

Chola gets \$150-million funding from ADB through NCDs

FE BUREAU

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CHOLAMANDALAM INVESTMENT AND Finance Company (Chola), the financial services arm of the ₹32,893-crore Chennai-based Murugappa group, on Monday announced that it has issued unlisted non

convertible debentures (NCDs) for ₹1,059.90 crore (\$150 million) to Asian Development Bank (ADB). The NCDs will have tenures of 3 to 5 years.

ADB provides medium- and long-term financing to banks, NBFCs, FIs with focus on promoting financial inclusion in lesser developed regions, espe-

cially for underserved and lower income customer segments.

Arun Alagappan, executive director, Chola, said: "Chola with its focus on funding commercial vehicles for the SRTO (small road transport operators) segment and to the SMEs is ideally suited to meet ADB's objectives..."

Anshukant Taneja, principal investment specialist for private sector operations, ADB, said: "ADB's financing to Chola will help ensure that SRTOs and SMEs, which are crucial to the Indian economy...the financing has a countercyclical effect and is expected to boost investments and employment."