

**Press Release**

**Chola issues unlisted NCDs in tenors 3-5 years for INR 1056.90 crore to ADB**

Cholamandalam Investment and Finance Company Limited (Chola), a leading financial services provider in India, today announced that it has issued unlisted Non Convertible Debentures (NCDs) in tenors of 3 to 5 years for INR 1056.90 crore (USD 150 Million) to Asian Development Bank (ADB) .

ADB provides medium and longer term financing to banks, NBFCs and FIs, with focus on promoting financial inclusion in lesser developed regions, especially for underserved and lower income customer segments towards support for creation of physical income-generating assets apart from encouraging greater gender equality and participation.

Chola – with its core strengths and solid track record, is focused on lending to the Small Road Transport Operators (SRTO) and SME borrowers, and has a pan India presence. The inroads made by Chola in Tier IV and Tier V towns in lesser penetrated regions augurs well to meet the objectives of financial inclusion of ADB to the underserved and lower income customer segments. Chola’s focus on funding productive assets rather than for consumptive purposes also fulfills the criteria of ADB in extending support for creation of physical income-generating assets. Also the strong risk management framework, corporate governance and quality of management of Chola, supported by the guidance from the Murugappa Group, has resulted in ADB choosing to work with Chola in furthering their goals of financial inclusion in India.

ADB’s assistance to Chola is composed of senior secured nonconvertible debentures of tenors from 3 to 5 years, to help finance its lending operations to SRTOs and SMEs. Half of this target under ADB’s financing will be from lagging states in India, resulting in improved economic growth prospects and employment opportunities in these areas. SRTOs engaged in logistics, distribution, and transport-related industries will be given priority and SMEs seeking loans for investment and working capital will also benefit from access to this term financing.

“Chola with its focus on funding commercial vehicles for the SRTO segment and to the SMEs is ideally suited to meet ADB’s objectives. We look forward for a lasting relationship with ADB in furthering our goals mutually” said Mr Arun Alagappan, Executive Director of Cholamandalam Investment and Finance Company Limited.

“ADB’s financing to Chola will help ensure that SRTOs and SMEs, which are crucial to the Indian economy, have access to the necessary long-term capital that they need to continue contributing to the country’s growth and development,” said ADB Principal Investment Specialist for Private Sector Operations Mr. Anshukant Taneja. “ADB’s financing, which has been provided in the backdrop of a slowdown in credit growth in the Indian banking system, has a countercyclical effect and is expected to boost investments and employment.”



## About Chola

Cholamandalam Investment and Finance Company Limited (Chola), incorporated in 1978 as the financial services arm of the Murugappa Group. Chola commenced business as an equipment financing company and has today emerged as a comprehensive financial services provider offering vehicle finance, home loans, home equity loans, SME loans, investment advisory services, stock broking and a variety of other financial services to customers.

Chola operates from 883 branches across India with assets under management above INR 46,000 Crores. The subsidiaries of Chola are Cholamandalam Securities Limited (CSEC), Cholamandalam Distribution Services Limited (CDSL) and White Data Systems India Private Limited (WDSI).

The mission of Chola is to enable customers enter a better life. Chola has a growing clientele of over 8 lakh happy customers across the nation. Ever since its inception and all through its growth, the company has kept a clear sight of its values. The basic tenet of these values is a strict adherence to ethics and a responsibility to all those who come within its corporate ambit - customers, shareholders, employees and society. For more details, please visit [www.cholamandalam.com](http://www.cholamandalam.com)

## About Murugappa Group

Founded in 1900, the INR 329 Billion (32,893 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd., TI Financial Holdings Ltd and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 35,000 employees.

For more details, visit [www.murugappa.com](http://www.murugappa.com)

For further information contact:

Rajesh Radhakrishnan Cholamandalam Investment & Finance Company Ltd Ph: +91 44 3000 7252	Vijay Shekhar Concept Public Relations M: +91 97890 52198
--	---