

# Chola plans to partner with banks, service providers

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**Chennai:** Having got an 'in-principle' approval from the Reserve Bank of India for setting up a payments bank, Cholamandalam Distribution Services is exploring partnership opportunities with banks and other service providers. "The partnership can be with a bank or another company with good customer network. We are also looking at players in the technology and payments side as digitisation of cash transactions will be an important aspect," Vellayan Subbiah, MD, Cholamandalam Investment and Finance Company said.

A wholly owned subsidiary of Cholamandalam Investment and Finance Company, it plans to begin operations with a paid up capital of ₹100 crore, as made mandatory by the RBI. It has an equity of ₹40 crore and balance would be put in by the holding company. "The new entity would offer services including deposits, debit cards, distribution of insurance, remittances and fund transfers. We are moving from the assets side to the liabilities side and will provide transaction based services focused on financial inclusion," he said. They plan to tap into the holding company network of 534 branches and 7.5 lakh customer base. About opening of new branches, he said, "the focus would be on improving the existing network, by ramping up presence there".