

PRESS RELEASE

Chola MS General Insurance Raises INR 100cr of Tier 2 Capital to fuel Growth in Fiscal 2017-18

Cholamandalam MS General Insurance Company Ltd announces successful private placement of INR 100cr

CHENNAI, MAY 31, 2017: Cholamandalam MS General Insurance Company Limited has announced the successful private placement of 1,000 Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable, Non-Convertible Debentures having face value of Rs 10,00,000 each (the NCDs), at par, aggregating to Rs 100 crores. The coupon rate is 8.75% per annum and a maturity period of 10 years with a call option after 5 years.

Mr. S S Gopalathnam, MD & CEO, Chola MS General Insurance said, "We have augmented our capital base by issuing subordinated debt, post the recent measures announced by the Insurance Regulatory and Development Authority of India (IRDAI), allowing alternative forms of capital. The funds raised through this issue would be used to fuel and facilitate business growth by further strengthening the Company's solvency. During Fiscal 2017-18, Chola MS is poised to grow its Gross Written Premium (GWP) to INR 4,500cr-a growth of 40% over the last fiscal.

The NCDs have been assigned a credit rating **AA+** (Outlook: Stable) by rating agencies CRISIL and ICRA.

The NCDs will be listed in National Stock Exchange of India Limited.

The issuance of these NCDs are in accordance with the provisions of inter alia the Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015, as amended from time to time, which were notified in November 2015 whereby Indian insurers were allowed to raise additional capital through subordinated debt or preference shares

About Chola MS General Insurance Company Limited

Chola MS General Insurance Company Limited is a Joint Venture between the Murugappa Group and Mitsui Sumitomo Insurance Company Limited, Japan.

Chola MS offers a wide range of insurance products that include Accident, Engineering, Health, Liability, Marine, Motor, Property, Travel and Rural insurance for individuals and corporates. In 2017, the company crossed a Gross Written Premium (GWP) of INR 31332 million. Chola MS GI currently has 110 branches and over 20,000 agents across the country.

Chola MS GI champions a brand philosophy called T3, which stands for Trust, Transparency and Technology. It has also been consistently recognised and awarded by the Government of India, international entities and ratings agencies for its insurance service and delivery innovations.

Visit www.cholainsurance.com for more information about the company and its products.

About Murugappa Group

Founded in 1900, the INR 300 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including eight 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., 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 32,000 employees.

For more details, visit www.murugappa.com

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