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Headline: Cholamandalam Gets Board Nod to Raise Rs.500 crore

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MUMBAI Chennai-based Cholamandalam Investment and Finance said on Sunday that its board of directors has approved a proposal of raising ₹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 ₹5 crore compulsorily convertible preference shares of ₹100 each aggregating to ₹500 crore on a preferential basis as permitted by Sebi," the company said. This capital infusion will help it meet the business growth and augment the Tier-1 capital adequacy ratio (CAR), it said. The CCPS will bear a dividend coupon of 1% 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.