

Cholamandalam Investment and Finance Company Limited

Registered office: "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai – 600 001

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CIN: L65993TN1978PLC007576

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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 an ordinary resolution

For seeking the approval of the members of the company under section 61(1)(d) of the Act, for sub-division of existing each equity share of face value of Rs.10/- fully paid up into five equity shares of face value of Rs.2/- each fully paid up.

Item 2 – As an ordinary resolution

For seeking the approval of the members of the company under section 13 read with section 61 of the Act, for alteration of the existing capital clause - Clause V of the Memorandum of Association of the company by substituting the same with a new Clause V.

Item 3 – 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 – under Clause III(A)13(j), III (B)10 and III (B)11 of the Memorandum of Association of the company.

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 Karvy Fintech Private Limited (Karvy) to provide the 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 **(5:00 p.m. IST) on Monday, 3 June, 2019**. Please note that any postal ballot form(s) received after the closing hours of the said date will be treated as invalid i.e. 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 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 3.00 p.m. on Tuesday, 4 June, 2019 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 48 hours of passing of the resolutions besides communication to the stock exchanges where the company's shares are listed.

The resolutions if passed by requisite majority, shall be deemed to have been passed on 3 June, 2019, being the last date for receipt of duly completed postal ballot forms / e-voting.

Item nos.1&2 being ordinary resolutions will be declared as passed if votes cast in favour are more than the number of votes cast against each resolution.

The item no.3, being special resolution will be declared as passed if votes cast in favour of the 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 the 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 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 April, 2019

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 an **ORDINARY RESOLUTION**

RESOLVED THAT pursuant to the provisions of section 61(1)(d) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force], the provisions of the Memorandum and Articles of Association of the company and subject to such approvals and consents as may be required from appropriate authorities, the consent of the members of the company be and is hereby accorded for sub-division of each equity share of face value of Rs.10/- (Rupees Ten) fully paid up into five equity shares of face value Rs.2/- (Rupees Two) each fully paid up.

RESOLVED FURTHER THAT pursuant to the sub-division of equity shares of the company, all the authorised, issued, subscribed and paid up equity shares of face value Rs.10/- (Rupees Ten only) each of the company existing on the record date to be fixed by the company shall stand sub-divided into five equity shares of face value Rs.2/- (Rupees Two only) each fully paid up.

RESOLVED FURTHER THAT pursuant to the sub-division of the face value of equity shares as mentioned above, the share certificate(s) in relation to the existing issued equity shares of the face value of Rs.10/- each held in physical form shall be deemed to have been automatically cancelled with effect from the record date to be fixed by the board, and the board be and is hereby authorised, without requiring to surrender the existing issued share certificate(s) by the members, to issue new share certificates in lieu of the existing share certificate(s), with regard to the sub-divided shares, and in case of the equity shares held in the dematerialized form, the number of sub-divided equity shares be credited proportionately to the respective beneficiary accounts of the members with the depository participants, in lieu of the existing credits in their beneficiary accounts representing the equity shares of the company before sub-division.

RESOLVED FURTHER THAT the board be and is hereby authorised to take such steps as may be required to obtain approvals in relation to above and do such further acts, deeds or things as may be required to give effect to the sub-division of equity shares of the company.

RESOLVED FURTHER THAT any of the directors, the chief financial officer and the company secretary of the company be and are hereby severally authorized to: (a) execute and file necessary applications, declarations, and other documents with stock exchanges, depositories, registrar and transfer agents and/or any other statutory authority(ies), if any; (b) settle any question or difficulty that may arise with regard to the sub-division of the Shares as aforesaid or on any matters connected herewith or incidental hereto; and (c) do all such acts, deeds, things, including all other matters incidental thereto in order to implement the foregoing resolution.

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

RESOLVED THAT pursuant to the provisions of section 13, 61 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or any re-enactment thereof) existing Clause V of the Memorandum of Association of the company be and is hereby substituted with the following:

“V: The Authorised Share Capital of the Company is Rs.740,00,00,000/- (Rupees seven hundred and forty crores only) divided into 120,00,00,000 (One hundred and twenty crores) equity shares of Rs.2/- (Rupees two only) each and 5,00,00,000 (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."

RESOLVED FURTHER THAT any of the directors, the chief financial officer and the company secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

3. 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 as may be required, consent of the members of the company be and is hereby accorded to alter the following object clauses of the Memorandum of Association:

1. Clause III(A)13(j) be deleted;

2. Clause III(B)10 be substituted as follows;

"To borrow or raise money, in such manner as the Company may think fit, within the permissible limit and in particular by the issue of debentures, perpetual or otherwise including debentures convertible into shares, of this or any other company, or perpetual annuities, and on security of any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by special assignment or to transfer or convey the same absolutely or in trust and to give the lenders power of sale of the property except uncalled capital and other powers as may seem expedient, and to, purchase, redeem, or pay off any such securities."

3. Clause III(B)11 amended as follows:

"To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrants, debentures and other permitted negotiable transferable instruments except cheques."

RESOLVED FURTHER THAT any of the directors, the chief financial officer and the company secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

By Order of the Board

Chennai
27 April, 2019

P.Sujatha
Company Secretary

ANNEXURE TO NOTICE

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

Item Nos.1 & 2 - Sub-division of equity shares of the company and alteration of the capital clause in the Memorandum of Association (MoA) of the company:

The operations of the company has grown significantly during the last five years, generating considerable interest in the company's equity shares in the market. This coupled with the general positive economic environment, the market price of the company's shares have increased manifold over the last five years. In order to improve the liquidity in the company's equity shares and to make the shares more affordable for the investors, the board of directors ('board') at its meeting held on April 27, 2019, recommended the sub-division of each equity share having a face value of Rs.10/- fully paid up into five equity shares of the face value of Rs.2/- each, for members approval.

The board/committee shall determine the record date for sub-division of equity shares at a later date.

Sub-division of shares, requires amendments to the existing Clause V of the Memorandum of Association which provides for face value of shares to be Rs.10/- per share. Presently, the authorised share capital of the company is Rs.740,00,00,000 (Rupees seven hundred and forty crores only) consisting of 24,00,00,000 (Twenty four crores) equity shares of Rs.10/- (Rupees Ten) each and 5,00,00,000 (Five crores) redeemable preference shares of Rs.100/- (Rupees one hundred only) each which shall be altered as Rs.740,00,00,000 (Rupees seven hundred and forty crores only) consisting of 120,00,00,000 (One hundred and twenty crores) equity shares of Rs.2/- (Rupees Two) each and 5,00,00,000 (Five crores) redeemable preference shares of Rs.100/- (Rupees one hundred only) each in view of the aforesaid sub-division of shares.

The board recommends resolution nos. 1&2 of this Notice for approval of the members to be passed as ordinary resolutions.

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

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

Item No.3 - Alteration of the Object Clause in the MoA of the company:

The members may be aware that the company which was an erstwhile deposit taking company ceased accepting deposits since 1 November, 2006 and is currently categorised as a Non-Deposit Accepting, Non-banking Finance Company (ND-NBFC) under the RBI Regulations. Further, the existing objects clause of the company has enabling provisions to carry on banking activities. Hence, in order to appropriately reflect the current status of the company being a non-deposit taking non-banking company, the board recommends the alteration of such objects enabling acceptance of deposits and business of banking. In this regard, the board, at its meeting held on April 27, 2019 considered and recommended deletion of clause III(A)13(j) and amendment of clauses III(B)10 and III(B)11 of the MoA of the company.

The board recommends the resolution no.3 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.

Note: The amended MoA and other documents referred to in item nos.1 to 3 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 June, 2019.

By Order of the Board

Chennai
27 April, 2019

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 Karvy Fintech 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 of M/s. R. Sridharan & Associates, Practising Company Secretaries, Chennai, as scrutiniser for conducting the postal ballot voting process including 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 26 April, 2019 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 commences on Sunday, May 5, 2019 (09:00 a.m. IST) and ends on Monday, June 3, 2019 (05:00 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 26 April 2019, 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 - 4521 (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(s), 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-4521 (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 3454001
- (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 i.e., Friday 26 April, 2019.
- (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 and forward 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 resolutions if passed by requisite majority, shall be deemed to have been passed on 3 June, 2019, being the last date for receipt of duly completed postal ballot forms / e-voting.