

Transcript of 75th Annual General Meeting of Cholamandalam Financial Holdings Limited
held at 3.00 pm on August 9, 2024

Mr. M M Murugappan, Chairman conducted the proceedings.

Mr. M.M Murugappan:

Good Afternoon, Ladies and Gentlemen. It gives me great pleasure to welcome you all to the 75th Annual General Meeting (AGM) of Cholamandalam Financial Holdings Limited. First, I hope all of you and your families are safe and in good health. The Ministry of Corporate Affairs has allowed companies to conduct these Annual General Meetings through video conferencing or other audio-visual means till the 30th of September, 2024, in accordance with the requirements thereunder. Accordingly, the 75th Annual General Meeting of the Company is being held in an electronic mode through video conference. The Company has made necessary arrangements for participation of shareholders in the meeting through video conference and also to vote at the Annual General Meeting in a seamless manner.

The quorum being present, I now call the meeting to order.

In terms of the MCA and SEBI notifications, the notice convening the 75th AGM of the Company and the annual report for FY 23-24 have been sent through electronic mode to all those shareholders whose e-mail addresses are registered with the Registrar & Transfer Agent or Depository Participants, as the case may be. Further, physical copy of the annual report has been dispatched to those shareholders who have requested for the same.

The AGM notice and the annual report are also uploaded on the websites of the Company and the stock exchanges. The Company has also issued an advertisement informing the shareholders to register their e-mail addresses to enable the Company to send these documents electronically to them. As mentioned in the notice, since the meeting is being held electronically, the facility for appointment of proxies by members is not available for this AGM.

Ladies and Gentlemen, first let me introduce my colleagues on the Board. From my right we have,

Mr. B Ramaratnam, he is an Independent Director and the Chairman of the Audit Committee , Stakeholders and Risk Management Committees.

Mrs. Vasudha Sundararaman who is the Chairperson of the Nomination & the Remuneration Committee and member of the Audit Committee.

Mr. K Balasubramanian, on my immediate right is a member of the Audit Committee and also the Nomination & Remuneration Committee.

Immediately to my left,

Mr. Sridharan Rangarajan, he is a member of the Audit Committee, Stakeholders and Risk Management Committee.

Attending the Annual General Meeting virtually is **Mr. Vellayan Subbiah**, our Director. I also introduce my colleagues here.

Mr. N Ganesh, who is our Manager & CFO on my right and **Mrs. E Krithika**, our Company Secretary who is on my left. And we also have **Mr. S Venugopalan**, who is the CFO of our subsidiary, Cholamandalam MS General Insurance.

Mr. Tirtharaj Khot and Mr. Mandar Ghanekar, Partners from M/s. Sharp and Tannan Associates, Chartered Accountants, our Statutory Auditors, **Mrs. Srinidhi Sridharan** of M/s. Srinidhi Sridharan & Associates, our Secretarial Auditor and Scrutineer for the purpose of remote e-voting, have also joined this meeting through video conference.

The AGM notice and the annual report for the financial year ended 2023-2024 have already been circulated to all shareholders, and with your permission I wish to take this notice as read.

The Register of Directors, Key Management Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested, and other documents mentioned in the notice, are available for inspection by members. Members who are seeking to inspect the documents may contact the Company Secretary in this regard.

The statutory auditors' report on the financial statements of the Company for the year ended 31st March 2024, does not have any qualifications, observations or other remarks on financial transactions or matters having any adverse effect on the Company's functioning. The secretarial auditor report for the year ended 31st March 2024, does not contain any qualifications, observations or other adverse remarks. Accordingly, the statutory auditors' report and the secretarial auditor's report are not required to be read at this meeting.

Ladies and Gentlemen, your Company completes its 75th anniversary this September. Over decades, it has evolved from a manufacturing entity to an investment Company, marking a significant transformation. Established in the year 1949 as TI Cycles of India Limited, in collaboration with Tube Investments of the UK, then the world's largest manufacturer of bicycles, the journey has been characterised by a series of acquisitions and mergers. These moves expanded the Company's footprint in diverse segments including bicycles, engineering and metal formed products. Following the merger of Tube Products of India Limited with the Company, it was renamed as Tube Investments of India in 1959.

After a successful foray in the manufacturing businesses, your Company ventured into financial services by acquiring a major stake in Cholamandalam Investment and Finance Company in 2001 and in the same year, established its insurance business, Cholamandalam MS General Insurance Company Limited. Financial year 2017 marked a structural shift for the Company which led to the demerger of manufacturing business and retention of the financial services businesses. This strategic move brought a sharper focus and helped realize maximum potential, thereby unlocking value for the stakeholders. As part of the demerger scheme, your Company was rechristened as TI Financial Holdings Limited and then in 2019 as Cholamandalam Financial Holdings Limited to better reflect its business activities.

This milestone is just not a testament to our endurance but also a reflection of values and commitment that have guided us since its inception. As we reflect on this journey, we honour the legacy of our founders and all individuals who have contributed to the Company's growth.

On this note, it gives me great pleasure to share with you the performance highlights of your Company and its group entities in the financial year ended 31st March 2024. The Company and its group entities delivered well in the financial year 2024. Your Company ended the year with a consolidated income of ₹28,087 Crore, a growth of 42% compared with the previous year and a consolidated profit before tax of ₹5,212 Crore, 37% growth over the previous year. Strong execution by our leadership teams across key businesses have helped to successfully scale up the Company's performance with improved profitability. I take this opportunity to acknowledge their efforts and commitment. Your Company has been consistent in sharing the benefits of such

improved performance with shareholders and I am glad to inform you that the Board of Directors have proposed a dividend of 55% for the financial year ended 31st March 24.

Now I will come to the 2 major entities. The Indian financial services industry has displayed remarkable resilience over the last decade. In a dynamic market scenario, both the NBFC and insurance sectors have undergone substantial transformation largely driven by enhanced financial inclusion, conducive policy environment and digital adoption. Your Company's NBFC subsidiary, Cholamandalam Investment and Finance Company Limited has delivered yet again a stellar performance in terms of disbursements, connections and profitability. CIFCL continually monitored risks and maintained a healthy ALM with its Total Assets under Management crossing Rs. 1.5 Lakh Crore in financial year 24. Leveraging the industry growth, the Company improved its market share across all product segments. To augment capital adequacy for its growing balance sheet and enhanced regulatory requirements, CIFCL completed a composite QIP issue of equity shares and Compulsory Convertible Debentures aggregating to Rs. 4,000 Crores during the year.

On the insurance front, the non-life insurance industry offers considerable scope for insurance penetration given the fact that insurance penetration in India is just about 1%. The insurance regulator has been steadfast in making the clarion call for insurance penetration and introducing reforms aimed at providing freedom to insurers in terms of products, shift to principle-based supervision, emphasis on policy holders' servicing protection etc. Thus, the Company's insurance subsidiary, Cholamandalam MS General Insurance has grown well in financial year 2024 by continuing to add to its business partners. It re-entered the crop space, it enhanced the retail customer base and diversifying its product mix. The Company has grown its top-line, contained its underwriting losses and also had higher investment income, thus enhancing returns to shareholders.

Cholamandalam MS Risk Services is a joint venture Company offering safety and environmental engineering solutions, it strengthened its order book by bagging new contracts aggregating to over a Rs. 100 Crore and the Company extended its range of service offering by launching strategic and relevant projects in hydrogen safety and other sustainability services during the year.

Your Company stays committed to making a positive impact on society. Through its subsidiaries, we have initiated a series of CSR activities in the areas of health, education, sports, environmental sustainability and community development during the year. We continue to incorporate environmental, social and governance principles in all our operations. Our efforts towards community development and employee well-being reflect our commitment in creating sustainable long-term value for all stakeholders.

Looking ahead as the global economy recovers steadily, we look forward to an optimal environment to continue in the current year supported by strong Government fundamentals and private demand. We remain committed to optimal use of our resources, to accomplish business specific priorities and to deliver unparalleled customer satisfaction.

The Board of the Company plays a vital role in shaping and embedding the right corporate culture to progress on our purpose. My colleagues on the Board have always been a great source of encouragement and support. I would like to thank them for their unstinted and consistent counsel and guidance. I also must appreciate our Auditors, M/s Sharp & Tannan Associates who complete their term as at the end of this meeting. Their oversight in upholding standards of governance was exemplary. I thank them immensely.

I take this opportunity to extend my gratitude to all our stakeholders - regulators, business partners, shareholders and valuable customers for their unwavering support and patronage. My appreciation and best wishes to all our employees for their dedication and valuable contribution in driving the Company to reach greater heights.

Ladies and Gentlemen,

We have just completed quarter 1 of the year 2024-2025 and I am pleased to share the quarter results. This was approved by the Board this afternoon. The Company's consolidated total income for the quarter was Rs. 7677 Crore as against Rs. 5715 Crore in the corresponding quarter of the previous year, registering a growth of 34%. The consolidated profits after tax were at Rs. 1160 Crore for the quarter ended June 30, 2024, as against Rs. 792 Crore in the corresponding quarter of the previous year, registering a growth of 46%. The standalone income for the quarter ended 30th June 2024 was at Rs. 2.58 Crore the same as in quarter 1 of the previous year. Profits after tax however for the quarter ended 30th June 2024 was at Rs. 1.39 Crore against Rs. 0.77 Crore in Q1 of the previous year.

Moving on to the results of the entities. Aggregate disbursements of Cholamandalam Investment and Finance Company for Q1 were at Rs. 24,332 Crore against Rs. 20,015 Crore same period last year registering a growth of 22%.

Assets under management as of 30th June, stood at Rs. 1,68,832 Crore compared with Rs 1,00,268, sorry Rs. 1,22,755 Crore recording a growth of 38%. The Profit Before Tax for Q1 of this financial year was at Rs.1,268 Crore, a growth of 31% over the same period Q1 of last year. CIFCL continues to hold a strong liquidity position with Rs. 14,324 Crore as cash balance at the end of June 2024, and a total liquidity of Rs. 14,767 Crore. The ALM is comfortable with no negative cumulative mismatches across all time buckets as per the Regulatory norms. The Capital Adequacy Ratio (CAR) of the company as of 30th June 2024, was at 18.03% as against the regulatory minimum of 15%.

Chola MS General Insurance registered a Gross Written Premium (GWP) of Rs. 1,957 Crore in the quarter ended 30 June 2024 as against Rs. 1,731 Crores in the corresponding quarter of the previous year, registering a growth of 13%. Profits After Tax for the quarter ended 30 June, were at Rs. 211 Crores against Rs.81 Crores in the first quarter of the previous year.

Chola MS Risk Services achieved a total income of Rs. 16 Crore for the quarter as against Rs. 15 Crore in the corresponding period last year, profits after tax were at Rs. 0.12 Crores as against Rs 0.25 Crores in Q1 of the previous year, and this ladies and gentleman, would have given you a little snapshot of the companies performance for the first quarter this year.

We will now take up the resolutions set forth in the AGM Notice. We have 8 Resolutions before this Annual General Meeting.

The 1st is adoption of the Audited Financial Statements and the Reports of the Board of Directors and the Independent Auditors.

Item No. 2. The adoption of the Audited Consolidated Financial Statements, and the Independent Auditors' Report.

Item 3 is the approval of the final dividend.

Item 4 Concerns my re-appointment as a director retiring by rotation.

Item 5 is for the appointment of M/s. R.G.N. Price, Chartered Accountants as the statutory auditors of the company for a period of three years commencing from the conclusion of this AGM till the conclusion of the 78th AGM.

Item 6 Concerns the re-appointment of Mrs. Vasudha Sundararaman as an Independent Director of the Company for a second term of 3 years, commencing 12th February 2025 till 11th February 2028.

Item 7 is the re-appointment of Mr. K Balasubramanian as an Independent Director for a second term of 3 years, commencing from 17th March 2025 to 16th March 2028. And finally

Item 8 is the approval of remuneration by way of commission payable to Non-Executive Directors for a period of five financial years commencing from 1st April, 2024.

A brief statement on the voting. The Company has engaged the National Securities Depository Ltd, to provide the facility of electronic voting to all its members to cast their vote on all businesses contained in the AGM Notice. Voting right is available to members and beneficial owners who hold shares in the Company, as on the cut-off date which is August 02, 2024. The remote electronic voting window was kept open from Monday, August 05, till Thursday, 08 August 2024 and thereafter this was disabled by the NSDL. Members who have not cast their vote through remote voting may cast their vote through the e-voting facility provided this meeting session. The e-voting window will be activated allowing the members to cast their vote. Members are requested to refer to the AGM Notice for instructions on e-voting during the meeting. Mrs. Srinidhi Sridharan of M/s. Srinidhi Sridharan & Associates, Practicing Company Secretary has been appointed by the Board of Directors as the scrutineer for conducting the electronic voting process in a transparent manner.

The annual report for the year ended 31st March, 2024 has been with all of you for some time now. The Company has provided an opportunity to shareholders to post their queries and also to register themselves as speakers if they wished to speak at the meeting. 3 members have registered to speak at the meeting. Moderator Sir, may I request you to facilitate the registered speakers to speak or raise clarifications regarding the accounts and operations of the Company during the year 2023-2024.

Members my request to you is to keep your questions and comments brief and specific, and not to repeat the questions already raised. May I also request the members to confine their questions to the Company's operations and the annual accounts and make only such remarks which are pertinent to the Company's performance and refrain from making any personal remarks. In case your queries pertain to subsidiary's, I request the members to mention the document they are referring so that we can address your queries better and comprehensively.

In the interest of time and with a view to give adequate opportunity to all, I request members to be judicious with their time and take about 3 minutes to express your views and put forth your questions. After all your questions are tabulated, I will be pleased to answer them to the extent possible and not prejudicial to the interest of the Company, I will also request some of my colleagues to answer any questions of, that may require their response.

Moderator Sir, can you facilitate and activate speaker shareholders one after another in order of their registration.

Moderator: Sure Sir, thank you so much Sir. The first person in the list of our registered speaker shareholders is Mr J Abhishek, but unfortunately due to some reasons he couldn't be a part of this meeting. He hasn't joined as yet. Hence, proceeding ahead, we have with us, Mr. Mukesh V Ajmera you have already been unmuted, it would be nice if we also can have your video turned on and we are ready for questions, sir.

Mr. Mukesh V Ajmera: Am I audible?

Mr. M.M Murugappan: Yes, thank you. Please go ahead.

Mr. Mukesh V Ajmera: Ok. Vanakkam to all, once again after quite some time. Murugu, how are you doing? It's been long time we haven't met. I wish we can meet again along with Vellayan and Rangarajan as well. Though this is a privilege to talk once again, but unfortunately, I have to talk the same thing, my dear Mothers Death silver jubilee is falling next year, and my problems remain the same. I'll talk about it a little later, but before that I would like to congratulate the Company, on its platinum jubilee as well as excellent performance under your leadership, Murugu. Now regarding one more suggestion, I would like to give there is a new opportunity business for insurance companies. Often these companies seem to be part of it directly and indirectly and that is there are more than 5 crore global traveller out of India annually on an average and unfortunately compare to most parts of the world. Most of the countries, there is no trip cancellation insurance or comprehensive travel insurance available. There could be any number of reasons why people cannot travel, do they have to book in advance several weeks or months also, whether group tours, individual tours, business tours, or whatever it is, and it is very tragic many people are losing lakhs of rupees due to this, and this is a new business opportunity any all insurance companies in India need to look at including IRDA. So, I would who ever is the, you know, first comer will have added advantage, which Cholamandalam can look into. And now regarding my mother's issue, you know where things are, let me tell you one thing very clearly that I have, and we have complied with statutory requirements until 2017. Since then new notification of SEBI keeps coming, so that is very difficult to you know, comply with on an ongoing basis just like a will is valid even if a person's death forever, likewise, all the compliances we have done are valid until the point they are required and they are wanted which we have already done it, but the same response is given by the Company. Though we wrote this to SEBI they have not even looked into the problem, they have just blindly sent the courier service of my message to them to you and your message to me through them, other than that that they have not addressed the issue at all. The reason of writing to SEBI was so that the Company, would also look into along with SEBI what all things have been already submitted, so does not matter and this leads to a larger problem, Murugu, you know that a mind-boggling 6,00,00,00,00,000 Crore rupees of public money, public wealth is lying with the Government of India in their coffers which is indeed a shame for a country, which is so progressed in the last 75 years and this can be like my shares and dividends despite the fact that I am a claimant, but only unclaimed is supposed to go to IEPF, despite being a claimant it has already gone to IEPF, I don't understand how is that possible and also when India can send rocket to the moon. It is Rocket Science that people cannot identify the legitimate owners, and have been lifetime shareholders of the Company and besides the fact that we have also had association With Murugappa group for the last 60 years, I am not even taking into account something else. So once again request you an annual request for the last several years to please meet with me personally, understand it re-look at it once again and try to resolve my problem. Human beings are capable of resolving any kind of problem why this cannot be resolved and there are many companies across India who are doing this on a

proactive basis for that the top management has to intervene. They have to personally take interest only then rather than you know going through the (standard rigma role). So, I once again..... you please resolve my problem, if I am gone, the money is going to go as unclaimed money, it is adding to the kitty of six lakh rupees.

Moderator: Mukesh sir, I am really sorry to interrupt. It has been.

Mr. Mukesh V Ajmera: Yeah, yeah, I am also sorry. So, please, I concluded it. I would like to wish you all very good health and happiness and I am looking forward to connecting with me personally, all of you know me, I know you also, I request you please do meet with me at your conveniences, I know you people are very busy but please do have this consideration. Thank you very much.

Mr. M.M Murugappan: Thank you.

Moderator: Thank you so much, Mr. Mukesh Ajmera. Thank you. Proceeding ahead our next registered speaker shareholder on the list. Is Mr. P Gopal but he hasn't joined us today for some reasons hence this brings us to the end of all the questions from all the registered speaker shareholders and over to the dais to answer the same. Thank you so much, sir. Thank you.

Mr. M.M Murugappan: Alright. Thank you, moderator sir and I will now come to the question that was put by Mr. Mukesh Ajmera. First of all, thank you very much for your good wishes to the Company, and its various entities. As I mentioned to you, the people in CIFCL, Chola MS General Insurance as also Chola Risk and that CFHL all of them were extremely hard and they very committed and passionate, and these results is a reflection of the hard work, and I will pass on your very good wishes. Thank you also for suggestions relative to insurance for global traveller. This will certainly be looked into, and I will pass it on to the team at Chola MS General Insurance. Now coming to your query, you did mention an operative date of 2017 and as that 2017 your certain documents were submitted, and these were not found complete, and therefore, the company had sought clarifications and either clarifications or rectifications of documents and this was communicated to you in November 2017 and the Company is still awaiting any documents that you may have to send, so therefore, in compliance with the statutory requirements, the shares were transferred to the IEPF in December 2017. Also, let me say that since we have not received any complete documents, we have also and the shares have gone to IEPF, the Company through his email of August 2023 has advised you on the procedures to be followed. The process was also explained to you in person by our Company Secretary in light of the SEBI circular when you visited the Company last year. We request you to kindly contact our Company and the Company Secretary along with the necessary documents and as per the regulatory requirements for us to enable us to do the needful, these are shares in your late mother's name add as long as we are satisfied, and also we comply with all the rules and regulations we will facilitate this for you, but first, we need to be satisfied as per the rules and regulations, thank you for bringing it up.

Moving on, the members who have not cast their vote through the remote e-voting facility may now cast their vote. The e-voting system will continue to be active until 15 minutes from the closure of this meeting. Mrs. Srinidhi Sridharan, Scrutiniser will submit a report to the Company after consolidating the remote e-voting and voting during this AGM session. I request Mrs. Srinidhi Sridharan for an orderly conduct of this e-voting. Voting results will be announced on or before August 11, 2024. The voting results declared along with the Scrutineer's Report shall be submitted to the stock exchanges and also placed on the Company's website.

Ladies and Gentlemen there is no other business to be transacted, I declare this meeting closed. I thank you all for your co-operation in ensuring a smooth conduct of the meeting, to NSDL thank you very much for moderating this meeting and all other service providers thank you for this smooth conduct.

Ladies and Gentlemen Thank you all once again, God bless. Goodbye.
