Chola
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December 3, 2016

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

The Secretary
BSE Ltd.
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001

Dear Sir,

Sub: Submission of notice of postal ballot and form pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Kindly refer to our letter dated 27 October, 2016 intimating the decision of the Board to seek the approval of the shareholders of the Company through a Postal Ballot for the purposes mentioned therein.

In this regard, we enclose the postal ballot notice, ballot form and a business reply envelope dispatched to the shareholders today.

The e-voting period commences on Monday, 5 December, 2016 (9:00 a.m. IST) and ends on Tuesday, 3 January, 2017 (5:00 p.m. IST). 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 25 November, 2016. The date of declaration of the postal ballot results is scheduled on Thursday, 5 January, 2017 which will be deemed to be the date of approval of the shareholders.

Kindly take the above information 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.
Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India.
Tel : 91.44.30007172 / Fax : 91.44.25346464
Website : www.cholamandalam.com
CIN – L65993TN1978PLC007576

murugappa

Cholamandalam Investment and Finance Company Limited
Regd. office: "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai – 600 001
CIN: L65993TN1978PLC007576
Tel: 044-30007172; Fax: 044-25346464;
Website: www.cholamandalam.com

POSTAL BALLOT FORM

Serial No:

1. Name(s) of the member(s) (including joint-holders, if any) :

2. Registered address of the Sole / First named member :

3. Registered Folio No./ DP ID-Client ID No. :

4. Number of Shares held :

I/We hereby exercise my/our vote in respect of the following special resolutions to be passed through Postal Ballot for the businesses stated in the Postal ballot notice of the company dated 27 October, 2016 by conveying my/our assent/dissent to the said resolutions by placing the tick (√) mark at the appropriate boxes below:

SN.	Description	Number of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Approval for alteration of the Object Clause in the Memorandum of Association of the company.			
2.	Approval for alteration of existing Articles of Association (AOA) by adoption of a new set of AOA of the company			
3.	Approval of Cholamandalam Investment and Finance Company Limited Employee Stock Option Plan 2016 (ESOP Plan) and grant of stock options to employees of the company under the ESOP Plan			
4.	Approval to grant stock options to the employees of the company's subsidiaries under the ESOP Plan			

Place:
Date:
#E-mail ID: _____
#To be provided by members holding equity shares in physical form.
Please send the postal ballot form in the Envelope enclosed herewith.

_____
(Signature of the Member)

Note: Please read the instructions given overleaf and in the notes to the postal ballot notice dated 27 October, 2016 carefully before exercising your vote.

ELECTRONIC VOTING PARTICULARS		
EVEN (E-Voting Event Number)	**User ID**	**Password (PIN)**

VOTING INSTRUCTIONS

Kindly note that members can opt for only one mode of voting i.e. either physical ballot form or e-voting. If you opt to vote by physical ballot form, then please do not cast your vote by e-voting and vice versa. In case, member(s) cast their vote via both the modes i.e. physical ballot form as well as e-voting, then voting done through e-voting shall prevail and physical ballot form of that member shall be treated as invalid.

(A) Process and manner for members opting for physical ballot:

1. A member desiring to exercise vote by physical ballot may complete this postal ballot form and send it to the Scrutiniser in the enclosed self addressed pre-paid Business Reply envelope. Postage will be borne and paid by the company. However, envelopes containing postal ballots form(s), if deposited in person or sent by courier/registered post at the expense of the member will also be accepted.

2. The self addressed envelope bears the address of the Scrutiniser appointed by the company.

3. The postal ballot form should be completed and signed by the member as per the specimen signature registered with the company. In case of joint holding, this form should be completed and signed by the first named member and in his/her absence, by the next named member. Unsigned / incorrect postal ballot form will be rejected. The Scrutiniser's decision on the validity of a postal ballot will be final and binding.

4. In case of companies, trusts etc., the duly completed postal ballot form should be accompanied by a certified true copy of the Board resolution/Authority to the person voting on the postal ballot form.

5. There will be only one postal ballot form for every folio irrespective of the number of joint holder(s). A member is not entitled to appoint a proxy to vote in his / her behalf by postal ballot.

6. **Duly completed postal ballot form(s) should reach the Scrutiniser not later than the close of working hours (5 p.m.) on Tuesday, 3 January, 2017. Postal Ballot form(s) received after this date will be strictly treated as if the reply from such member has not been received.**

7. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member as on 25 November, 2016.

8. In case Power of Attorney holders sign the postal ballot form, reference of Power of Attorney registration by the company should be mentioned in the postal ballot form.

9. Members are requested not to send any other paper along with the postal ballot form in the enclosed self-addressed Business Reply envelope. Any extraneous paper found in such envelope will be destroyed by the Scrutiniser and the company will not be able to act on the same.

The company is pleased to offer e-voting facility, for all the members, to enable them to cast their votes electronically instead of physical postal ballot form.

(B) Process and manner for members opting for e-voting:

Members opting for e-voting may follow the procedure as recommended by M/s.Karvy Computershare Private Limited, the e-voting agency appointed by us, as stated in the postal ballot notice.

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Cholamandalam Investment and Finance Company Limited

Registered office: "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai – 600 001
Tel: 044-30007172; Fax: 044-25346464
CIN: L65993TN1978PLC007576
Email: investors@chola.murugappa.com; Website: www.cholamandalam.com

NOTICE OF POSTAL BALLOT

(Pursuant to section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014

To

The members of Cholamandalam Investment and Finance Company Limited

NOTICE is hereby given pursuant to section 110 of the Companies Act, 2013, ("Act") read with rule 22 of the Companies (Management and Administration) Rules, 2014, that the enclosed resolutions are proposed to be passed by way of postal ballot for the following purposes:

Item 1 – As a special resolution

For seeking the approval of the members of the company under section 13 of the Act, for alteration of the objects to be pursued by the company – Clause III(A) of the Memorandum of Association of the company.

Item 2 – As a special resolution

For seeking the approval of the members of the company under section 14 of the Act, for alteration of existing Articles of Association by adoption of a new set of Articles of Association of the company.

Item 3 – As a special resolution

For seeking the approval of the members of the company under section 62(1)(b) of the Act, for an Employee Stock Option Plan 2016 and grant of stock options to employees of the company under the Plan ("ESOP Plan").

Item 4 – As a special resolution

For seeking the approval of the members of the company under section 62(1)(b) of the Act, for grant of stock options to the employees of the company's subsidiaries under the ESOP Plan.

The draft resolutions and the explanatory statement setting out all the material facts and reasons for the proposals appended hereto are being sent to you along with the postal ballot form for casting your votes. Members may please note that the voting on the resolutions as contained in this notice may be made through postal ballot.

The board of directors have appointed Mr.R. Sridharan failing him Mr.G. Subramaniam of M/s.R. Sridharan & Associates, Practising Company Secretaries, Chennai, as scrutiniser for conducting the postal ballot voting process in a fair and transparent manner.

For members opting for e-voting:

The company is pleased to provide e-voting facility as an alternate, to all its members, to enable them to cast their votes electronically, instead of physical postal ballot form on all resolutions set forth in the postal ballot notice. The company has engaged the services of M/s. Karvy Computershare Private Limited (Karvy) to provide the e-voting facility.

You are requested to read the instructions printed on the postal ballot form carefully and return the form duly completed and signed in the attached self-addressed, business reply envelope, so as to reach the scrutiniser on or before the close of working hours of Tuesday, 3 January, 2017. Please note that any postal ballot form(s) received after the closing hours of the said date will be treated as not having been received. No other form or photocopy thereof is permitted. The scrutiniser will submit his report to the chairman of the company after completion of the scrutiny of the postal ballots. The results of the postal ballot will be announced by the chairman or any other director of the company at 1 p.m. on Thursday, 5 January, 2017 at the registered office of the company at "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai – 600 001. The results of the postal ballot will also be displayed at the registered office of the company and posted on the company's website, *www.cholamandalam.com* and on the Karvy's website, *www.evoting.karvy.com* within 2 days of passing of the resolutions besides communication to the stock exchanges where the company's shares are listed.

The date of declaration of the results will be treated as the date of passing of the above resolutions. All the item nos.1 to 4 being special resolutions will be declared as passed if votes cast in favour of each resolution are not less than three times the number of votes, if any, cast against the resolution by members so entitled and voting.

In compliance with provisions of section 108 of the Act read with rule 22 of Companies (Management and Administration) Rules, 2014 and regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, members may cast their votes either through postal ballot form or through electronic form (e-voting). Those members opting for e-voting may follow the procedure, as recommended by Karvy as stated in this notice.

By Order of the Board

Chennai
27 October, 2016

P Sujatha
Company Secretary

RESOLUTIONS FOR POSTAL BALLOT

(Pursuant to section 110 of the Companies Act, 2013)

1. To consider and if deemed fit, to pass the following as a **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to section 13 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, (including any statutory modifications or re-enactment thereof, for the time being in force) ("Act"), and subject to all other applicable laws and regulations including but not limited to all necessary statutory or regulatory approvals, permissions, consents and sanctions which may be agreed to by the board of directors of the company, consent of the members of the company be and is hereby accorded to alter the following sub-clause (g) of clause 13 of III (A) in the Memorandum of Association of the company:

13(g). To commence and carry on all activities connected with General Insurance and Life Insurance business, to solicit and procure insurance business as a broker and/or composite and/or stand alone corporate agent and to undertake such other activities ancillary/incidental thereto and to provide advisory services in the field of insurance including risk assessment and advisory, loss assessors assessment and related services, risk rating connected with underwriting, coordinate with insurance companies whether local or foreign on coverages to represent in all or any respect, to provide or arrange insurance coverage and/or re-insurance coverage within or outside the country and to provide general consultancy services like scrutinising existing insurance coverages, pruning superfluous risk coverages, exploring eligible discounts etc. and to also promote/incorporate suitable body corporates to carry on any or all the above activities, to enter into any tie-up of financial, technical or other nature with any concern whether in the country or outside provided that the above activities to be carried on subject to all laws and regulations as are in force from time to time.

2. To consider and if deemed fit, to pass the following as a **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) ("Act"), the approval of the members of the company be and is hereby accorded to the alteration of the existing Articles of Association of the company by adoption of a new set of Articles of Association in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the company.

RESOLVED FURTHER THAT the board be and is hereby authorised to take such steps and do all such acts, deeds and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and take such actions and give such directions as they may consider as necessary or desirable to give effect to this resolution including but not limited to incorporation of amendment/suggestion/observations made by the Registrar of Companies, Chennai, Tamil Nadu.

3. To consider and if deemed fit, to pass the following as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as "SEBI SBEB Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including any statutory modification(s) or re-enactment of the Act or the Regulations, and all other applicable statutes, rules, regulations and guidelines and subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of director of the company (hereinafter referred to as "the board" which term shall be deemed to include any committee including

the nomination and remuneration committee which the board may, at its discretion authorise to exercise certain or all of its powers, including the powers, conferred by this resolution), the consent of the members be and is hereby accorded to the introduction and implementation of "Cholamandalam Investment and Finance Company Limited Employee Stock Option Plan 2016" (hereinafter referred to as the "ESOP 2016") to create, and grant from time to time, in one or more tranches, not exceeding 31,25,102 (Thirty one lakh twenty five thousand one hundred and two) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the company including managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company), as may be decided by the board, exercisable into not more than 31,25,102 (Thirty one lakh twenty five thousand one hundred and two) equity shares of face value of ₹10/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division(s) of the company or other similar events, the board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the options granted earlier including issue of any additional equity shares are to be issued by the company to the option grantees and the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the company are split, then the number of equity shares to be allotted and the exercise price payable by the option grantees under the ESOP 2016 shall automatically stand augmented in the same proportion as the present face value of ₹10/- per equity share bears to the revised face value of the equity shares of the company after such split, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the board be and is hereby authorised to take requisite steps for listing of the equity shares allotted under the ESOP 2016 on the stock exchanges where the equity shares of the company are listed.

RESOLVED FURTHER THAT the board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2016 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the company, SEBI SBEB Regulations and any other applicable laws in force.

4. To consider and if deemed fit, to pass the following as a **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to the provisions of section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as "SEBI SBEB Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including any statutory modification(s) or re-enactment of the Act or the Regulations, and all other applicable statutes, rules, regulations and guidelines and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the company (hereinafter referred to as "the board" which term shall be deemed to include any committee including the nomination and remuneration committee which the board may, at its discretion authorise to exercise certain or all of its powers, including the powers, conferred by this resolution), the consent of the members of the company be and is hereby accorded to the board of directors of the company to create and grant from time to time, in one of more tranches such number of Employee Stock Options under Employee Stock Option Plan 2016' (hereinafter referred to as the "ESOP 2016") within the limit prescribed therein to or for the benefit of such person(s) who are in permanent employment of any existing or in future subsidiary of the company, including to its managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company) of any existing or future subsidiaries of the company in India as may be decided under ESOP 2016, exercisable into corresponding number of equity shares of face value of ₹10/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division(s) of the company or other similar events, the board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the options granted earlier including issue of any additional equity shares are to be issued by the company to the option grantees and the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the company are split then the number of equity shares to be allotted and the exercise price payable by the option grantees under the ESOP 2016 shall automatically stand augmented in the same proportion as the present face value of ₹ 10/- per equity share bears to the revised face value of the equity shares of the company after such split, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2016 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the company, SEBI SBEB Regulations and any other applicable laws in force.

By Order of the Board

Chennai
27 October 2016

P Sujatha
Company Secretary

ANNEXURE TO NOTICE

Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ["Act"]

Item No. 1 - Alteration of the Object Clause in the Memorandum of Association of the company:

The company proposes to act as a "Composite Corporate Agent" under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 (IRDA Regulations) for solicitation and procurement of insurance business of General Insurance and Life Insurance products. The objective is to secure the assets financed by the company and also to provide value added services to its customers.

Accordingly, the board of directors had considered the proposal for acting as "Composite Corporate Agent" under IRDA Regulations subject to necessary approvals from regulatory authorities and members for amendments to the objects clause of the company to carry on insurance corporate agency business. Accordingly, the company proposes to alter the objects clause in the Memorandum of Association of the company (MOA) to permit the company to carry on insurance corporate agency business.

The changes to the existing objects clause proposed are as set out in resolution no.1. The alteration of the object clause in the MOA requires the approval of the members by means of a special resolution pursuant to the provisions of section 13 of the Act. Further, in terms of the provisions of section 110 of the Act read with rule 22 of the Companies (Management and Administration) Rules 2014, the approval of the members shall be taken through postal ballot in case of alteration of the objects in the MOA of the company. Hence the approval of the members is being sought through postal ballot.

The board of directors at its meeting held on 29 July, 2016 has accorded its approval for alteration of MOA. Your directors recommend the same for approval of the members to be passed as a special resolution.

None of the directors, key managerial personnel of the company and their relatives is concerned or interested in the resolution.

You are requested to communicate your assent or dissent for the aforesaid resolution, in accordance with the instructions set out herein.

Item No.2 - Alteration of Articles of Association of the company:

The Ministry of Corporate Affairs has as on date notified substantive sections of the Act which deals with the general functioning of companies.

The existing Articles of Association ("AOA") of the company are as per the requirements of the Companies Act, 1956 and accordingly contain references to the sections of the Companies Act, 1956. Considering that substantive sections of the Companies Act, 2013 which deal with the general functioning of the companies stand notified, it is proposed to replace the existing AOA with a new set of articles aligned with the provisions of the Act, including the rules framed there under. Also some of the articles which have become redundant over time in view of lapse of certain agreement with investors etc. also have been deleted.

As per the provisions of section 14 of the Act, alteration of the AOA of the company needs to be approved by the members of the company. Further, in terms of the provisions of section 110 of the Act, read with rule 22 of Companies (Management

and Administration) Rules 2014, the approval of the members may be taken through postal ballot instead of transacting such business at a general meeting.

The board of directors at its meeting held on 29 July, 2016 has accorded its approval for adoption of a new set of regulations as AOA in substitution, and to the entire exclusion, of the set of regulations contained in the existing AOA. The board of directors recommends the special resolution for approval of the members through postal ballot.

The new AOA is available on the company's website at *www.cholamandalam.com* for perusal by the members.

None of the directors, key managerial personnel of the company and their relatives is concerned or interested, in the resolution

You are requested to communicate your assent or dissent for the aforesaid proposal, in accordance with the instructions set out herein.

Item Nos.3&4 - Approval of Cholamandalam Investment and Finance Company Limited Employee Stock Option Plan 2016 and grant of stock options to employees of the company and its subsidiaries under the Plan ("ESOP 2016"):

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organisational objectives. Your company believes in rewarding its employees of the company including whole-time / managing directors and its subsidiaries for their continuous hard work, dedication and support, which has led the company on the growth path. The company intends to implement Employee Stock Option plan with a view to attract and retain key talent working with the company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

With this objective in mind, your company intends to introduce and implement a new Employee Stock Option Plan 2016 viz., "Cholamandalam Investment and Finance Company Limited Employees Stock Option Plan 2016" ("ESOP 2016") for the permanent employees of the company and its subsidiaries including its managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company)

The company had in the past, with the shareholders approval, implemented an ESOP Scheme 2007 under which eligible employees were granted ESOPs. The company made grants under the said ESOP Scheme 2007 till October 2011. Number of options outstanding as on date under the ESOP Scheme 2007 is 100,358. It is not proposed to make any further grants under the said scheme.

The company seeks the approval of the members in respect of ESOP 2016 and grant of stock options to the eligible employees of the company and its subsidiaries as decided in this behalf from time to time in due compliance of the regulation 6 of the Securities and Exchange board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

The main features of the ESOP 2016 are as under:

a) Brief description of the plan:
The company proposes to introduce the ESOP 2016 primarily with a view to attract, retain, incentivise and motivate the existing employees of the company and its subsidiaries and, employees joining the company and its subsidiaries that would lead to higher corporate growth. The ESOP 2016 contemplates grant of options to the eligible employees (including whole-time / managing directors), as may be determined in due compliance of SEBI SBEB Regulations and provisions of the ESOP 2016. After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercised period and obtain equity shares of the company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The nomination and remuneration committee ("committee") of the company shall administer ESOP 2016. All questions of interpretation of ESOP 2016 shall be determined by the committee and such determination shall be final and binding upon all persons having an interest in ESOP 2016.

b) Total number of options to be granted:
The total number of options to be granted under ESOP 2016 shall not exceed 31,25,102 (Thirty one lakhs twenty five thousand one hundred and two). Each option when exercised would be converted into one equity share of ₹10/- each fully paid-up.

Further, the SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under ESOP 2016 remain the same after any such corporate action. Accordingly, if any additional options are issued by the company to the option grantees for making such fair and reasonable adjustment, the ceiling of 31,25,102 (Thirty one lakhs twenty five thousand one hundred and two) shall be deemed to be increased to the extent of such additional options issued.

c) Identification of classes of employees entitled to participate in ESOP 2016:
All the permanent employees (including managing director and whole time director) working in India or out of India of the company and subsidiary companies whether existing or future shall be eligible to participate in the plan. However the following persons shall not be eligible to participate in ESOP 2016:

1. an employee who is a promoter or belongs to the promoter group as per SEBI SBEB Regulations;
2. a director who either by himself or through his relatives or through any-body corporate, directly or indirectly holds more than 10% of the issued and subscribed equity shares of the company; and
3. an independent director within the meaning of the Companies Act, 2013 and regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as prescribed by Securities Exchange Board of India (SEBI), as applicable.

d) Requirements of vesting and period of vesting:
All the options granted under ESOP 2016 shall vest not earlier than **1 (one) year** and not later than a maximum of **4 (four) years** from the date of grant of options as may be determined by the committee. Options shall vest essentially based on continuation of employment and apart from that the vesting will be subject to Individual performance and corporate performance parameters as the committee may specify additionally.

e) Maximum period within which the options shall be vested:
All the options granted on any date shall vest not later than a maximum of **4 (four) years** from the date of grant of options as may be determined by the committee.

f) Exercise price or pricing formula:
The exercise price shall be equal to market price of the shares on the date of grant or any other price as decided by the nomination and remuneration committee.

g) Exercise period and the process of Exercise:
The exercise period would commence from the date of vesting and will expire on completion **5 (five) years** from the date of respective vesting or such other shorter period as may be decided by the committee from time to time.

The vested option shall be exercisable by the employees by a written application to the company expressing their desire to exercise such options in such manner and on such format as may be prescribed by the committee from time to time. The options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under ESOP 2016:
The appraisal process for determining the eligibility shall be decided from time to time by the committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

i) Maximum number of options to be issued per employee and in aggregate:
The number of options that may be granted to any specific employee of the company and its subsidiaries under the ESOP 2016, in any financial year and in aggregate under the ESOP 2016 shall not exceed 15,62,551 options.

j) Maximum quantum of benefits to be provided per employee under the ESOP 2016:
The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options.

k) Route of ESOP 2016 implementation:
The ESOP 2016 shall be implemented and administered directly by the company. In case company wishes otherwise, it may be intimated to the members in due course as per applicable laws.

l) Source of acquisition of shares under the ESOP 2016:
The ESOP 2016 contemplates fresh/new issue of shares by the company.

m) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilisation, repayment terms, etc.:
This is currently not contemplated under the present ESOP 2016.

n) Maximum percentage of secondary acquisition:
This is not relevant under the ESOP 2016.

o) Accounting and Disclosure Policies:
The company shall follow the guidance note on accounting for employee share-based payments and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

p) Method of option valuation:
The company shall adopt 'fair value method' for valuation options as prescribed under guidance note or under any relevant Accounting Standard notified by appropriate authorities from time to time.

q) Declaration:
In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share ("EPS") of the company shall also be disclosed in the Boards' report.

The board of directors at its meeting held on 27 October 2016 has accorded its approval for the said ESOP 2016. The board of directors recommends the special resolution for approval of the members through postal ballot.

None of the directors and key managerial personnel of the company including their relatives is interested or concerned in the resolutions, except to the extent of their entitlements, if any, under the ESOP 2016.

You are requested to communicate your assent or dissent for the aforesaid proposal, in accordance with the instructions set out herein.

Note: The new AOA and other documents referred to in item nos. 1 to 4 will be open for inspection by members at the registered office of the company on all working days between 11:00 a.m. and 1:00 p.m., till 3 January, 2017.

By Order of the Board

Chennai
27 October, 2016

P Sujatha
Company Secretary

Voting through electronic means – Instructions

Pursuant to the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 and the listing regulations as amended from time to time, the company is pleased to offer e-voting facility to members to exercise their votes electronically on all resolutions set forth in the postal ballot.

The company has engaged the services of M/s. Karvy Computershare Private Limited (Karvy) to provide remote e-voting facility to enable members to provide their votes in a secure manner.

The board of directors of the company has appointed Mr.R. Sridharan failing him Mr.G. Subramaniam of M/s.R. Sridharan & Associates, Practising Company Secretaries, Chennai, as scrutiniser for conducting the remote e-voting process in a fair and transparent manner. In terms of the requirements of the Act and the rules made there under, the company has fixed 25 November, 2016 as the cut-off date. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

The e-voting facility begins on **Monday, 5 December, 2016 (9:00 a.m. IST) and ends on Tuesday, 3 January, 2017 (5:00 p.m. IST).** During this period, the members of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 25 November, 2016, are entitled to avail the facility to cast their vote electronically. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, he / she shall not be allowed to change it subsequently.

The instructions for members voting electronically are as under:

A. For members receiving an e-mail from Karvy, e-voting service provider [for members whose e-mail addresses are registered with the company / DP(s)]:

(i) Open your web browser during the voting period and navigate to ***https://evoting.karvy.com***
(ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be **E-Voting Event Number-2878** (EVEN) followed by folio number. In case of demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
(iii) After entering these details appropriately, click on "LOGIN".
(iv) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A - Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(v) You need to login again with the new credentials.
(vi) On successful login, the system will prompt you to select the E-voting event.
(vii) Select the EVENT of Cholamandalam Investment and Finance Company Limited and click on "SUBMIT".
(viii) Now you are ready for e-voting as "Cast Vote" page opens.
(ix) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
(x) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
(xi) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
(xii) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
(xiii) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution(s).
(xiv) Corporate / institutional members (i.e. other than Individuals, HUF, NRI etc.,) are also required to upload in the e-voting portal, the scanned certified true copy (PDF Format) of the board resolution / authority letter etc., together with attested specimen signature(s) of the duly authorised representative(s) or alternatively to e-mail, to the scrutiniser at e-mail, *rsaevoting@gmail.com* with a copy marked to *evoting@karvy.com*. The scanned image of the above mentioned documents should be in the naming format "Chola – Postal Ballot".

B. Members holding shares in dematerialised form whose e-mail IDs are not registered with the company / DPs [for members holding shares in physical form as well as those members who have received physical copy of the postal ballot notice]:

(i) E-Voting Event Number-2878 (EVEN), User ID and Password is provided in the Postal Ballot Form.
(ii) Please follow all steps from sl. no.(i) to sl. no.(xiv) above to cast your vote by electronic means.

Other instructions:

(i) In case of any queries, you may refer Help & FAQ section of *https://evoting.karvy.com* or call Karvy on 040-67162222 & Toll-free No. 1800 3454 001
(ii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
(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 of 25 November, 2016.
(iv) The scrutiniser shall within a period of two 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 consolidated scrutiniser's report of the votes cast in favour or against, if any forwith to the director of the company or person authorised by him in writing who shall countersign the same.
(v) The results shall be declared at the registered office of the company. The results declared along with the scrutiniser's report shall be placed on the company's website, *www.cholamandalam.com* and on the website of Karvy, *https://evoting.karvy.com* after the result is declared by the director / authorised person and simultaneously communicated to BSE Limited and National Stock Exchange of India Limited. The date of declaration of the results will be treated as the date of passing of the said resolution.