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## Cholamandalam gets Board's approval for raising Rs 500 crore

By: PTI

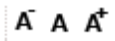
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**Chennai :** Chennai-based Cholamandalam Investment and Finance on Sunday said its Board of Directors has approved a proposal of raising Rs 500 crore through issue of compulsorily convertible preference shares (CCPS).

"The Board of Directors at their meeting held on July 26 considered and approved an issue of Rs five crore compulsorily convertible preference shares of Rs 100 each aggregating to Rs 500 crore on a preferential basis as permitted by SEBI," the company said in a statement.

This capital infusion will help the company meet the business growth and augment the Tier 1 capital adequacy ratio (CAR), it said.

The CCPS will bear a dividend coupon of one per cent per annum payable from the date of allotment of the shares till the date of conversion into equity shares.

The release further said the CCPS shall be converted into equity shares at the expiry of 12 months from the date of allotment or earlier at the discretion of the Board.

The entire issue will be subscribed by funds advised by the global private equity firm Apax Partners, the release said.

"We are glad to have the opportunity to work with Apax, a leading global PE firm, in this round of capital infusion," Cholamandalam Managing Director S Vellayan said.