**Cholamandalam Investment and Finance Company Ltd.**
Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600 001, India
Tel: 91.44.30007172 Fax: 91.44.25346464
Website: www.cholamandalam.com
CIN - L65993TN1978PLC007576

July 28, 2014

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

Dear Sirs,

Kindly refer to our letter dated 26th July, 2014 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 herewith six sets of postal ballot notice dated 26th July 2014, postal ballot form and a business reply envelope dispatched to the shareholders today.

The e-voting period commences on Tuesday, the 29th July, 2014 and ends on Wednesday, the 27th August, 2014. 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 18th July, 2014. The date of declaration of the postal ballot results is scheduled on 28th August, 2014 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

murugappa

# 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
L65993TN1978PLC007576
Website: www.cholafinance.com; Email: investors@chola.murugappa.com

## NOTICE OF POSTAL BALLOT

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

To

The Members of Cholamandalam Investment and Finance Company Limited

**NOTICE** is hereby given pursuant to section 110 of the Companies Act, 2013, 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 an ordinary resolution**

For seeking the approval of the shareholders of the Company under section 61 of the Companies Act, 2013 to increase the authorised share capital of the Company from Rs.540 crores to Rs.740 crores.

**Item 2 - As a special resolution**

For seeking the approval of the shareholders of the Company under section 13 of the Companies Act, 2013 for amending the capital clause V of the memorandum of association of the Company to reflect the increase in the authorised share capital.

**Item 3 - As a special resolution**

For seeking the approval of the shareholders of the Company under section 14 of the Companies Act, 2013 for amending article 5(a) of the articles of association of the Company to reflect the increase in the authorised share capital.

**Item 4 - As a special resolution**

For seeking the approval of the shareholders of the Company under sections 62(1)(c) of the Companies Act, 2013 to offer, issue and allot 1% compulsorily convertible preference shares, as permitted by SEBI (ICDR) Regulations (all of which are hereinafter collectively referred to as "CCPS") aggregating to about Rs.500 crores (Rupees five hundred crores only), in one or more tranches, on a preferential basis in terms of Chapter VII of the SEBI (ICDR) Regulations.

In accordance with section 110 of the Companies Act, 2013 read with rules made there under, the consent of the members is sought by way of postal ballot for the aforesaid purposes. 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 of M/s. R. Sridharan & Associates, Company Secretaries, as Scrutiniser for conducting the postal ballot voting process in a fair and transparent manner.

**For members opting for e-voting**: In compliance with clause 35B of the listing agreement and the applicable provisions of the Companies Act, 2013 read with the rules made thereunder, 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 Central Depository Services Limited (CDSL) to provide the e-voting facility. E-voting is optional. Please carefully read and follow the instructions on e-voting printed in this notice. E-voting facility will be open till the close of working hours (18:00 hrs) on Wednesday, the 27 August, 2014.

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 (18:00 hrs) on Wednesday, the 27 August, 2014. 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 on Thursday, the 28 August, 2014 at 3.00 p.m. 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 and posted on the Company's website - **www.cholafinance.com** and on the website of CDSL 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. The item no.1 being an ordinary resolution will be declared passed if the votes cast in favour is more in number than the votes cast against the resolution by simple

majority and the remaining item nos. 2 to 4 being special resolutions, will be declared as passed if votes cast in favour of the resolution is three times more in number than the votes cast against the resolutions.

**In compliance with provisions of section 108 of the Act read with rule 20 of Companies (Management and Administration) Rules, 2014 and Clause 35B of the listing agreement, 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 CDSL, the e-voting agency appointed by us, as stated in this notice.**

By Order of the Board
For **Cholamandalam Investment and Finance Company Limited**

Chennai
26 July, 2014

**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 with or without modification, the following as an Ordinary Resolution:**

**RESOLVED THAT** pursuant to section 61 and all other applicable provisions of the Companies Act, 2013 and rules made there under and such other approvals as may be required, the Authorised Share Capital of the Company be and is hereby increased from Rs.540,00,00,000/- (Rupees five hundred and forty crores only) to Rs.740,00,00,000 (Rupees seven hundred and forty crores only) divided into 24,00,00,000 (twenty four crores) equity shares of Rs.10/- (Rupees ten only) each and 5,00,00,000 (five crores) redeemable preference shares of Rs.100/- (Rupees one hundred only) each.

**2. To consider and if deemed fit, to pass with or without modification, the following as a Special Resolution:**

**RESOLVED THAT** pursuant to section 13 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following:

The Authorised Share Capital of the Company is Rs.740,00,00,000/- (Rupees seven hundred and forty crores only) divided into 24,00,00,000 (twenty four crores) equity shares of Rs.10/- (Rupees ten only) each and 500,00,000 (five crores) redeemable preference shares of Rs.100/- (Rupees one hundred only) each. The Company shall have power to increase the said capital and to issue any part of its capital, original or increased, with or without any preferential rights, privileges, conditions or advantages over or as compared with any shares previously issued or to be thereafter issued, whether in respect of dividend or repayment of capital or both and whether with any special rights of voting or without any right of voting and generally on such terms as the Company may from time to time determine, nevertheless that in the event of the capital of the Company (including the original capital) being or becoming divided into shares of different classes, the rights or privileges attached to any class, may be affected, altered, modified or dealt with only in accordance with the provisions in that behalf contained in the Articles of Association of the Company for the time being subject to the provisions of the Companies Act, 2013.

The Company shall have power from time to time to increase or reduce its capital. The shares forming part of the capital (original, increased or reduced) of the Company may be sub-divided, consolidated or divided into such classes, with any preferential, deferred, qualified, special or other rights, privileges or conditions attached thereto and be held upon such terms as may be determined by the Articles of Association and Regulations of the Company for the time being or otherwise.

**3. To consider and if deemed fit, to pass with or without modification, the following as a Special Resolution:**

**RESOLVED THAT** pursuant to section 14 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder, the existing Article 5(a) of the Articles of Association of the Company be and is hereby substituted with the following:

The Authorised Share Capital of the Company is Rs.740,00,00,000/- (Rupees seven hundred and forty crores only) divided into 24,00,00,000 (twenty four crores) equity shares of Rs.10/- (Rupees ten only) each and 500,00,000 (five crores) redeemable preference shares of Rs.100/- (Rupees one hundred only) each. The Company shall have powers to increase, consolidate, subdivide, reduce or otherwise alter its share capital subject to the provisions of the Companies Act, 2013.

Further, the preference shares issued by the Company may be convertible or non-convertible, cumulative or non-cumulative, participating or non-participating as may be decided by the Board of Directors of the Company from time to time for each issue.

**4. To consider and if deemed fit, to pass with or without modification, the following as a Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of section 62(1)(c) 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 "**Act**"), the relevant provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("**SEBI (ICDR) Regulations**") and the provisions of the Securities and Exchange Board of India Act, 1992, including the rules, regulations and the guidelines notified thereunder and the circulars issued thereunder, the provisions of the Foreign Exchange Management Act, 1999 (the "**FEMA**"), and any other rules, regulations notified under FEMA and circulars issued under FEMA and subject to all necessary statutory or regulatory approvals, consents, permissions and / or sanctions as may be deemed necessary including without limitation approvals from the Government of India, Foreign Investment Promotion Board (FIPB), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and all other applicable laws, issued from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include any committee thereof), consent, authority and approval of the members of the Company be and is hereby accorded to create, offer, issue and allot 5,00,00,000 Compulsorily Convertible Preference Shares ("**CCPS**") of Rs.100/- each at par aggregating to Rs.500 crores, in one or more tranches, to the following investors, by way of private placement for a tenor not exceeding 12 months which will carry a preferential dividend of 1% per annum, payable till the date of conversion into equity shares and the CCPS held by the preference share holders will get converted into equity shares of Rs.10/- each for cash at a premium and at such price as may be determined by the Board in accordance with the SEBI (ICDR) Regulations and such issue and allotment of equity shares resultant on conversion of the preference shares may be made at such time or times as determined by the Board in such manner as the Board may in its absolute discretion think fit at the time of conversion.

| Name of the investor | No. of CCPS | % of issue size |
|---|---|---|
| Dynasty Acquisition (FDI) Ltd | 5,00,00,000 | 100% |

**RESOLVED FURTHER THAT** the equity shares to be issued on conversion of the CCPS to be issued, shall rank *pari-passu* in all respects including entitlement to dividend with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the number of equity shares to be issued on conversion of CCPS and the price per equity share to be issued on conversion of CCPS shall be appropriately adjusted, subject to the provisions of Companies Act, 2013 and SEBI (ICDR) Regulations, for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.

**RESOLVED FURTHER THAT** the Relevant Date for the determination of the applicable price for the issue of the equity shares to be issued on conversion of CCPS, shall be as determined in accordance with SEBI (ICDR) Regulations.

**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 and to obtain any approvals, permissions, sanctions, consents from SEBI, Stock Exchanges, FIPB, RBI and such other authorities which may be necessary or desirable and to settle all questions, difficulties or doubts that may arise in relation to the issue of CCPS on preferential basis to give effect to this resolution.

**RESOLVED FURTHER THAT**

a. the Board be and is hereby authorised to decide and approve the other terms and conditions of the issue subject to agreement with the proposed allottees and also shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notification, rules and regulations;

b. the Board be and is hereby authorised to accept any amendments, modifications, variations and alterations as the Government of India / RBI / SEBI or any other regulatory authority may stipulate in that behalf and

c. the Board be and is hereby authorised to delegate all or any of its powers to a committee of directors or executives (as it may consider appropriate) to give effect to the aforesaid resolutions including to execute any documents on behalf of the Company before any governmental authority (ies) and to appoint any professional advisers / consultants / lawyers in that regard.

By Order of the Board
For **Cholamandalam Investment and Finance Company Limited**

Chennai
26 July, 2014

**P Sujatha**
Company Secretary

# ANNEXURE TO NOTICE

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

**Item Nos. 1 to 4:**

The Board of Directors at their meeting held on 26 July 2014 considered a capital raising proposal for the Company to meet the projected growth in loan disbursements and to augment the capital adequacy ratio (CAR) of the Company.

Accordingly, the Board considered an issue of Compulsorily Convertible Preference Shares as permitted by SEBI (ICDR) Regulations (all of which are hereinafter collectively referred to as "**CCPS**") of an aggregate amount not exceeding Rs.500 crores (Rupees five hundred crores only) to investors as a preferential issue in terms of Chapter VII of the SEBI (ICDR) Regulations.

The CCPS will bear a dividend of 1% per annum payable from the date of allotment of CCPS till the date of conversion into equity shares. The CCPS shall be converted into equity shares at the end of 12 months from the date of allotment or earlier at the discretion of the Board.

The number of equity shares to be issued upon conversion will be determined by dividing the total issue size being Rs.500 crores by the issue price as determined in accordance with the SEBI (ICDR) Regulations.

The CCPS may or may not be listed security while the underlying equity shares arising out of conversion of CCPS would be listed on the stock exchanges where the equity shares of the Company are listed as on the date of conversion. The offer / issue / allotment / conversion / redemption would be subject to the availability of regulatory approvals, if any. The conversion of CCPS held by foreign investors into equity shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the listing agreement.

Pursuant to the provisions of section 62(1)(c) of the Companies Act, 2013, approval of the members is required for the proposed allotment of CCPS on a preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 2013 read with Rules made thereunder including SEBI (ICDR) Regulations and in terms of the provisions of the Listing Agreement to issue and allot CCPS on preferential basis as stated in the resolution. The proposed preferential issue is subject to the approval of the members of the Company to the Board, without the need of any further approval from the members, to undertake the preferential issue, in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations.

Further, considering the proposed issue of CCPS, as the existing authorised preference share capital of the Company at present is Rs.300 crores, it is proposed to increase the authorised preference share capital of the Company from Rs.300 crores to Rs.500 crores with the total authorized capital of the Company being increased from Rs.540 crores to Rs.740 crores comprising Rs.240 crores of equity share capital and Rs.500 crores of redeemable preference share capital. Further, the increased authorised share capital will have to be reflected in the Memorandum and Articles of Association of the Company.

The proposed issue of CCPS by way of preferential allotment is in accordance with the provisions of SEBI (ICDR) Regulations and other applicable regulations. In terms of the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid SEBI (ICDR) Regulations, the relevant disclosures / details are given below:

***Object of the preferential issue:***

The objective of the Offer is to meet the growth requirements and augment capital adequacy ratio (CAR) of the Company.

***Pricing of Preferential Issue:***

The price of equity shares to be issued on conversion of CCPS is fixed at Rs.407 per equity share of Rs.10/- each in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations.

***Basis on which the price has been arrived at along with report of the registered valuer:***

Price per equity share to be issued on conversion of CCPS has been reckoned in accordance with Chapter VII of the SEBI (ICDR) Regulations.

The Company is listed on both BSE Limited and National Stock Exchange of India Limited. For the purpose of computation of the price per equity share to be issued on conversion of CCPS, the stock exchange which has higher trading volume for the said period has been considered.

In terms of SEBI (ICDR) Regulations, 2009, the price per equity share to be issued on conversion of CCPS is determined as follows:

a. Average of the weekly high and low of the closing prices of the equity shares of the Company quoted on the stock exchange, during the twenty six weeks preceding the Relevant Date or

b. Average of the weekly high and low of the closing prices of the equity shares of the Company quoted on the stock exchange, during the two weeks preceding the Relevant Date.

Accordingly, the price per equity shares to be issued upon conversion of CCPS is fixed at Rs.407 which is higher of the prices as computed under (a) and (b) above.

Since the equity shares of the Company have been listed on the recognized stock exchanges for a period of more than 26 weeks prior to the Relevant Date, the Company is not required to re-compute the price per equity share to be issued on conversion of

CCPS and therefore, the Company is not required to submit the undertakings specified under Regulations 73 (1)(f) and (g) of the SEBI (ICDR) Regulations.

***Relevant Date:***

The Relevant Date as per the SEBI (ICDR) Regulations for the determination of the price per equity share to be issued on conversion of CCPS pursuant to the aforesaid preferential allotment is fixed as 28 July, 2014. As 29 July, 2014 (i.e. 30 days prior to the date of declaration of result of postal ballot which is 28 August, 2014, to approve the proposed preferential issue, in terms of section 62(1)(c) of the Act) falls on a Holiday, the day preceding the Holiday is reckoned to be the Relevant Date.

***Intention of promoters / directors / key managerial personnel to subscribe to the offer:***

None of the promoters, directors or key managerial personnel intend to subscribe to the proposed issue.

***Identity of Proposed allottees, % of post preferential issue capital that may be held by them and change in control, if any, consequent to the preferential issue:***

| Name of proposed allottee | Category | Pre-Issue Holding (%) | No. of equity shares to be allotted after conversion of CCPS | The price per equity share to be issued on conversion of CCPS (in Rs.) | Post Issue Holding (%) |
|---|---|---|---|---|---|
| Dynasty Acquisition (FDI) Ltd # | Foreign Corporate | Nil | 1,22,85,012 | 407 | 7.8895% |

# Dynasty Acquisition (FDI) Ltd., is a special purpose vehicle incorporated in Mauritius. The Board members of Dynasty Acquisition (FDI) Ltd are Andrew William Guille, Sahjahan Ally Nauthoo and Rooksana Shahabally.

100% of the beneficial interest in Dynasty Acquisition (FDI) Ltd. is collectively owned by the following private equity funds: Apax VIII-A L.P., Apax VIII-B L.P., Apax VIII-1 L.P. and Apax VIII-2 L.P (collectively, "Apax VIII funds").

The main investors in the Apax VIII Funds (called limited partner investors) include public and private pension funds, fund of funds, financial institutions, endowments and other institutional investors. No limited partner investor has a direct or indirect interest of 10% or greater in any Apax VIII Fund, in the aggregate. The general partners of the Apax VIII Funds are advised by Apax Partners, a leading global private equity firm. Further information on Apax Partners can be obtained at http:**//www.apax.com**.

***Justification for the allotment proposed to be made for consideration other than cash together with the valuation report of the registered valuer:***

There will be no securities issued for consideration other than cash.

***Pre-issue & Post-issue Shareholding Pattern of the Company*:***

| Sl. No. | Shareholder category | Pre-issue | | Post-issue (post conversion of CCPS) ** | |
|---|---|---|---|---|---|
| | | No. of equity shares held | % or share holding | No. of equity shares held | % of share holding |
| **A.** | **Promoters' holding:** | | | | |
| 1 | Indian | 2836026 | 1.98 | 2836026 | 1.82 |
| | Individual | 79591875 | 55.49 | 79591875 | 51.11 |
| | Bodies Corporate | 379167 | 0.26 | 379167 | 0.24 |
| | **Sub-total** | **82807068** | **57.73** | **82807068** | **53.18** |
| 2 | Foreign Promoters | - | - | - | - |
| | **Sub-total (A)** | **82807068** | **57.73** | **82807068** | **53.18** |
| **B.** | **Non-Promoters' holding:** | | | | |
| 1. | Institutional Investors *** | 44973410 | 31.36 | 57258422 | 36.77 |
| 2. | Non-Institution: | | | | |
| | Private Corporate Bodies | 3562343 | 2.48 | 3562343 | 2.29 |
| | Directors and Relatives | 29154 | 0.02 | 29154 | 0.02 |
| | Indian Pubic | 8254030 | 5.75 | 8254030 | 5.30 |
| | Others (including NRIs) | 3801865 | 2.65 | 3801865 | 2.44 |
| | **Sub-total (B)** | **60620802** | **42.27** | **72905814** | **46.82** |
| | **Grand Total** | **143427870** | **100.00** | **155712882** | **100.00** |

* The aforesaid percentages are based on capital as on 18 July, 2014 without taking into consideration any potential dilutions by way of issuance of shares under the ESOP scheme.

** Assuming conversion of all CCPS proposed to be issued.

*** The proposed allottee has been clubbed under the Institutional Investors category.

***Proposed time within which the allotment shall be completed:***

As required under the SEBI (ICDR) Regulations, the Company shall complete the allotment of CCPS as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

***No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:***

During the year, apart from allotment of shares pursuant to exercise of employee stock options, no preferential allotment has been made to any person.

**Change in control, if any, in the Company that would occur consequent to the preferential offer:**

There shall be no change in management or control of the Company pursuant to the issue of the CCPS or the resultant conversion.

***Lock in period:***

The proposed allotment of the CCPS and the equity shares to be issued upon conversion of the CCPS, shall be subject to a lock-in as per the requirements of SEBI (ICDR) Regulations.

***Auditors certificate:***

It is proposed to obtain a certificate from M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company, certifying that the issue of equity shares is being made in accordance with requirements of SEBI (ICDR) Regulations. This certificate will be made available for inspection on any working day between 11.00 a.m. to 1.00 p.m. up to the last date of voting under Postal Ballot.

The Board of Directors of the Company believe that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors, therefore, recommends the resolutions through postal ballot for your approval.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolutions set forth in item nos. 1 to 4 of the notice, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

The existing Memorandum and Articles of Association of the Company will be open for inspection at the registered office of the Company during business hours on all working days between 11.00 a.m. and 1.00 p.m. up to 27 August, 2014.

By Order of the Board
For **Cholamandalam Investment and Finance Company Limited**

Chennai
26 July, 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 postal ballot notice. 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 18 July, 2014.

The instructions for e-voting are as under:

(i) The voting period commences on Tuesday, the 29 July, 2014 (9:00 a.m. Indian Standard Time) and ends on Wednesday, the 27 August, 2014 (6:00 p.m. Indian Standard Time). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18 July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Log on to the e-voting website **www.evotingindia.com** during the voting period.

(iii) Click on "Shareholders" tab to cast your votes.

(iv) If you are holding shares in demat form and had logged on to **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:

| | **For Members holding shares in Demat Form and Physical Form*** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>• 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 in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| 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. |

* 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) Note for Non-Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodians, if any, should be uploaded in PDF format in the system for the scrutinizer 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.co.in** under help section or write an email to helpdesk.evoting@cdslindia.com.

**Other instructions:**

i. The e-voting period commences on Tuesday, the 29 July, 2014 (9:00 a.m. Indian Standard Time) and ends on Wednesday, the 27 August, 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 18 July, 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 18 July, 2014.

iv. The scrutiniser shall after 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.

v. The results shall be declared on Thursday, the 28 August, 2014 at 3.00 p.m. at the registered office of the Company at "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001. The results declared along with the scrutiniser's report shall be placed on the Company's website **www.cholafinance.com** and on the website of CDSL within two (2) days of passing of the resolutions and 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.

vi. Voting will be provided to the members through e-voting / postal ballot. A member can opt for only one mode of voting i.e. either through e-voting or through postal ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting through postal ballot mode shall be treated as invalid.

**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.cholafinance.com; Email: investors@chola.murugappa.com

# POSTAL BALLOT FORM

Serial No.:

1. Name(s) of members(s) and Registered address of the Sole/first named member (including Joint-holders, if any):

2. Registered folio No./DP ID No. & Client ID No. :

3. Number of equity shares held :

4. I/We hereby exercise my/our vote in respect of the resolutions to be passed through postal ballot for the business stated in the postal ballot notice dated 26 July, 2014, by conveying my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

| Sl. No | Description | No. of shares | I/We **assent** to the Resolution **(FOR)** | I/We **dissent** to the Resolution **(AGAINST)** |
|---|---|---|---|---|
| 1. | For granting approval under section 61 and all other applicable provisions of the Companies Act, 2013 for increasing the authorised share capital of the Company from Rs.540 crores to Rs.740 crores. | | | |
| 2. | For granting approval under section 13 and all other applicable provisions of the Companies Act, 2013 for amending the capital clause V in the Memorandum of Association of the Company. | | | |
| 3. | For granting approval under section 14 and all other applicable provisions of the Companies Act, 2013 for amending Article 5(a) of the Articles of Association of the Company. | | | |
| 4. | For granting approval under section 62(1)(c) of the Companies Act, 2013 for further issue of 1% compulsorily convertible preference shares of Rs.100 each aggregating to Rs.500 crores on a preferential basis in terms of Chapter VII of the SEBI ICDR Regulations. | | | |

Place :_____

Date :_____

_____

**Signature of the Member**

# Email Id:_____

# To be provided by the Members holding equity shares in physical form

Please send the postal ballot form in the Envelope enclosed herewith

| **E-Voting Sequence No.*** |
|---|
| |

* Kindly use this sequence number for e-voting in PAN Field

**Note:** Please read the instructions given overleaf and in the notes to the postal ballot notice dated 26 July 2014 carefully before exercising your vote.

# 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 Scrutinizer 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 Scrutinizer 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 postal ballot form will be rejected. A member is not entitled to appoint a proxy to vote in his/ her behalf by postal ballot.

4. In case of Companies, Trusts, Societies, 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). Postal Ballot cannot be exercised by a proxy.

6. **Duly completed Postal Ballot form(s) should reach the Scrutinizer not later than the close of working hours (18:00 hrs) on Wednesday, the 27 August, 2014. 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 members as on **18 July, 2014**.

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 Scrutinizer and the Company will not be able to act on the same.

10. Incomplete, unsigned or incorrect postal ballot forms will be rejected. The Scrutinizer's decision on the validity of a postal ballot will be final and binding.

11. The result of the Postal Ballot shall be declared on **Thursday, the 28 August, 2014. The said declaration of results of the** Postal Ballot shall be the date on which the said resolution would be deemed to have been passed. If approved by the requisite majority as mandated under the relevant provisions of the Companies Act, 2013 and Rules made there under.

**The Company is pleased to offer e-voting facility as an alternate, for all the members, to enable them to cast their votes electronically instead of physical postal ballot form. E-voting is optional.**

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

**Members opting for e-voting may follow the procedure as recommended by CDSL, the e-voting agency appointed by us, as stated in the postal ballot notice.**

****

Postage will be paid by the Addressee

# BUSINESS REPLY ENVELOPE

Permit No.: BRP/CNI GPO/18
Chennai GPO
Chennai - 600 001

No Postage Stamp necessary if posted in India

To

**Mr. R. SRIDHARAN**
**R. Sridharan & Associates**
**Scrutinizer**
**Cholamandalam Investment and Finance Company Limited**
'Dare House', No. 2, N.S.C. Bose Road, Parrys,
Chennai - 600 001