 2013. Pursuant to the provisions of section 161 of the Act, Mr. Shah will hold office up to the date of this annual general meeting.

The company has received notices in writing along with a deposit of ₹ 100,000/- from members for each director under the provisions of section 160 of the Act proposing the candidature of Mr. Shah, Mr. Rao, Mr. Narain and Mr. Rangan as directors.

Mr. M.B.N. Rao, Mr. Indresh Narain, Mr. V. Srinivasa Rangan and Mr. Nalin Mansukhlal Shah, non-executive directors of the company have given a declaration to the board that they meet the criteria of independence as provided under section 149 of the Act as well as clause 49 of the listing agreement. In the opinion of the board, each of these directors fulfill the conditions specified in the Act and Rules made there under for appointment as IDs and they are independent of the management.

The board recommends the appointment of these directors as independent directors for such terms as specified in the resolutions as set out in item nos. 5 to 8 of the notice.

In compliance with the provisions of section 149 read with schedule IV of the Act and clause 49 of the listing agreement, the appointment of these directors is being placed before the members for their approval.

None of the key managerial personnel and directors of the company other than the directors who are to be appointed under the respective resolutions and their relatives are concerned or interested in the resolutions set forth in item nos. 5 to 8 of the notice.

**Item no. 9:**

Under section 180(1)(c) of the Companies Act, 2013 (the Act), sanction of the company is required for enabling the board of directors to borrow money in excess of paid-up share capital and free reserves of the company by way of a special resolution.

By a resolution passed at the annual general meeting held on 31 July, 2013, sanction was accorded by the members by way of an ordinary resolution to the board of directors to borrow money over and above the aggregate of the paid-up share capital and free reserves of the company up to a limit of ₹ 40,000 crores.

Under section 180 of the Act, the above powers of the board are required to be exercised only with the consent of the company by a special resolution.

Hence, the resolution as set out in item no. 9 is being sought, by way of a special resolution, pursuant to section 180(1)(c) of the Act seeking approval of the shareholders to authorise the directors to borrow in excess of the aggregate of the paid-up capital and free reserves up to a sum not exceeding ₹ 40,000 crores.

The board recommends the resolution under item no. 9 for approval of the members.

None of the directors, key managerial personnel and their relatives is concerned or interested in the resolution set forth in item no. 9 of the notice.

**Item no. 10:**

Pursuant to the provisions of section 42 of the Companies Act, 2013 read with rule 14(2)(a) of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), a company offering or making an invitation to subscribe to non-convertible debentures (NCDs) on a private placement basis, is required to obtain the prior approval of the shareholders by way of a special resolution. Such an approval by way of special resolution can be obtained once a year for all the offers and invitations made for such NCDs during the year.

The company has been borrowing by way of NCDs during the period from 1 April, 2014 till the date of this AGM. Further, the company is estimated to borrow up to ₹ 10,000 crores by way of NCDs during the period from the date of passing of this resolution till the next annual general meeting. The proceeds of the debentures are utilised to finance the growth of the lending portfolio of the company in its core businesses, vehicle finance and home equity. Further, in order to maintain its regulatory capital adequacy requirements, the company issues NCDs in the form of subordinated debt and perpetual debt instruments from time to time.

Accordingly, the approval of the members is being sought in connection with the aforesaid issues of NCDs including ratification of NCDs issued from 1 April, 2014. Further, members are requested to authorise the board (including any committee thereof) to issue NCDs on a private placement basis, as stipulated above in one or more tranches, within the overall borrowing limits of the company, as approved by the members from time to time.

The board recommends the resolution for approval of the members.

None of the directors, key managerial personnel and their relatives is concerned or interested in the resolution set forth in item no. 10 of the notice.

**Item no. 11:**

At the thirty first annual general meeting of the company held on 28 July, 2009, the members had approved the payment to non-whole time directors, remuneration by way of commission at one percent of the net profits of the company as computed under section 198 of the Companies Act, 2013 (corresponding to sections 349 and 350 of the Companies Act, 1956) for a period of five financial years commencing from 1 April, 2009. As the approval is available only up to the financial year 2013-2014, the board recommends the resolution for the approval of members for a further period of five consecutive financial years. The remuneration will be distributed amongst all or some of the directors in accordance with the directions given by the board.

Accordingly, it is proposed that in terms of section 197 of the Act, the directors be paid remuneration not exceeding one percent of the net profits of the company computed in accordance with the provisions of the Act for each of the five financial years with effect from 1 April, 2014.

All the directors except Mr. L.Ramkumar and Mr. Vellayan Subbiah and their relatives are interested or concerned in the above resolution to the extent of the commission that they may receive. None of the key managerial personnel and their relatives is concerned or interested in the resolution set forth in item no. 11 of the notice.

**Item no. 12:**

As per the provisions of section 180(1)(a) of the Companies Act, 2013 (the Act), a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the shareholders is obtained by way of a special resolution.

In connection with the loan / credit facilities to be availed by the company, as and when required, through various sources for business purposes, the company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under section 180(1)(c) of the Act), for the purposes of securing the loan / credit facilities extended by them to the company.

Accordingly, the board recommends the special resolution set forth in item no.12 of the notice for approval of the members.

None of the directors, key managerial personnel and their relatives is concerned or interested in the resolution set forth in item no. 12 of the notice.

**By Order of the Board**

Place : Chennai  
Date : 28 April, 2014

**P. Sujatha**  
*Company Secretary*

## VOTING THROUGH ELECTRONIC MEANS - INSTRUCTIONS

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the company is pleased to offer e-voting facility to members to exercise their votes electronically on all resolutions set forth in the notice convening the 36<sup>th</sup> annual general meeting (AGM) to be held on Thursday, the 31 July, 2014 at 4 p.m. The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

The company has appointed Mr. R. Sridharan of M/s. R. Sridharan & Associates, Company Secretaries as the scrutiniser for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on 20<sup>th</sup> June, 2014.

The instructions for e-voting are as under:

### In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab to cast your votes.
- (iii) Now, select "Cholamandalam Investment and Finance Company Limited" from the drop down menu and click on "SUBMIT"
- (iv) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user, follow the steps given below:
- (v) Now, fill up the following details in the appropriate boxes:

User ID	<p><b>For Members holding shares in demat form:</b> For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID</p> <p><b>For Members holding shares in physical form:</b> Folio Number registered with the company and then enter the Captcha Code as displayed and Click on Login</p>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB**	Enter the date of birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details**	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\* Members who have not updated their PAN with the company/RTA/depository participant are requested to use the first two letters of their name and the sequence number (available in the attendance slip / in the e-mail sent to the members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. For example, if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

\*\* Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by members holding shares in dematerialised form for voting in respect of the resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Select "EVSN" (E-voting Sequence Number) of Cholamandalam Investment and Finance Company Limited. Now, you are ready for e-voting as the voting page appears.
- (x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire notice.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If demat account holder has forgotten the changed password, then enter the User ID and Captcha Code click on "Forgot Password" and enter the details as prompted by the system.
- (xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the board resolution and power of attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutiniser to verify the same.

**In case of members receiving the physical copy:**

- i. Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- ii. In case you have any queries or issues regarding e-voting, you may refer the frequently asked questions (FAQs) and e-voting manual available at <https://www.evotingindia.com> under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other instructions:**

- i. The e-voting period begins on **Thursday, the 24 July, 2014 (9:00 a.m. Indian Standard Time) and ends on Saturday, the 26 July, 2014 (6:00 p.m. Indian Standard Time)**. During this period, the members of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 20 June, 2014, may cast their vote electronically.
- ii. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.
- iii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date (record date) of 20 June, 2014.
- iv. Since the company is required to provide members the facility to cast their vote by electronic means, shareholders of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date and not casting their vote electronically, may cast their vote at the AGM venue. Facility will be available at the venue.
- v. The scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutiniser's report of the votes cast in favour or against, if any, forthwith to the chairman of the company.
- vi. The results shall be declared after the AGM of the company. The results declared along with the scrutiniser's report shall be placed on the company's website [www.cholafinance.com](http://www.cholafinance.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the company and communicated to BSE Limited and National Stock Exchange of India Limited.
- vii. Voting will be provided to the members through e-voting and / or at the AGM venue. A member can opt for only one mode of voting i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at AGM shall be treated as invalid.