



EMPOWERING ASPIRATIONS ENABLING AMBITIONS

Cholamandalam Investment and Finance Company Limited
CORPORATE PRESENTATION - June 2024



1. Group overview



2. Corporate overview



3. Financial performance



4. Business segments' overview



5. Funding profile



6. Subsidiaries performance



7. Environmental Social Governance



8. Risk Management



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Murugappa Group Overview







Market Cap(Cr.)	60,673	2,21,741	1,46,786
Turnover (Cr.)	51,471	19,533	26,196
PAT(Cr.)	3,260	2,200	3,923

								
Market Cap(Cr.)	47,119	13,554	31,690	82,428	1,07,623	1,19,541	NA	27,245
Turnover (Cr.)	22,058	29,413	4,628	7,144	7761	19,140	6970	86
PAT(Cr.)	1,642	1,618	461	735	1004	3,420	441	62

Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings.
Financial Performance are of FY 23-24.
Market data as on 28th Jun 2024. Source: BSE

Corporate Overview





Integrity

We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

Passion

We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

Quality

We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

Respect

We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

Responsibility

We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that benefits our size and also reflects our humility.

"The fundamental principle of economic activity is that no man you transact with will lose, then you shall not."



40.7 lakh + customers

Helping customers enter a better life

3.5 lakh customers in year 2010 to 40.7 lakh plus customers till date



57,206 employees

Experienced team to serve more customers

980 plus employees in year 2010 to 57,000+ employees today



Rs. 1.7 lakh Cr. Total AUM

Healthy pre-tax ROA of 3.2%

PAT – 15-year CAGR of 48% from
FY10 to FY24



Rs. 1.2 lakh+ Cr. market cap

Rapid market cap growth

From Rs. 623 Cr. in year 2010 to Rs. 1.2 lakh+
Cr. in 2024



1438 branches

Strong geographical presence

Across 26 states & 7 Union Territories. 91%
presence across tier III—VI towns



Diversified product
portfolio

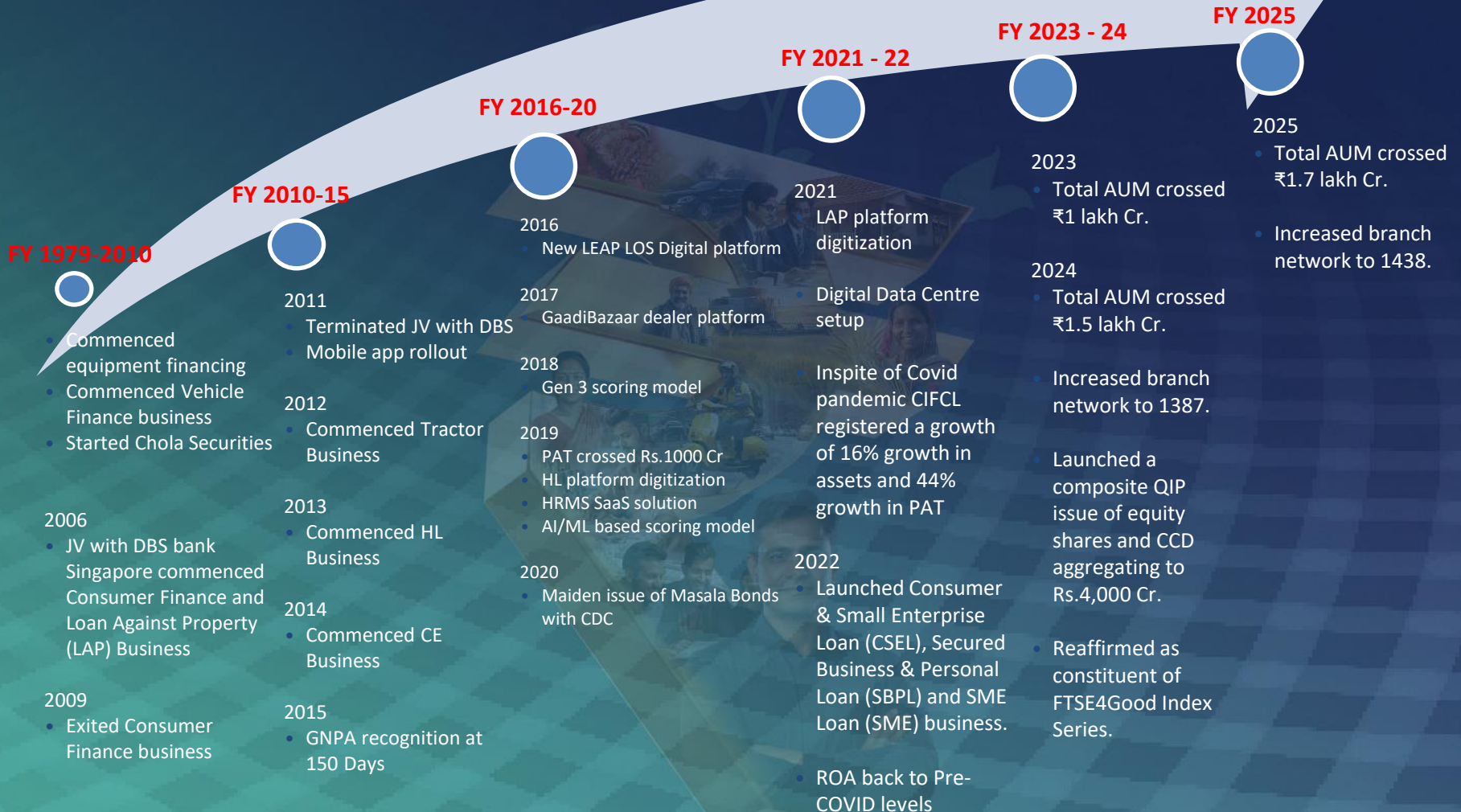
- Presence across Vehicle Finance loans, Loan Against Property, Home Loans, Consumer loans, Personal loans, SME Loans, Stock broking & distribution of financial products.



Experienced management

- Experienced management team with relevant industry experience
- Significant synergies with Murugappa group, deriving operational and financial benefits

Our journey so far



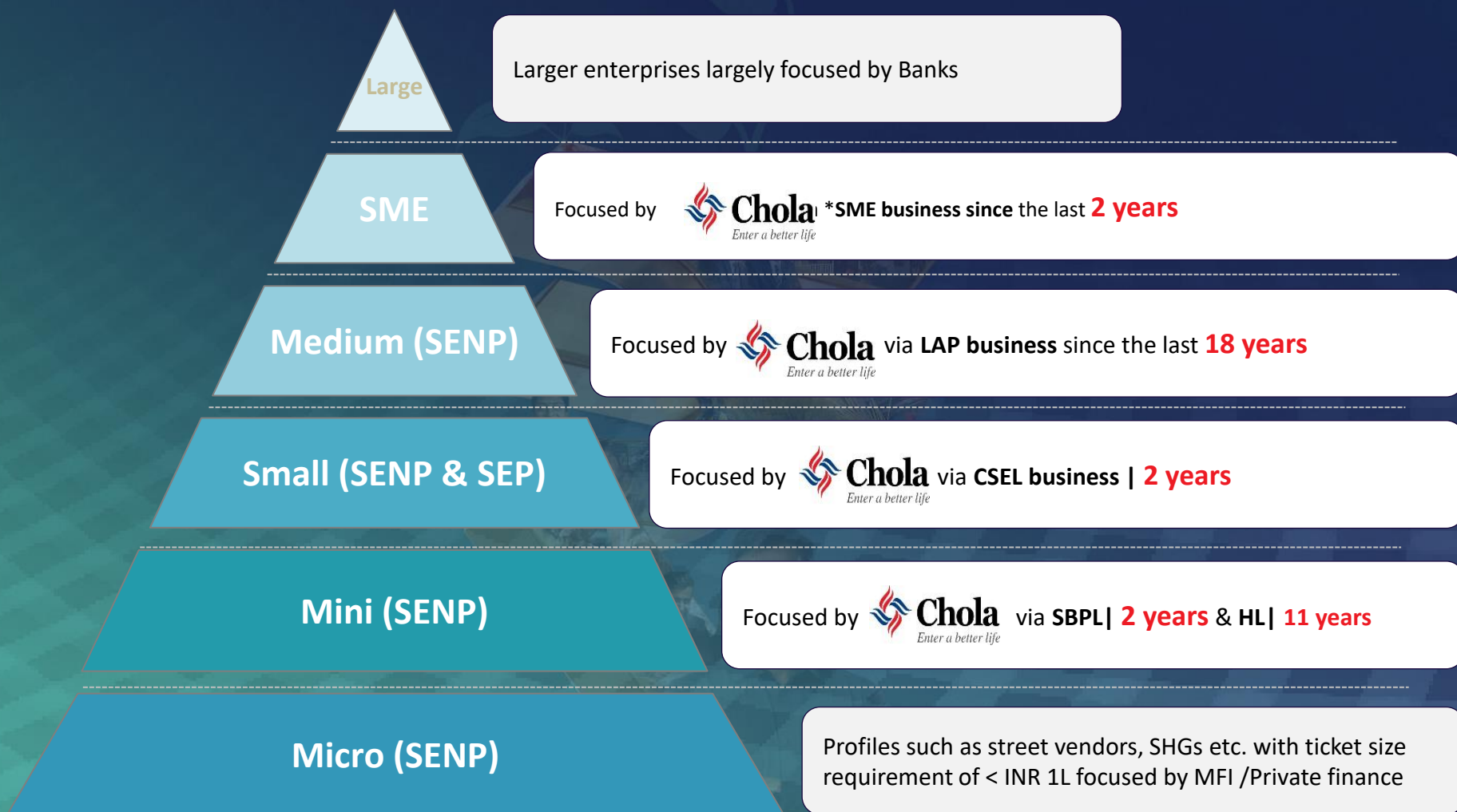
Particulars	Q1FY25 Vs Q1FY24
Disbursement	Disbursement at Rs.24,332 Cr, a growth of 22%.
Business AUM	Rs.1,55,442 Cr, a growth of 38%.
NIM	Improved to 7.6% as compared to 7.3%
PBT	Rs.1,268 Cr, a growth of 31%
PBT – ROTA	3.2% as compared to 3.3%
Return on Equity	18.9% as compared to 19.9%
Stage 3 (90DPD)	2.62% as compared to 3.06%
GNPA (RBI)	3.62% as against 4.30% and NNPA at 2.37% as against 2.82%
CAR	18.03%. Tier I at 14.76%

Particulars	Q1FY25 Vs Q1FY24
VEHICLE FINANCE Overview	<ul style="list-style-type: none"> Well-diversified product portfolio spread across 1388 branches PAN India Focused on financing of CV, PV, 2W, Tractor and Construction equipment in both new and used segments. Our focus continues to be on retail customers especially in smaller towns and rural areas
Disbursement	Disbursement of Rs.12,766 Cr, a growth of 13%.
PBT	PBT at Rs.620 Cr, a growth of 24%
LOAN AGAINST PROPERTY Overview	<ul style="list-style-type: none"> Focused on financing SME customers for their business needs against security of existing immovable property, operating out of 779 branches pan India. 78% of the book is financed against Self-Occupied residential property as collateral.
Disbursement	Disbursement of Rs.3,874 Cr, a growth of 45%.
PBT	PBT at Rs.292 Cr, a growth of 31%
HOME LOAN Overview	<ul style="list-style-type: none"> Focused on providing Home Loans under affordable segment with presence across 677 branches PAN India.
Disbursement	Disbursement of Rs.1,778 Cr, a growth of 22%.
PBT	PBT at Rs.163 Cr, a growth of 88%

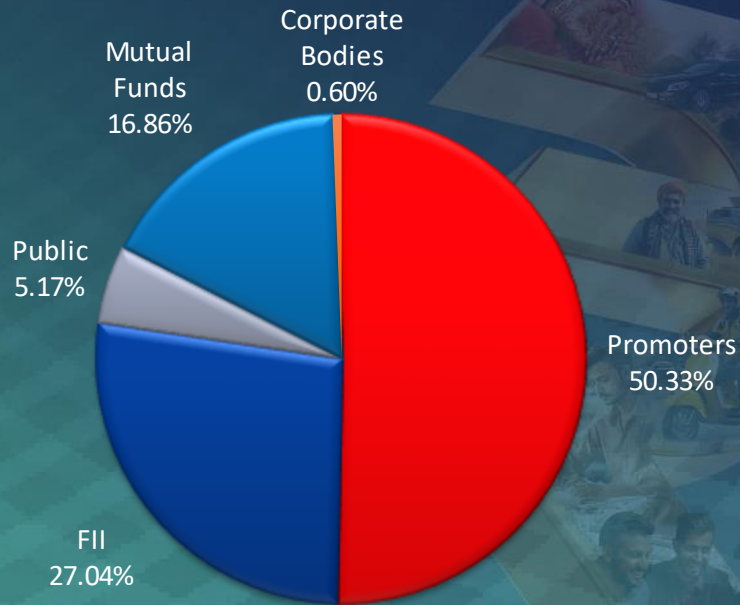
Particulars	Q1FY25 Vs Q1FY24
SME Overview	<ul style="list-style-type: none"> The product suite includes Supply chain financing, Term loans for capex, Loan against shares, Funding on hypothecation of machinery for specific industries. Servicing out of 86 (co-located) locations with business growth both through traditional and Fintech partnerships.
Disbursement	Disbursement of Rs.2,160 Cr, a growth of 6%.
PBT	PBT at Rs.24 Cr, a growth of 57%
CSEL Overview	<ul style="list-style-type: none"> Offers Personal Loans, Professional Loans & Business Loans to Salaried, Self-employed Professionals and Micro & Small businesses through traditional DSA/DST model, Partnerships with FinTech's, Direct to consumer through Chola one app and Tie-up with Samsung Finance for Samsung Mobile Phone Financing. Present in 446 locations (445 co-located & 1 standalone) and have acquired over 14.9+ lakh customers as on Jun24.
Disbursement	Disbursement of Rs.3,486 Cr, a growth of 48%.
PBT	PBT at Rs.101 Cr, a growth of 93%
SBPL Overview	<ul style="list-style-type: none"> Offers secured business loan and secured personal loan against self-occupied residential property or commercial-cum-residential property as collateral – present in 414 locations (co-located) spread across 11 states as on Jun24.
Disbursement	Disbursement of Rs.268 Cr, a growth of 48%.
PBT	PBT at Rs.30 Cr as compared to Rs.1 Cr in Q1FY24

Particulars	VF	LAP	HL	New Businesses	Business Enablers	Chola
No of Employees	38858	4792	6462	5634	1460	57206
No of Branches	1388	*779	*677	*665	*6	1438
No of Customers	2431756	58089	115976	1458848	NA	4064669





Shareholding Pattern



- Promoters' share holding of 50.33% includes
 - Cholamandalam Financial Holdings Limited – 44.38%,
 - Ambadi Investments Limited – 4.01%
 - Others – 1.94%

Institutional Holders (More than 1%)

Top Domestic Institutional Holding

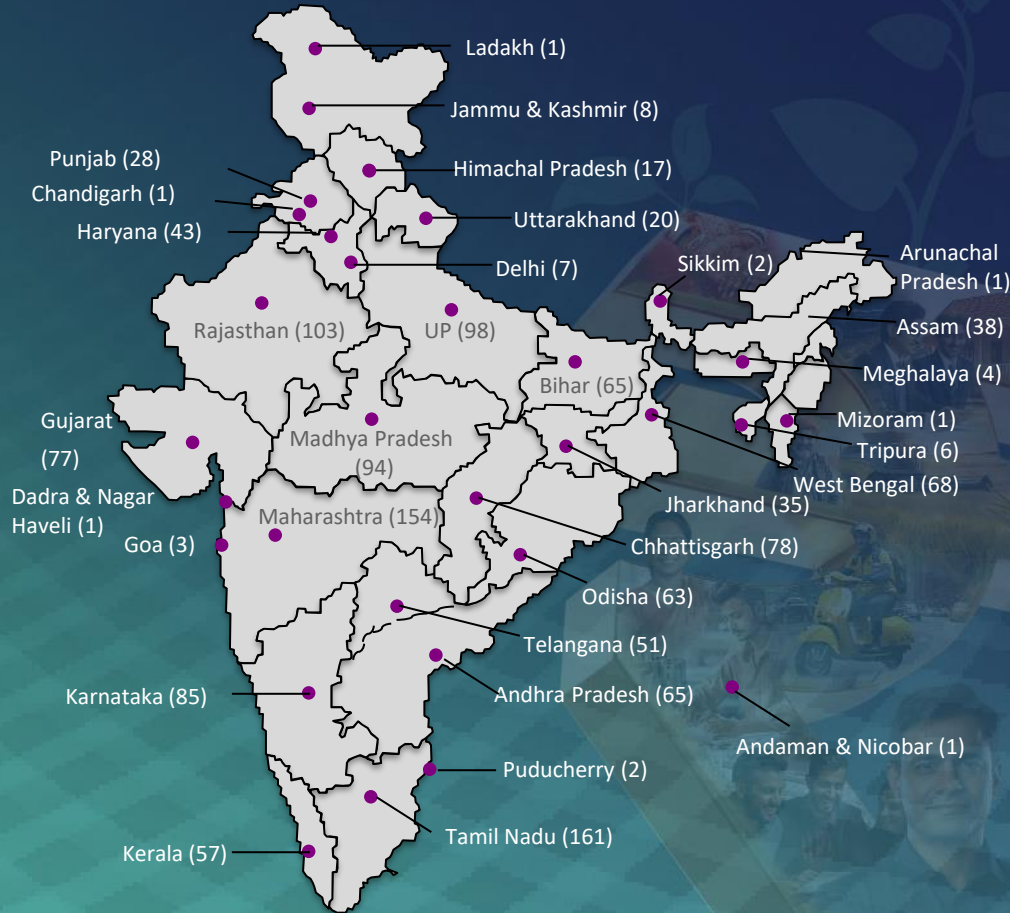
- Axis Mutual Fund
- SBI Mutual Fund
- HDFC Mutual Fund
- Aditya Birla Sun Life Mutual Fund
- Canara Robeco Mutual Fund

Top Foreign Institutional Holding

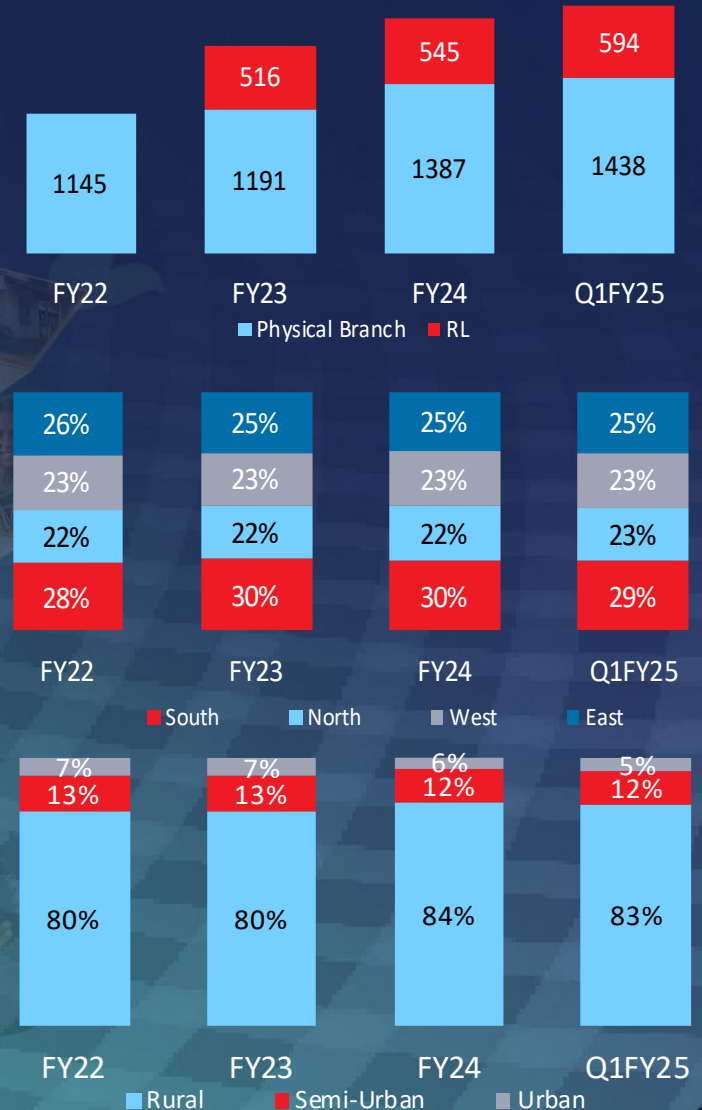
- Capital Group
- Vanguard
- Blackrock
- Norges Bank Investment Management

Note: As on 28th June 2024

Strong Geographical Presence



- 1438 branches across 26 states & 7 Union territories: 1388 VF, 779 LAP (772 co-located with VF), 677 HL (641 co-located with VF), 446 CSEL (445 co-located with VF), 414 SBPL, 86 SME (all co-located with VF) & 6 locations for Head office Functions and Operations in Tamil Nadu
- 90% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns



Financial Performance

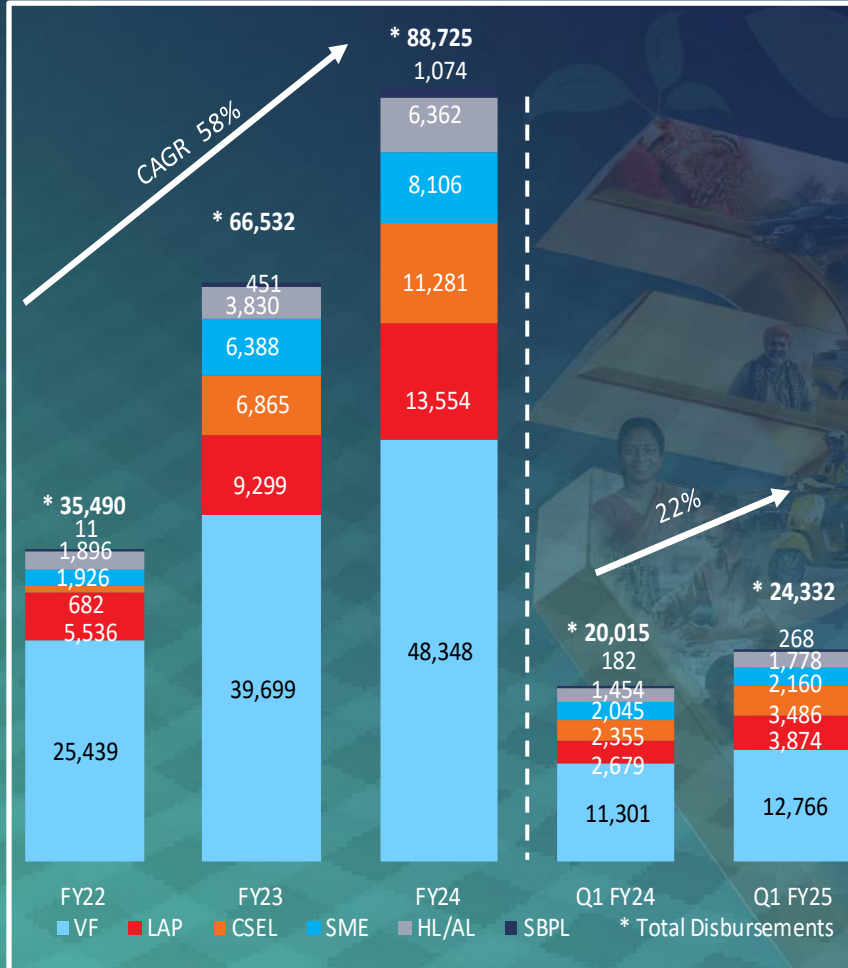


Financials Snapshot	Recovery and Stablisation												COVID		New Growth		CAGR	
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	YoY	(5 years)	CAGR (15 years)
	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	INDAS	INDAS	INDAS	INDAS	INDAS	INDAS	INDAS			
Disbursements	3,866	5,731	8,889	12,118	13,114	12,808	16,380	18,591	25,114	30,451	29,091	26,043	35,490	66,532	88,725	33%	32%	25%
Assets under management	7,725	9,684	13,846	19,640	24,155	26,191	30,362	35,110	43,629	57,560	66,943	76,518	82,904	1,12,782	1,53,718	36%	23%	24%
Total Income	929	1,202	1,788	2,556	3,263	3,691	4,194	4,660	5,529	6,962	8,468	9,576	10,139	12,978	19,216	48%	23%	24%
Gain on Assignment	-	-	-	-	-	-	-	-	-	87	247	-	-	-	-			
Interest expenses	504	568	988	1,411	1,771	1,960	2,051	2,231	2,659	3,589	4,592	4,576	4,299	5,749	9,231	61%	19%	23%
Net Income	425	634	800	1,145	1,492	1,731	2,143	2,429	2,870	3,460	4,123	5,000	5,840	7,229	9,986	38%	25%	25%
Operating Expenses	200	333	437	570	658	749	845	1,013	1,115	1,270	1,578	1,583	2,069	2,780	4,082	47%	27%	24%
Operating Profit Before Loan Losses	225	301	363	575	834	982	1,298	1,416	1,754	2,190	2,545	3,416	3,771	4,449	5,904	33%	23%	26%
Loan Losses & Provision	191	177	40	124	283	325	427	311	353	367	455	812	1,434	1,350	1,322	-2%	31%	15%
Profit before tax	31	100	290	451	550	657	871	1,105	1,401	1,823	1,586	2,038	2,891	3,600	4,582	27%	30%	43%
Profit after tax	15	62	173	307	364	435	568	718	918	1,186	1,052	1,515	2,147	2,666	3,423	28%	34%	48%
Ratios																		
Total Income to assets (%)	16.5	16.6	16.6	16.9	16.8	16.9	17.1	16.5	14.8	14.2	14.6	14.0	13.7	13.8	14.4			
Cost of Funds to assets (%)	9.0	7.9	9.2	9.3	9.1	9.0	8.4	7.9	7.1	7.2	7.7	6.7	5.8	6.1	6.9			
Net Income to assets (%)	7.6	8.8	7.4	7.6	7.7	7.9	8.7	8.6	7.7	7.0	6.9	7.3	7.9	7.7	7.5			
Expense to assets (%)	3.6	4.6	4.1	3.8	3.4	3.4	3.4	3.6	3.0	2.6	2.6	2.3	2.8	3.0	3.1			
Losses and provisions (%)	3.4	2.4	0.4	0.8	1.5	1.5	1.7	1.1	0.9	0.7	0.8	1.2	1.9	1.4	1.0			
Return on assets (PBT) (%)	0.5	1.4	2.7	3.0	2.8	3.0	3.6	3.9	3.7	3.7	2.7	3.0	3.9	3.8	3.4			
Return on assets (PAT) (%)	0.3	0.9	1.6	2.0	1.9	2.0	2.3	2.5	2.5	2.4	1.8	2.2	2.9	2.8	2.6			
Cost to Net Income (%)	47.1	52.5	54.6	49.8	44.1	43.3	39.4	41.7	38.9	36.7	38.3	31.7	35.4	38.5	40.9			
Networth - Rs. In Crs (Note 1)	785	*1072	*1417	*1965	2295	*3173	3657	4285	5098	6176	*8172	9560	11708	14296	*19557			
Tier I (%)	9.5	10.8	11.0	11.1	10.5	13.0	13.3	13.6	13.2	12.6	15.3	15.1	16.5	14.8	15.1			
CAR (%)	14.8	*16.7	*18.1	*19.0	17.2	*21.2	19.7	18.6	18.4	17.4	*20.68	19.1	19.6	17.1	*18.57			
Return on equity (%)	2.3	6.7	13.9	18.1	17.1	15.8	16.7	18.1	19.6	20.9	15.2	16.9	20.4	20.6	20.6			
EPS (Basic) - In Rs.	0.4	1.1	2.9	4.6	5.1	6.0	7.5	9.2	11.8	15.2	13.4	18.5	26.2	32.5	41.2			
Dividend (%)	10%	15%	25%	35%	35%	35%	45%	55%	65%	65%	85%	100%	100%	100%	100%			
Market Cap - in Rs Crs	623	2059	2453	3883	4125	8423	11140	15072	22667	22624	12535	45824	58978	62607	97227			
GNPA (%) (Note 2)	5.5	2.6	0.9	1.0	1.9	3.1	3.5	4.7	3.4	2.7	3.8	4.0	6.8	4.6	3.5			
NNPA (%)	1.7	0.3	0.3	0.2	0.7	2.0	2.1	3.2	2.2	1.7	2.2	2.2	4.7	3.1	2.3			
NPA Recognition	6month	6month	6month	6month	6month	5month	4month	3month	3month	3month	3month	3month	3month	3month	3month			
Branch Network - in Nos	171	236	375	518	574	534	534	703	873	900	1091	1137	1145	1191	1387			

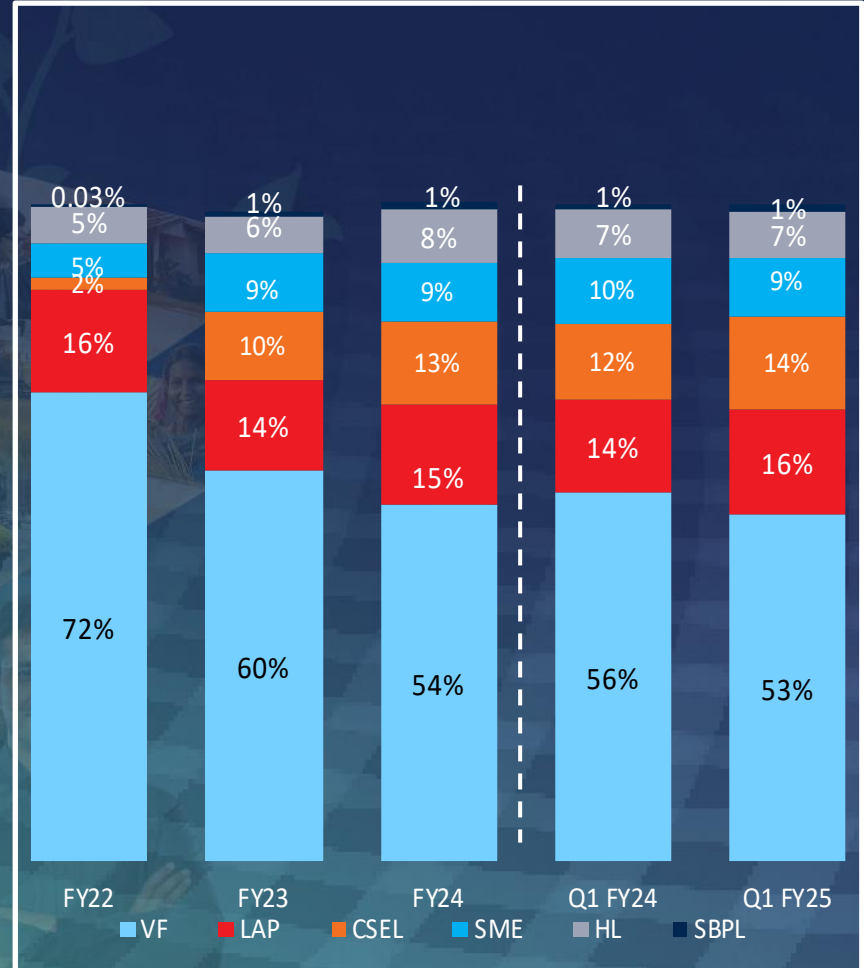
• Note:

- Capital Infusion in years where star marked
- Spurt in GNPA in FY20 and FY21 was due to Covid and in FY22 was due to new RBI norms on NPA

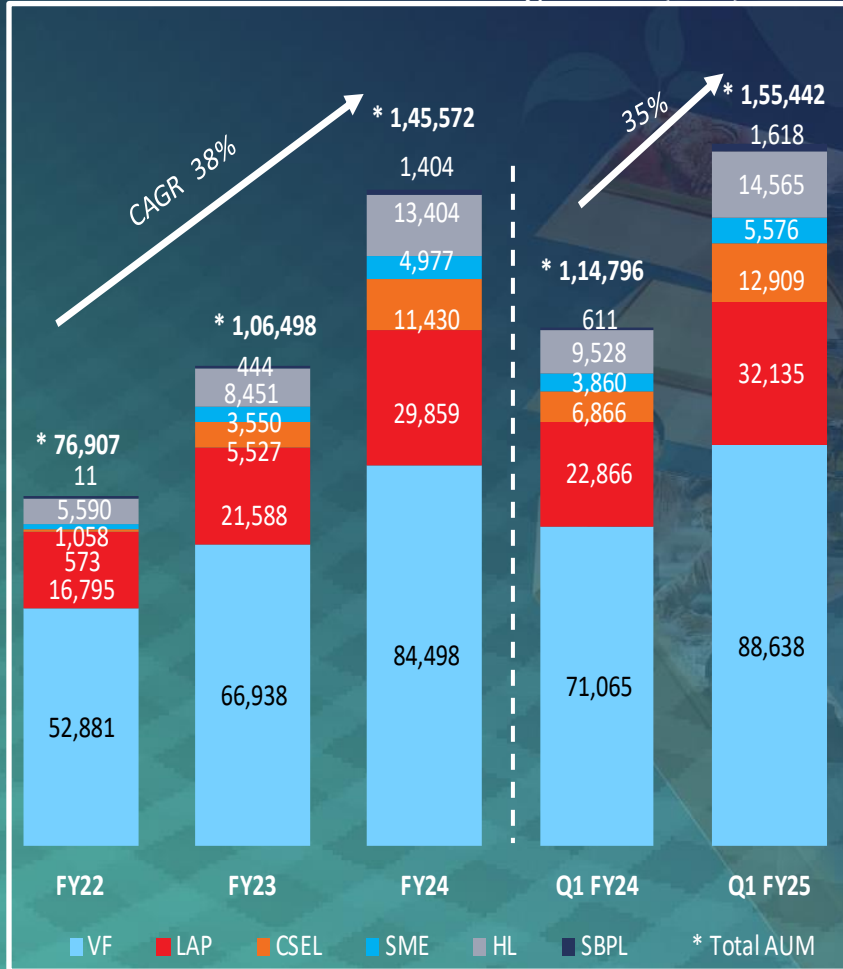
Disbursements (₹Cr)



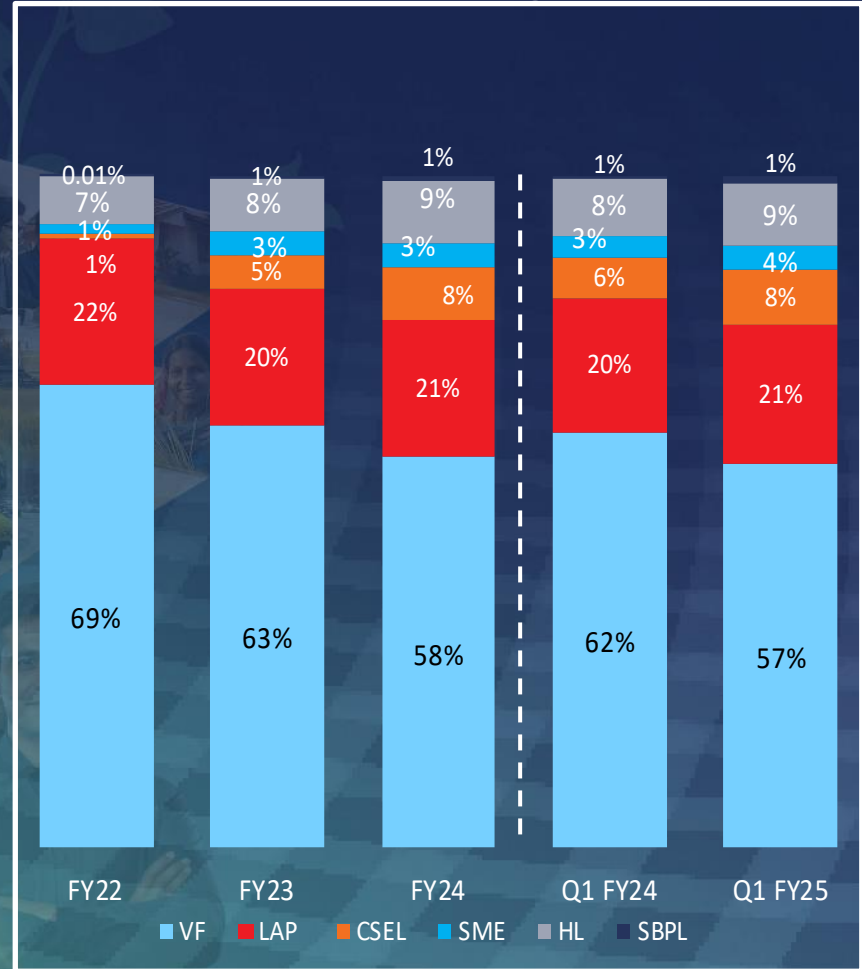
Disbursements (%)



Business - Assets under Management (₹Cr)

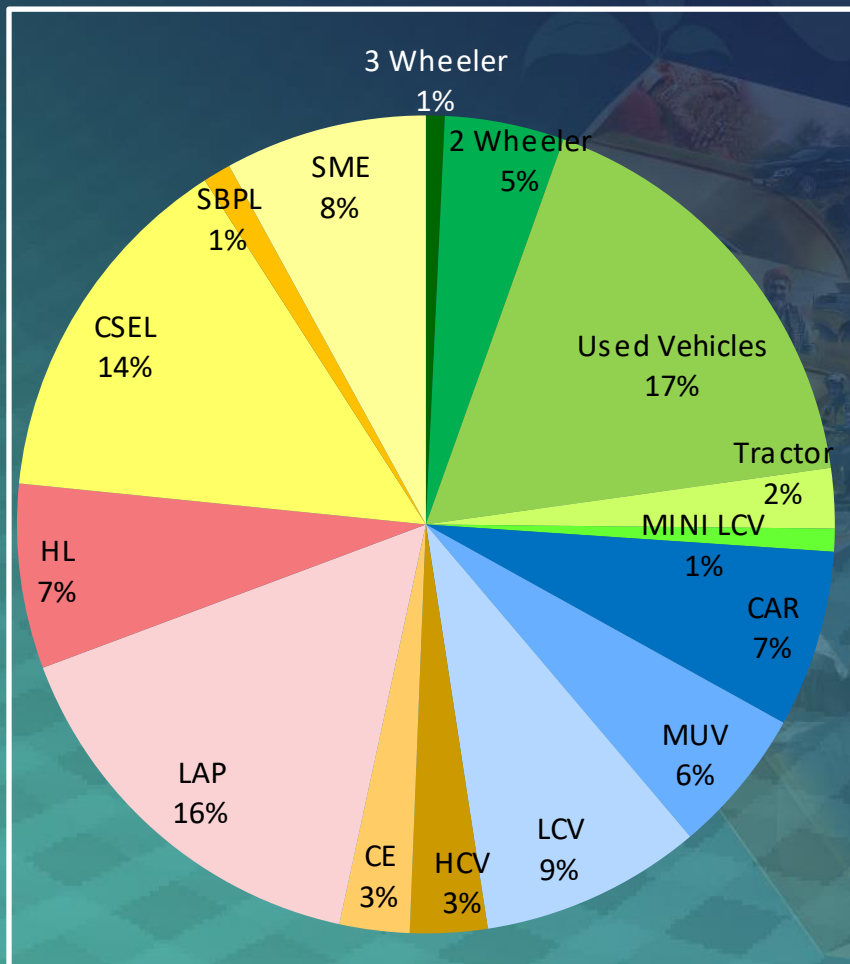


Business - Assets under Management (%)

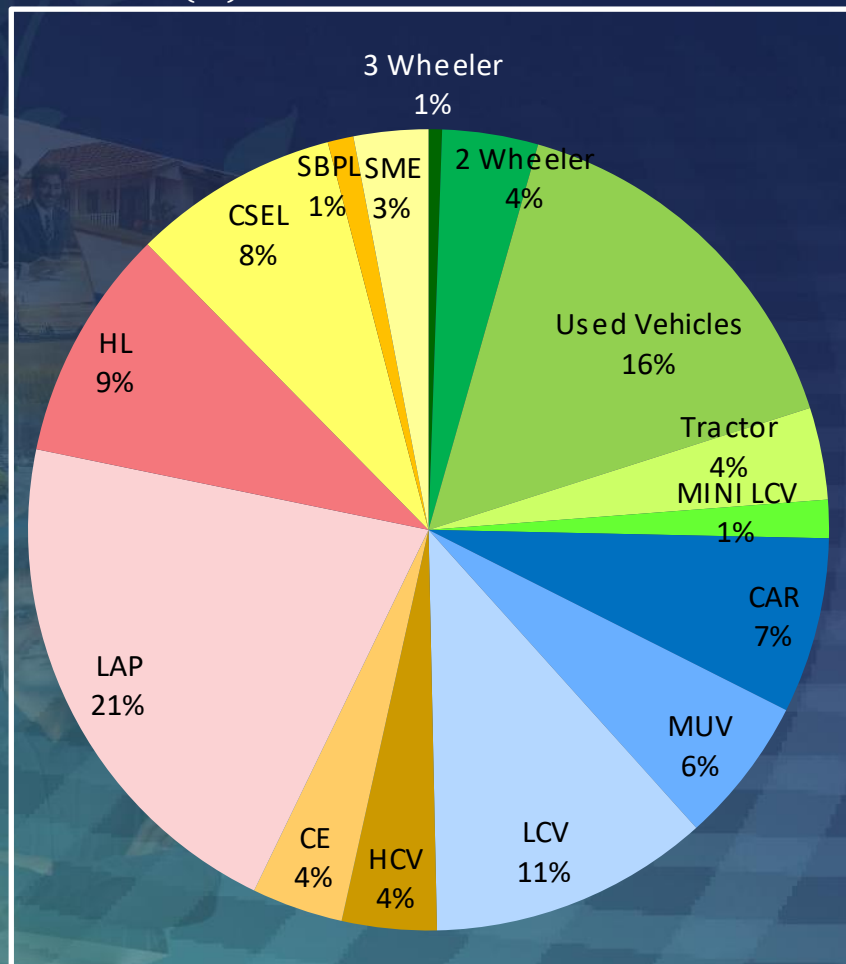


Well diversified product segments

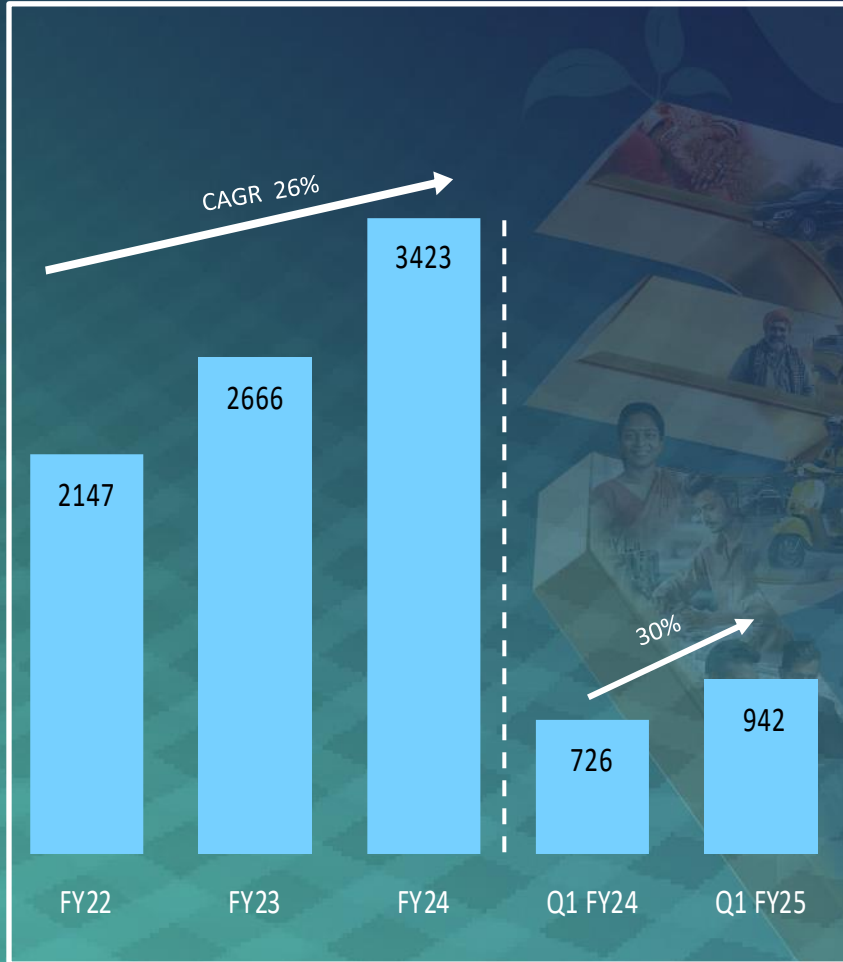
Disbursements (%) - Product wise



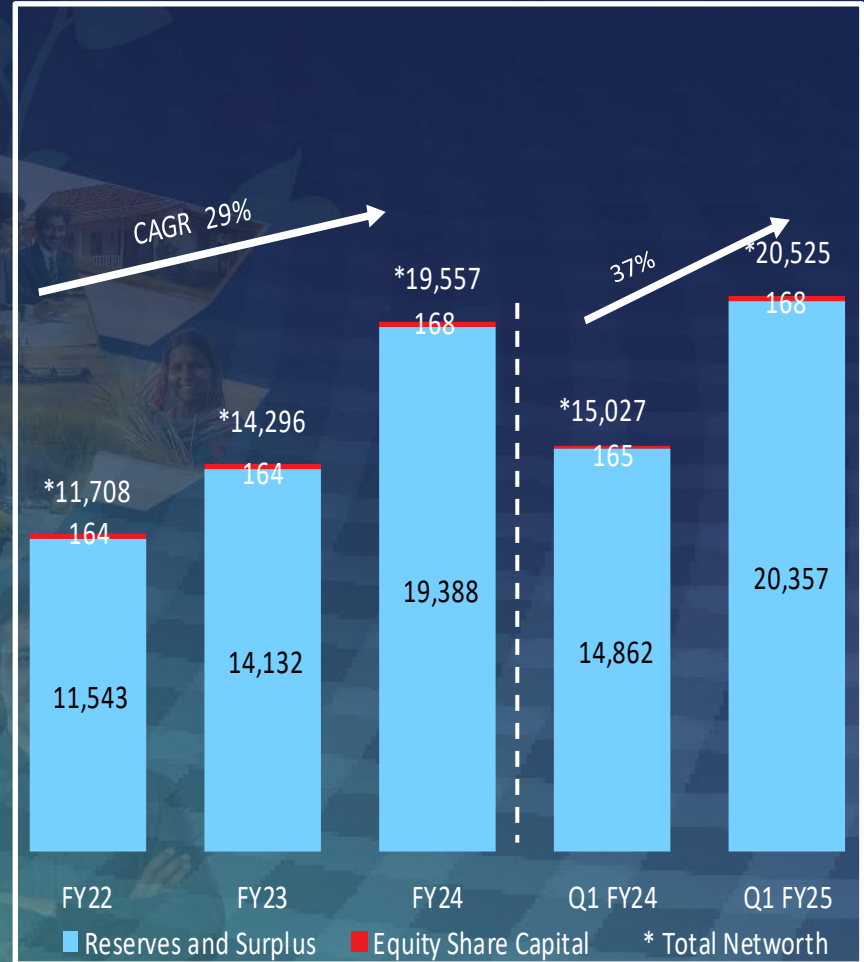
Portfolio (%) - Product wise



Profit after tax (₹Cr)



Networth (₹Cr)

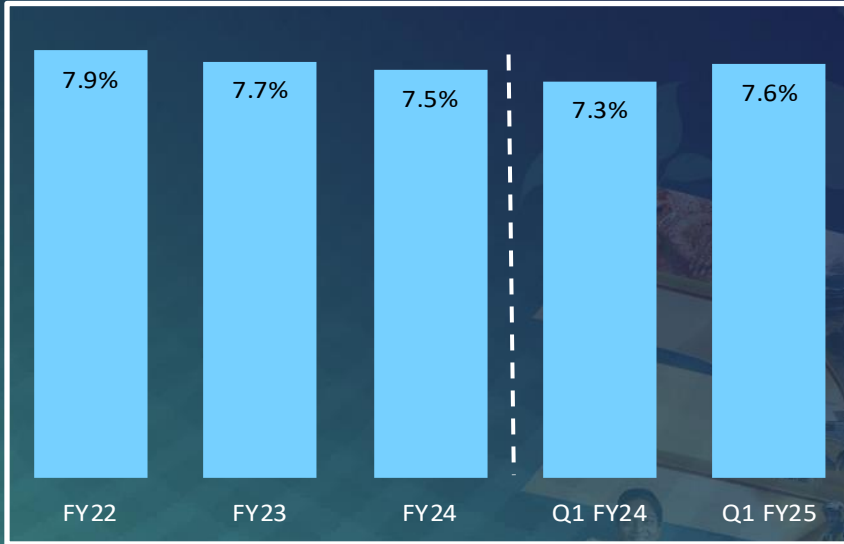


Note on Network

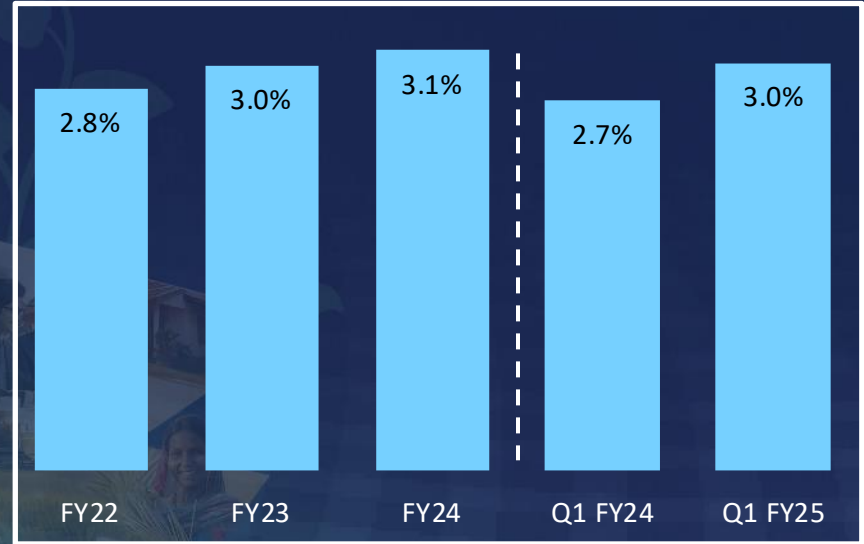
FY24 – Raised capital of ₹2,000 Cr (QIP) and Rs.2,000 Cr (Compulsory Convertible Debentures).

Asset Ratios

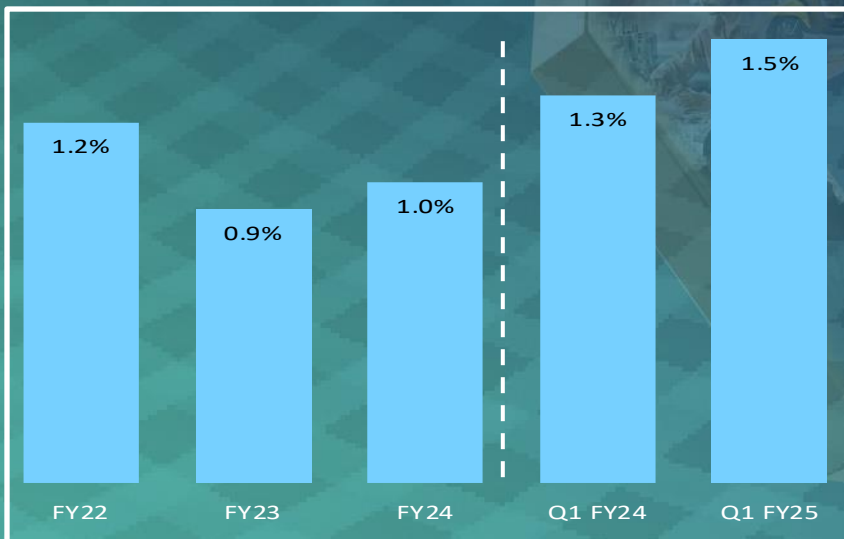
Net Income Margin (%)



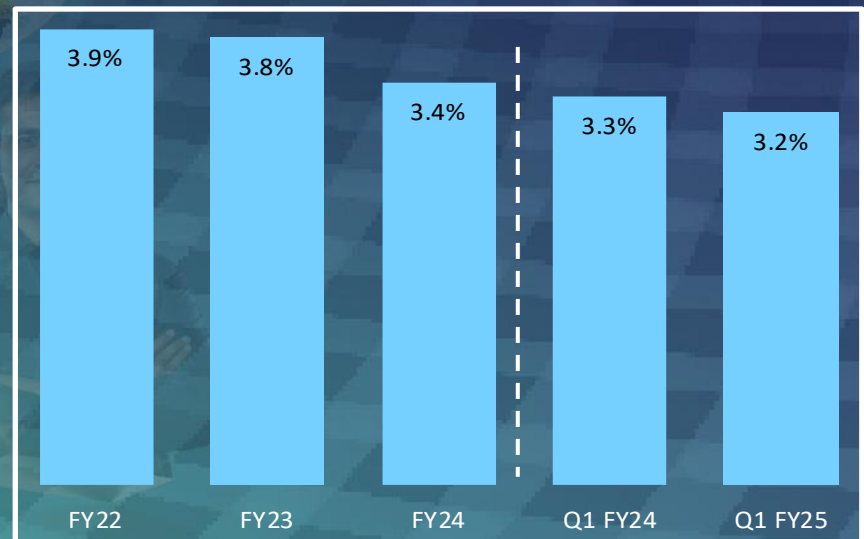
Expenses Ratio (%)



Loan Losses & Provisions (%)

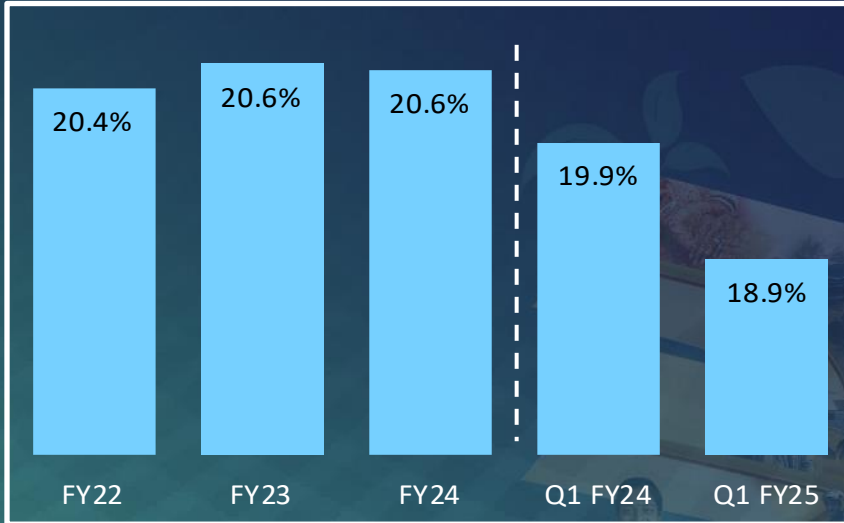


ROA - PBT (%)

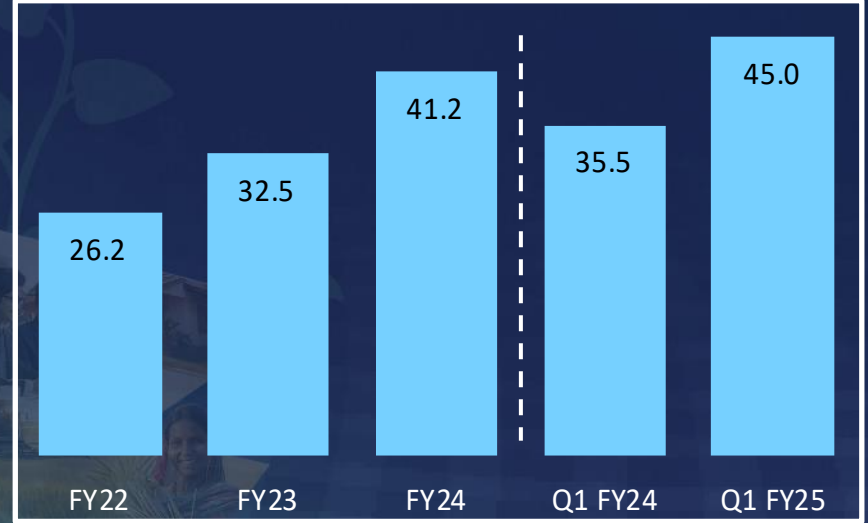


Shareholders' Returns Ratios

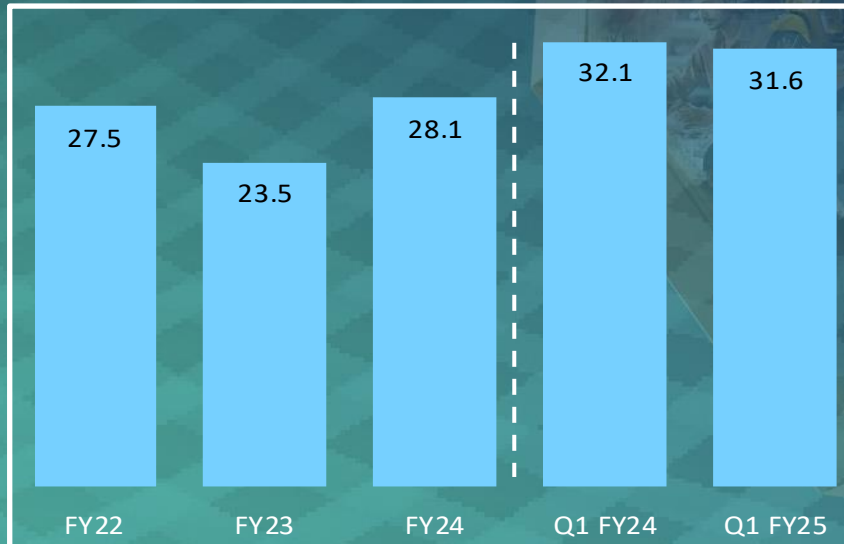
Return on equity (%)



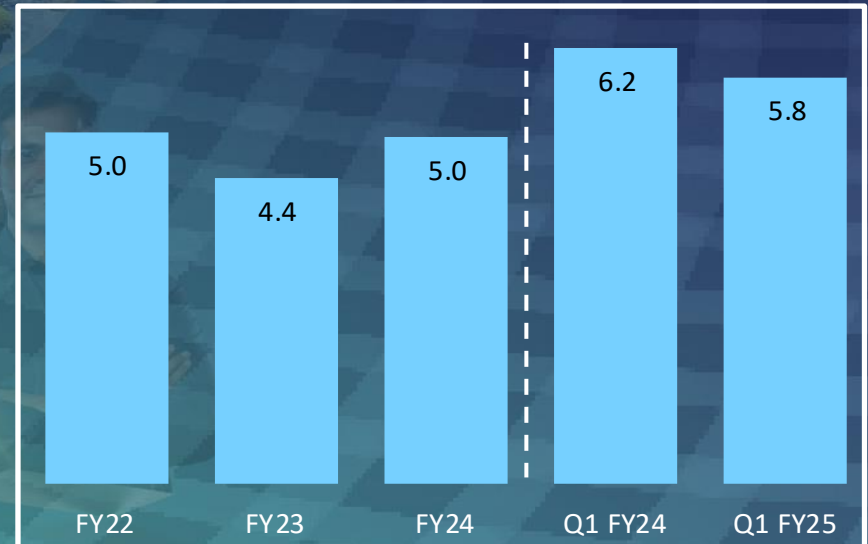
Earnings per share (₹)



P/E Ratio



P/BV Ratio



Particulars	Q4FY24	Q1 FY24	Q1 FY25	Growth % Q1-o-Q1	FY24
Disbursements	24,784	20,015	24,332	22%	88,725
Asset Under Management	1,53,718	1,22,755	1,68,832	38%	1,53,718
Income	5,492	4,134	5,828	41%	19,216
Finance Charges	2,579	2,007	2,796	39%	9,231
Net Income	2,913	2,127	3,033	43%	9,986
Expenses	1,285	787	1,183	50%	4,082
Net Credit Losses	191	372	581	56%	1,322
PBT	1,437	968	1,268	31%	4,582
Taxes	379	242	326	35%	1,159
PAT	1,058	726	942	30%	3,423
Asset Ratios					
Income	14.8%	14.2%	14.7%		14.4%
Cost of Funds	6.9%	6.9%	7.0%		6.9%
Net Income Margin	7.8%	7.3%	7.6%		7.5%
Expense	3.5%	2.7%	3.0%		3.1%
Losses & Provisions	0.5%	1.3%	1.5%		1.0%
ROA-PBT	3.9%	3.3%	3.2%		3.4%
ROA-PAT	2.8%	2.5%	2.4%		2.6%
Gross - Stage 3	3,645	3,546	4,123		3,645
ECL Provisions - Stage 3	1,693	1,610	1,876		1,693
Coverage Ratio - Stage 3	46.5%	45.4%	45.5%		46.5%
Cost to Net Income	44.1%	37.0%	39.0%		40.9%

Balance Sheet (As per IND AS)

₹ Cr

Particulars	Jun23	Mar24	Jun24
ASSETS			
Financial Assets	1,23,212	1,53,770	1,69,908
Cash and Bank balance	5,544	4,320	10,555
Derivative financial instruments	259	248	112
Receivables	227	399	395
Loans	1,13,232	1,44,424	1,54,315
Investments	3,698	4,137	4,331
Other Financial Assets	251	241	201
Non- Financial Assets	1,488	2,680	2,700
Current tax assets (Net)	242	357	298
Deferred tax assets (Net)	644	654	683
Property, Plant and Equipment	372	1,534	1,575
Capital work in progress	44	-	-
Intangible assets	51	35	34
Other Non-Financial Assets	136	100	109
TOTAL	1,24,699	1,56,451	1,72,608
EQUITY AND LIABILITIES			
Financial Liabilities	1,09,460	1,36,619	1,51,772
Derivative financial instruments	165	187	205
Trade Payables - Others	18	115	31
Other Payables - Others	831	1,338	1,083
Borrowings	1,08,140	1,34,474	1,49,902
Other Financial Liabilities	306	506	551
Non-Financial Liabilities	212	275	312
Shareholder's fund	15,027	19,557	20,525
TOTAL	1,24,699	1,56,451	1,72,608

Stagewise Assets & Provision Summary

₹ Cr

Particulars	Mar24 INR Cr	Jun24 INR Cr	Mar24 % to GA	Jun24 % to GA
Gross Assets	1,46,945	1,57,095	100.0%	100.0%
Stage 1	1,40,078	1,49,060	95.33%	94.89%
Stage 2	3,222	3,912	2.19%	2.49%
Stage 3	3,645	4,123	2.48%	2.62%
Provision	2,521	2,780	1.72%	1.77%
Stage 1	541	565	0.39%	0.38%
Stage 2	286	339	8.89%	8.67%
Stage 3	1,693	1,876	46.45%	45.50%
Net Assets	1,44,424	1,54,315	98.28%	98.23%
Stage 1	1,39,537	1,48,495	94.96%	94.53%
Stage 2	2,935	3,572	2.00%	2.27%
Stage 3	1,952	2,247	1.33%	1.43%

Stagewise ECL Summary – Jun24

Particulars		Asset	Total Provn	NNPA	Asset	Total Provn	NNPA
		Rs in Cr			%		
Stage 1A	(A)	1,48,744	552	1,48,192	94.68%	0.37%	94.33%
Stage 1B	(B)	316	13	303	0.20%	3.99%	0.19%
Total Stage 1	(C)	1,49,060	565	1,48,495	94.89%	0.38%	94.53%
Stage 2A	(D)	2,658	215	2,443	1.69%	8.10%	1.56%
Stage 2B	(E)	1,253	124	1,130	0.80%	9.88%	0.72%
Total Stage 2	(F)	3,912	339	3,572	2.49%	8.67%	2.27%
Total Stage 3	(G)	4,123	1,876	2,247	2.62%	45.50%	1.43%
Total	(C + F + G)	1,57,095	2,780	1,54,315	100.00%	1.77%	98.23%
NPA as per RBI (incl Sec)	(B + E + G)	5,692	2,013	3,680	3.62%	35.36%	2.34%
NNPA% - RBI: Net NPA / (Asset - provisions for GNPA)							2.37%

Addition of Stage 1B, Stage 2B and Stage 3 will be the GNPA% and NNPA % as per RBI norms with INDAS values.

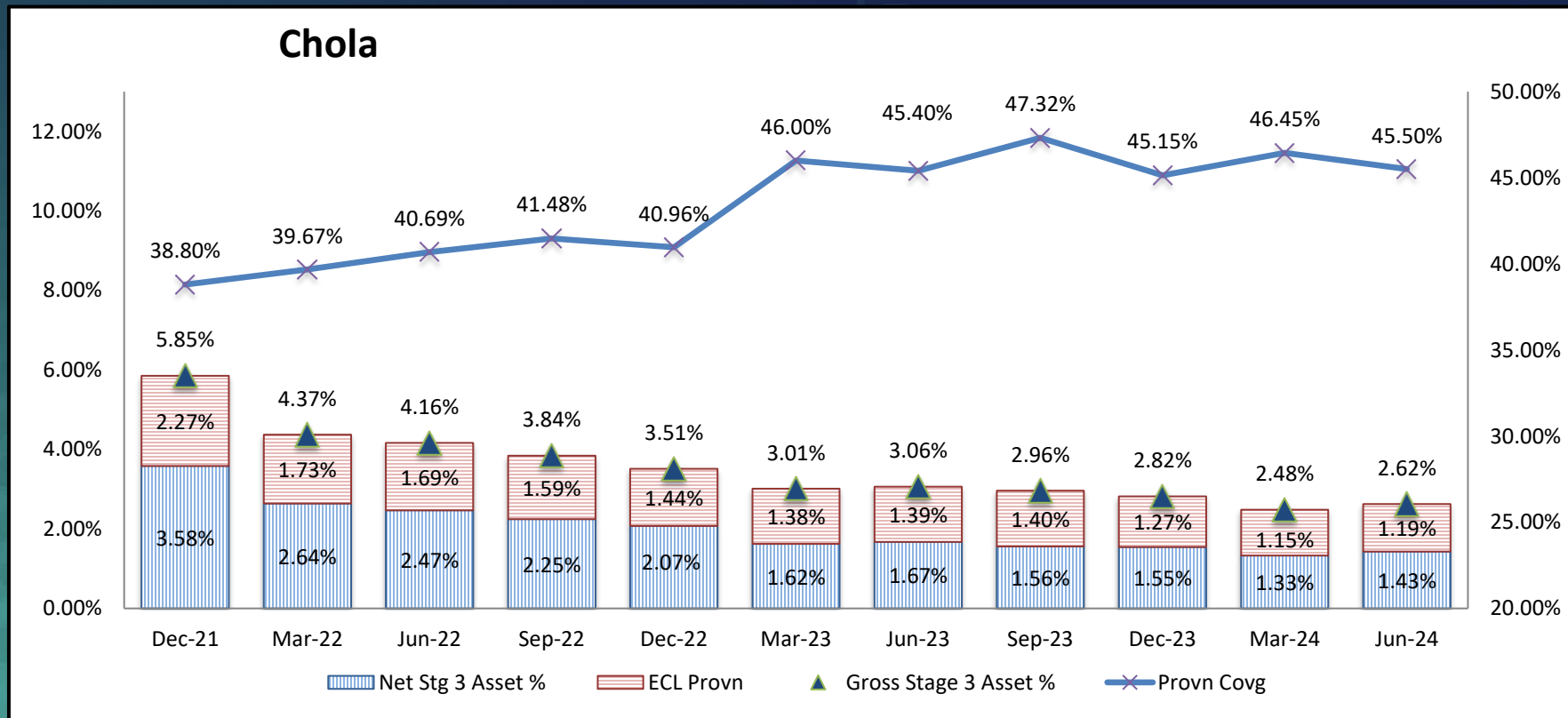
We carry additional provision of Rs.859 Cr under INDAS over IRAC

Stage_1A	Represents assets (i) which had never touched NPA and (ii) which had been an NPA in the past but had been normalised and currently 0-30 days - Hence no more an NPA as per RBI norms
Stage_1B	Represents assets (i) which had been an NPA in the past but yet to be fully normalized though it has moved to Stage1 currently - Hence an NPA as per current RBI norms
Stage_2A	Represents assets (i) which had never touched NPA and (ii) which had been an NPA in the past but had been normalised post that now in 31-90 days DPD - Hence no more an NPA as per RBI norms
Stage_2B	Represents assets which had been an NPA in the past but yet to be fully normalised though it has moved to Stage2 currently - Hence an NPA as per current RBI norms
Stage_3	Represents assets which continues to be an NPA as on the closing date - Hence an NPA as per current RBI norms

Stage 3 Assets Product-wise

Asset Class	Closing Asset	Gross Stage 3	Stage 3 Asset %	ECL Provision	Provision Coverage	Net Stage 3	Net Stage 3%
Jun24	1,57,095	4,123	2.62%	1,876	45.50%	2,247	1.43%
VF	90,580	2,966	3.27%	1,379	46.51%	1,586	1.75%
LAP	31,834	747	2.35%	332	44.42%	415	1.30%
HL	14,333	149	1.04%	49	32.63%	100	0.70%
CSEL	13,081	164	1.25%	82	50.20%	82	0.62%
SME	5,638	87	1.55%	31	35.77%	56	1.00%
SBPL	1,627	10	0.60%	3	26.39%	7	0.44%
Others	1	-	-	-	-	-	0.00%
Mar24	1,46,945	3,645	2.48%	1,693	46.45%	1,952	1.33%
VF	86,221	2,601	3.02%	1,218	46.84%	1,383	1.60%
LAP	29,494	718	2.43%	339	47.18%	379	1.29%
HL	13,148	124	0.95%	43	34.51%	81	0.62%
CSEL	11,571	136	1.17%	68	50.15%	68	0.58%
SME	5,026	60	1.19%	23	39.17%	36	0.72%
SBPL	1,411	6	0.42%	2	26.73%	4	0.31%
Others	75	-	-	-	-	-	0.00%

As per revised RBI norms GNPA% & NNPA% as of Jun24 is at 3.62% and 2.37% respectively.



As per revised RBI norms GNPA% & NNPA% as of Jun24 is at 3.62% and 2.37% respectively.

Business Overview



Vehicle Finance



Vehicle Finance: Q1FY25 Performance

Disbursements

- Disbursements grew by 13% in Q1FY25 to Rs. 12,766 Cr as compared to Q1FY24.

Assets under management

- AUM has grown by 25% YoY.

Loss and provisions

- Loan losses at 1.9% in Q1FY25 from 1.5% in Q1FY24.

Profit before tax

- PBT grew by 24% in Q1FY25 to Rs.620 Cr as compared to Q1FY24

Sector Outlook

- The Light commercial vehicle segment had a growth of 6% in Q1 FY'25 which is an all-time high sales for Q1 of any previous year. The impact of high base effect may mute growth in this segment during the year.
- The Small commercial vehicle segment had a de-growth of 1% in Q1 FY'25. Slowdown of growth is expected in this segment.
- The Heavy commercial vehicle segment had a growth of 5% in Q1 FY'25. The growth in this segment will be dependent on government spends and thrust on infra.

Chola's Position

- We will continue our focus in this segment in line with macro economic demand.
- Our financing in this segment will be based on viability and cash flows amongst customers.
- Our exposure in this segment is minimal at a portfolio level. We will keep a close watch on this segment in line with industry growth.

Sector Outlook

- The Passenger vehicle (Car & MUV) segment had a growth of 3% in Q1 FY'25 which is an all-time high sales for Q1 of any previous year. This segment has witnessed consecutive all time high growth over the last two years and is expected to have single digit growth this year.
- The Two-wheeler industry had a growth of 20% in Q1 FY'25. This segment is expected to grow at a healthy pace supported by rural demand.
- The Used vehicle industry growth is directly attributed to the increasing price trends of new vehicles over the years and also driven by higher replacement demand. The growth in this segment is expected to be positive during the year.

Chola's Position

- We will continue our focus in this segment in line with retail demand and customer sentiments.
- Our focus in two-wheeler segment will be driven by portfolio quality and profitability.
- Used vehicles contribute to nearly 28% of our portfolio. We will continue to focus this segment with a clear focus on collections.

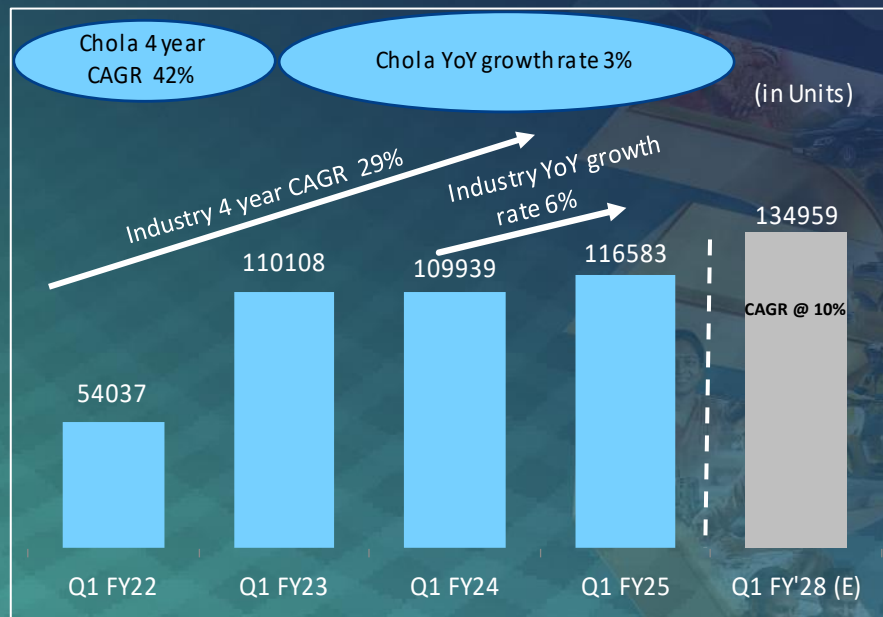
Sector Outlook

- The Construction Equipment segment had a growth of 5% in Q1 FY'25. This segment is poised to grow in line with governments infra outlay, improvement in mining and thrust on rural projects.
- The Tractor industry had a marginal growth of 1% in Q1 FY'25. This segment is expected to have marginal growth supported by above normal rainfall forecast for the year, higher budget allocation for agriculture and allied activities.

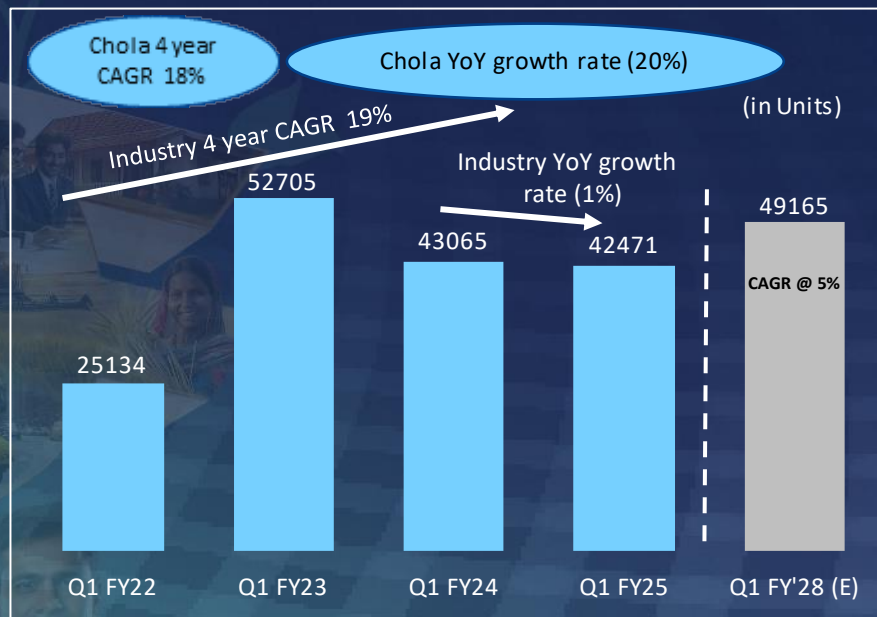
Chola's Position

- Our exposure in this segment is around 7% at a portfolio level and we will strive to maintain quality book.
- Our growth in this segment will be influenced by multiple external factors like even rainfall, healthy crop harvest and rural cash flows.

Trend in Domestic LCV Sales

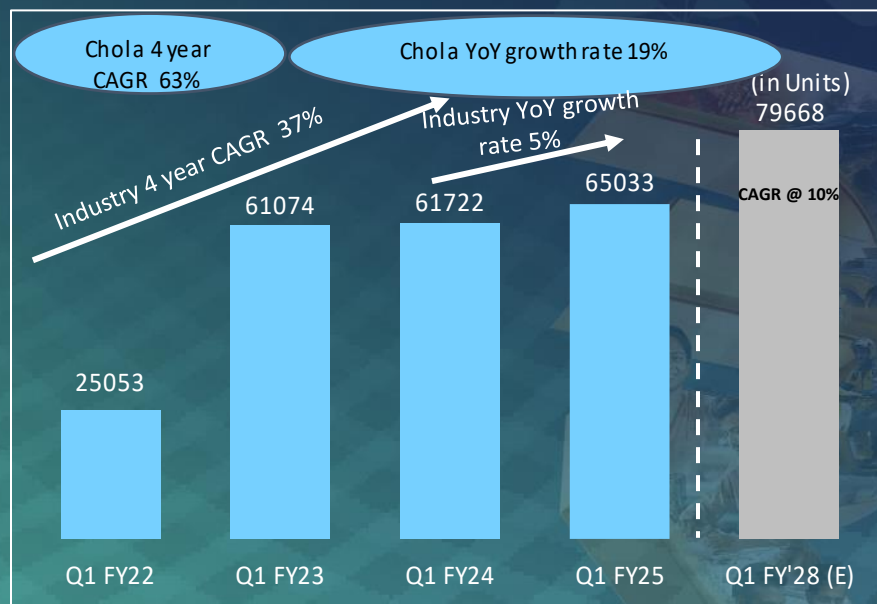


Trend in Domestic SCV Sales

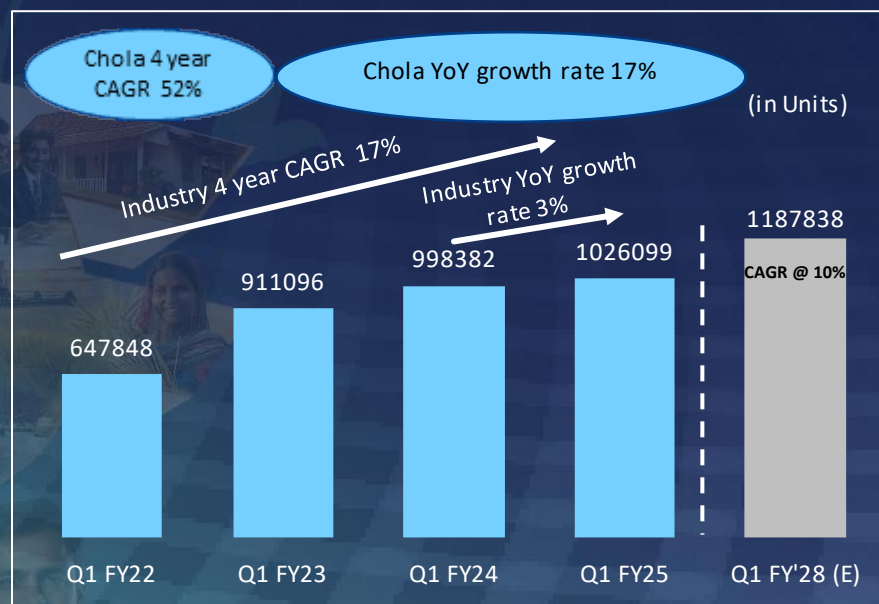


- Replacement demand, last-mile transport requirements and positive macroeconomic environment.
- Stronger demand from consumption driven sectors and E-commerce based companies.
- Demand for Pickups to increase in the long term due to higher flexibility in usage over sub one tonne vehicles.
- Bus Sales to be supported by growing urban population, demand from schools/ corporates and increased inter-city travel.

Trend in Domestic HCV Sales



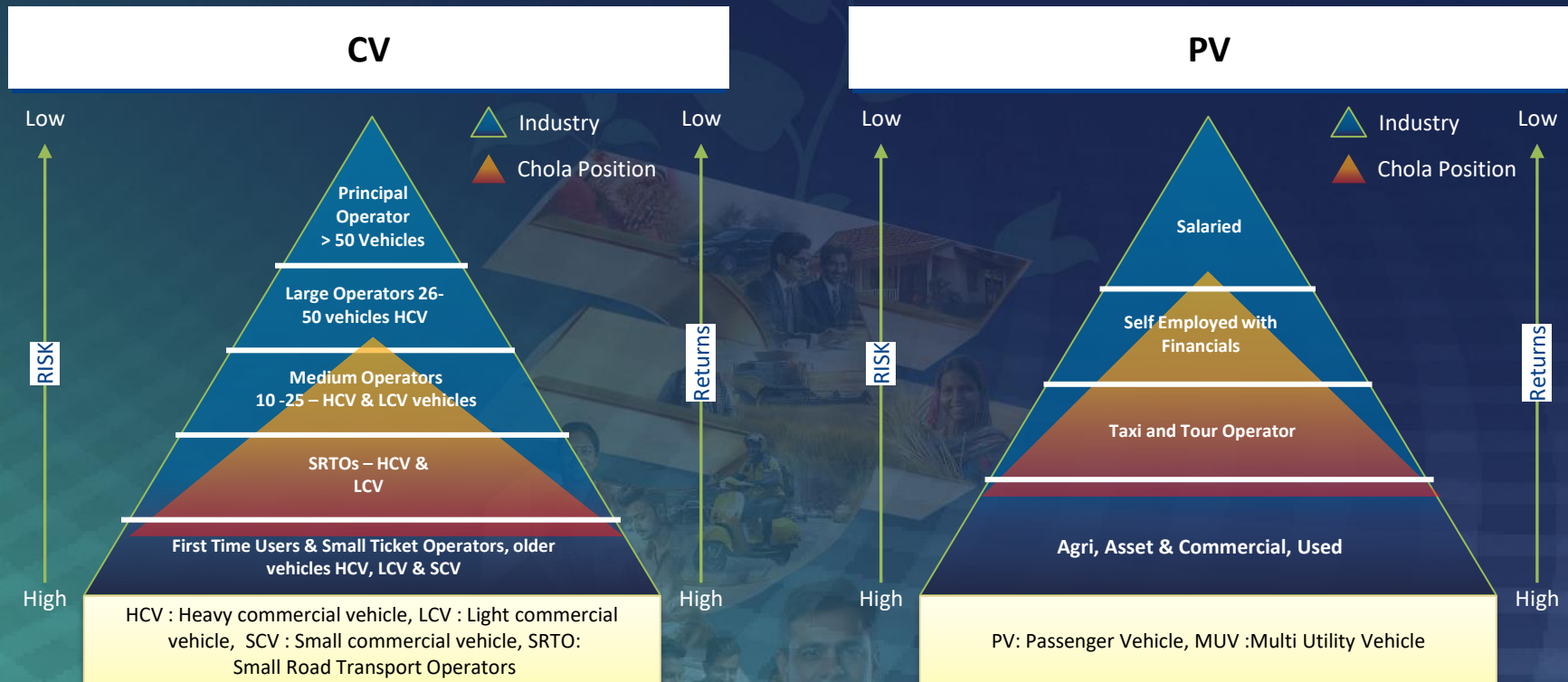
Trend in Domestic Car & MUV Sales



- Improved industrial activity, steady agricultural output and the government's focus on infrastructure will aid growth.
- Pick up in construction and mining activities over the long term would drive demand.

- Higher disposable income and introduction of newer models to aid long term demand.
- Increase in rural demand and growing penetration in tier III, tier IV towns will back stable growth.

Vehicle Finance—Business Model & Positioning

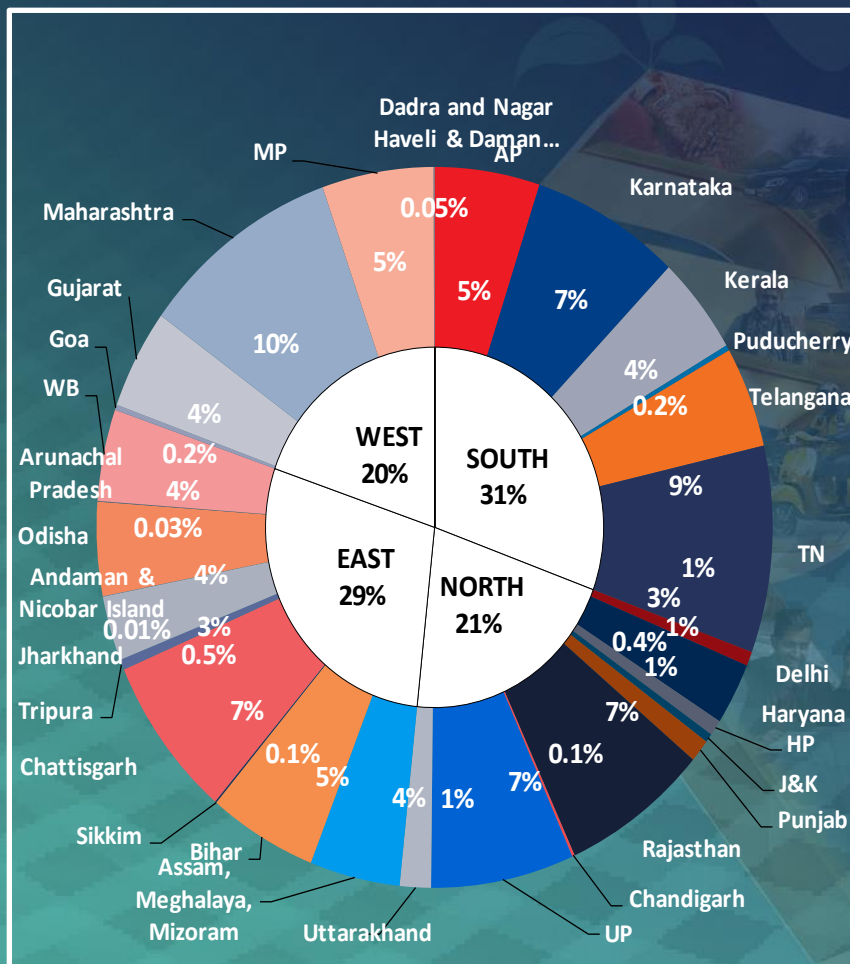


- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
 - Middle of the pyramid through New CVs, Used CVs
 - Top of the Bottom of the pyramid through SCV & older CVs Shubh

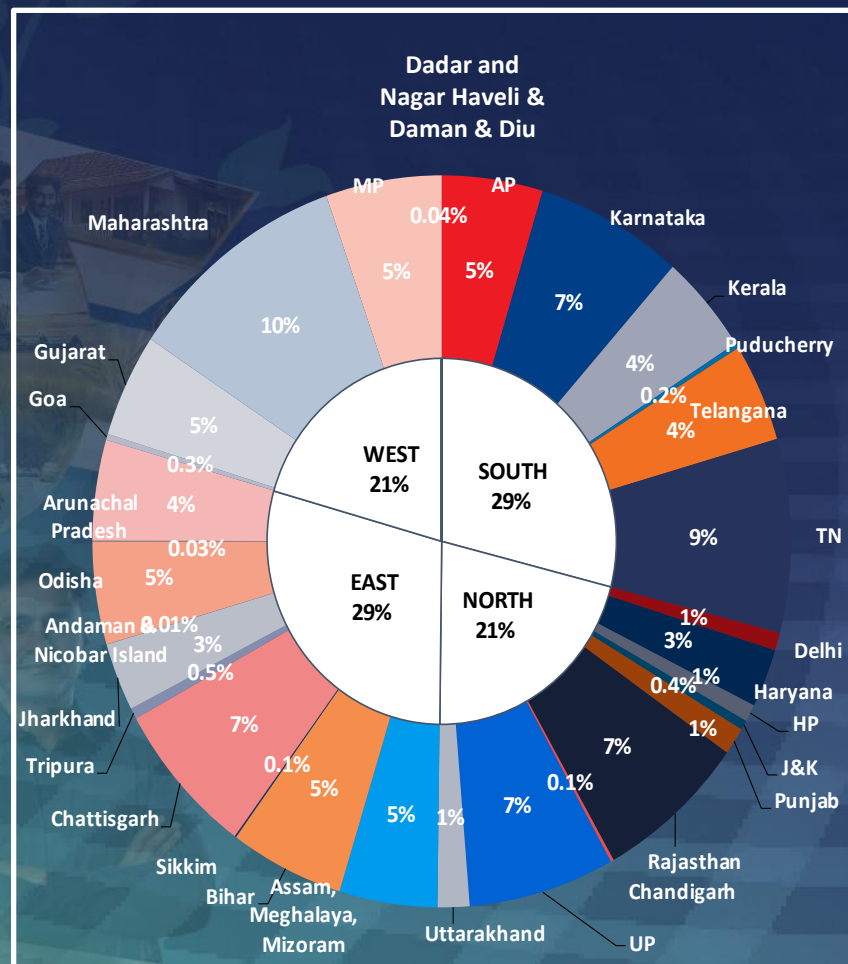
- ~ 66% of disbursements are to Chola Existing, Agri & Commercial usage customers
- ~ 34% disbursements are to Self Employed with financials
- Chola positioning-
 - Middle of the pyramid is into Agri, Asset & Commercial

Well diversified across geography

Disbursements - State wise

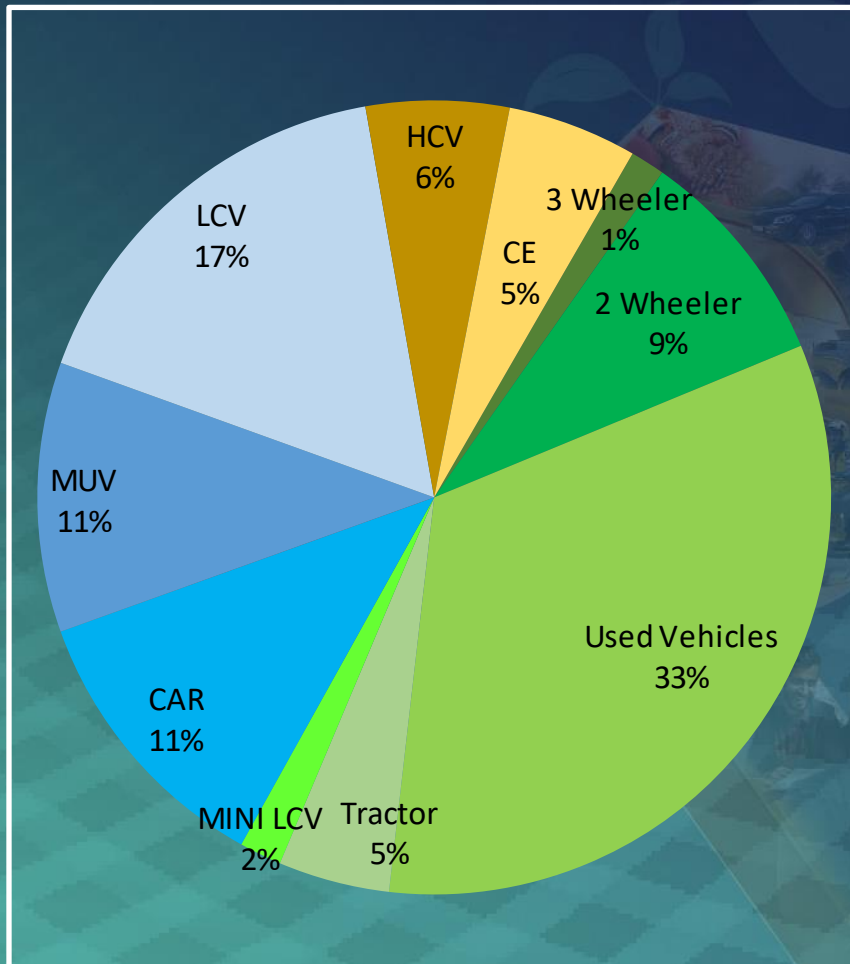


Portfolio - State wise

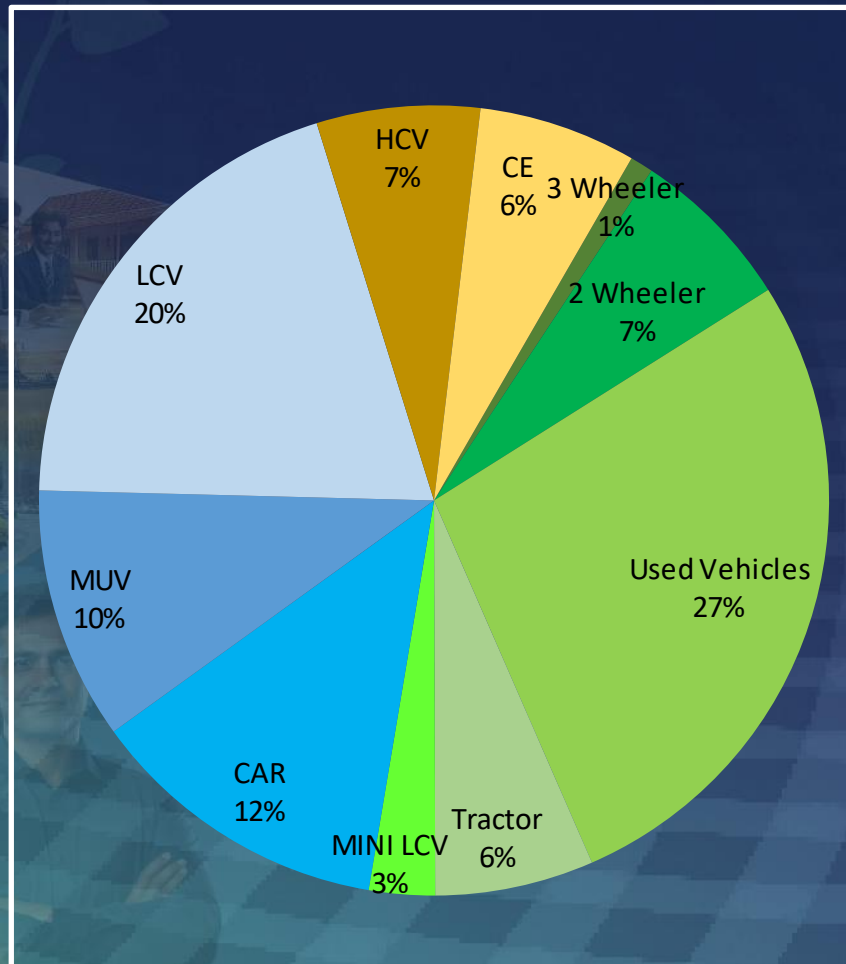


Well diversified product segments

Disbursements (%) - Product wise



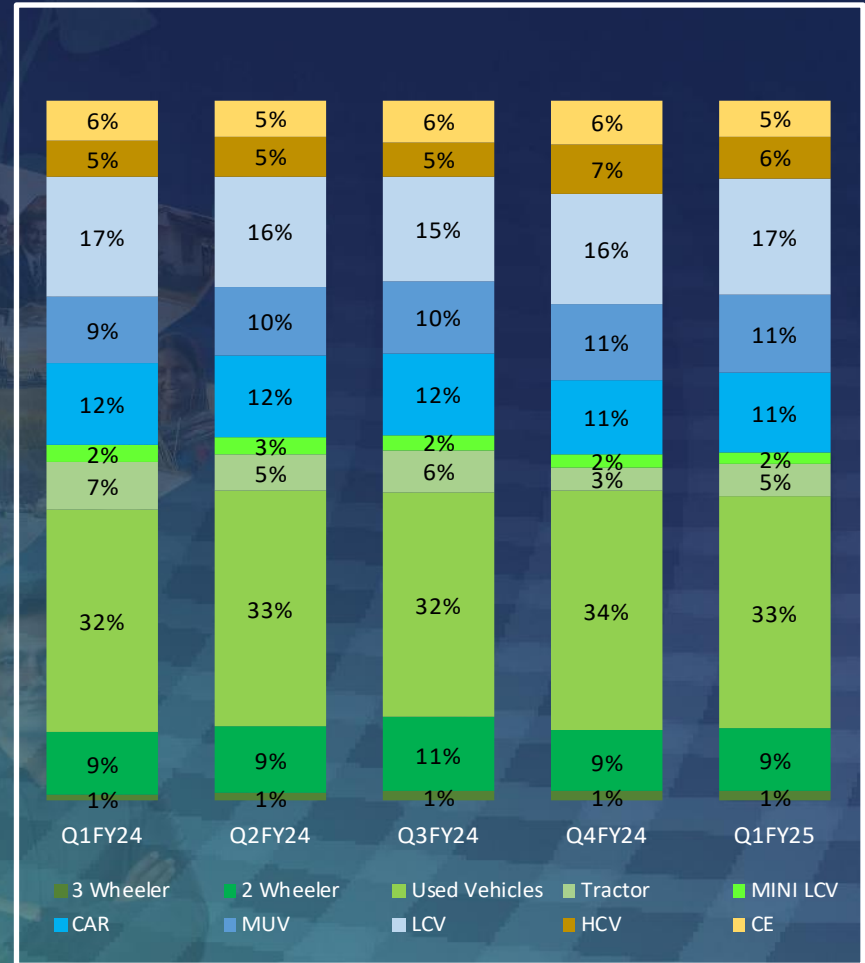
Portfolio (%) - Product wise



Disbursement (₹Cr) - Product wise



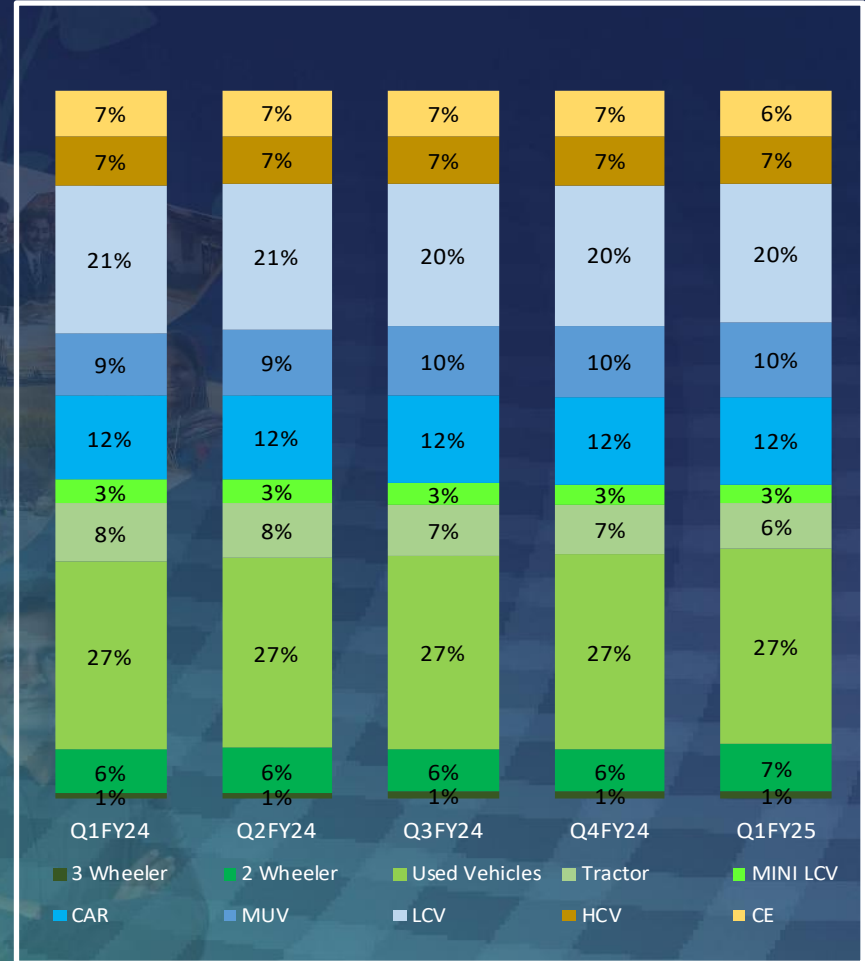
Disbursement (%) – Product wise



Portfolio (₹Cr) - Product wise

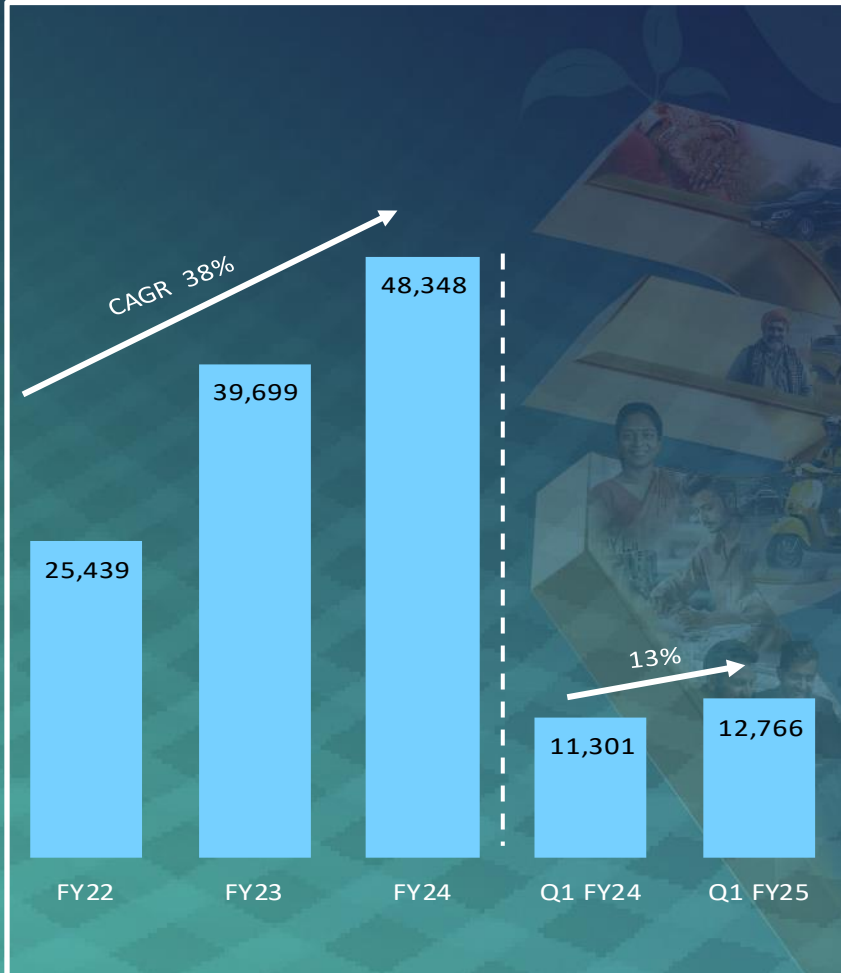


Portfolio (%) – Product wise



Vehicle Finance - Disbursements and Asset Under Management

Disbursements (₹Cr)

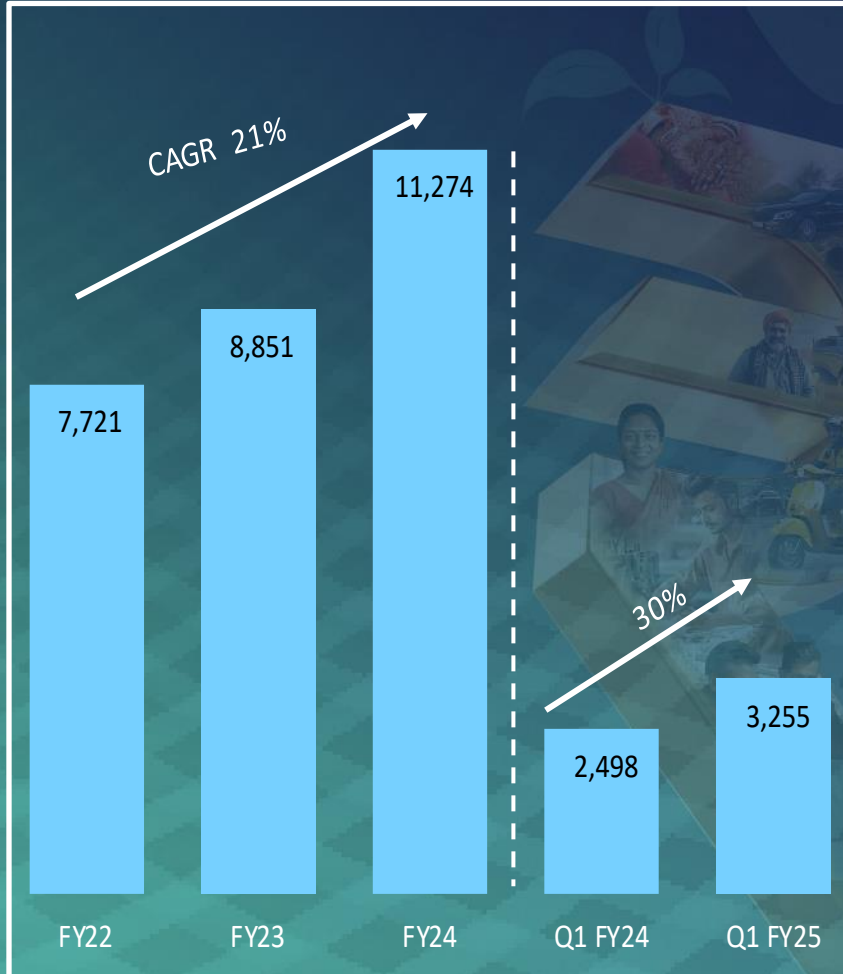


Assets under management (₹Cr)

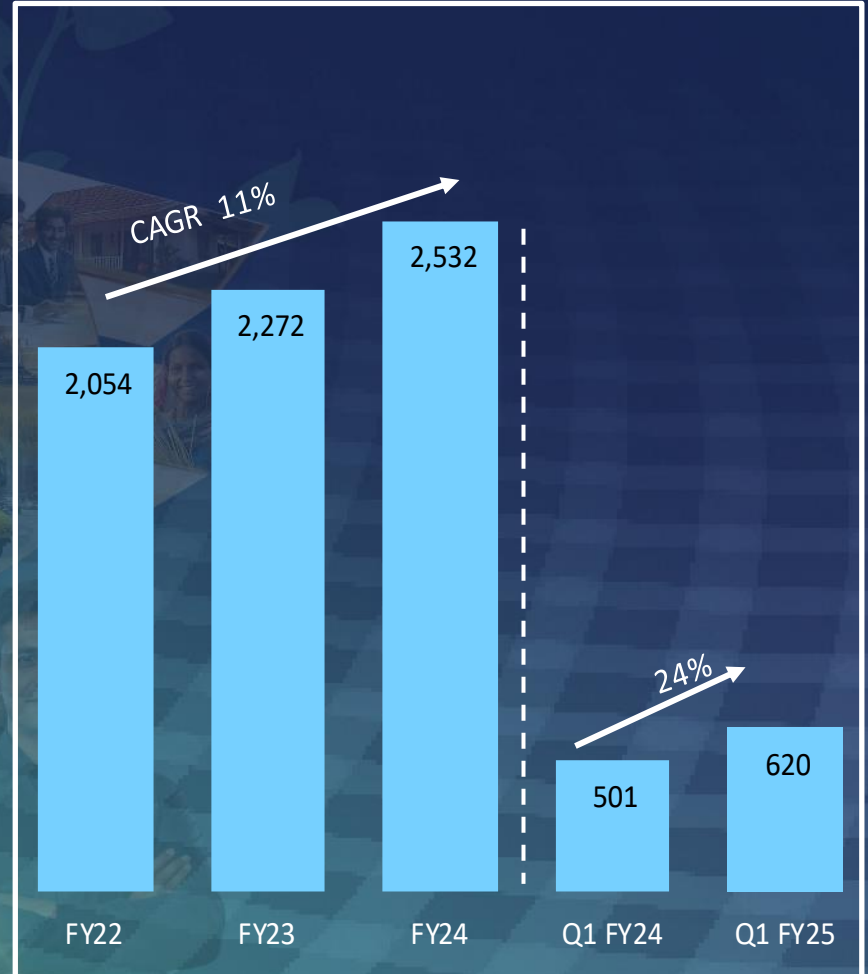


Vehicle Finance - Income and Profit before tax

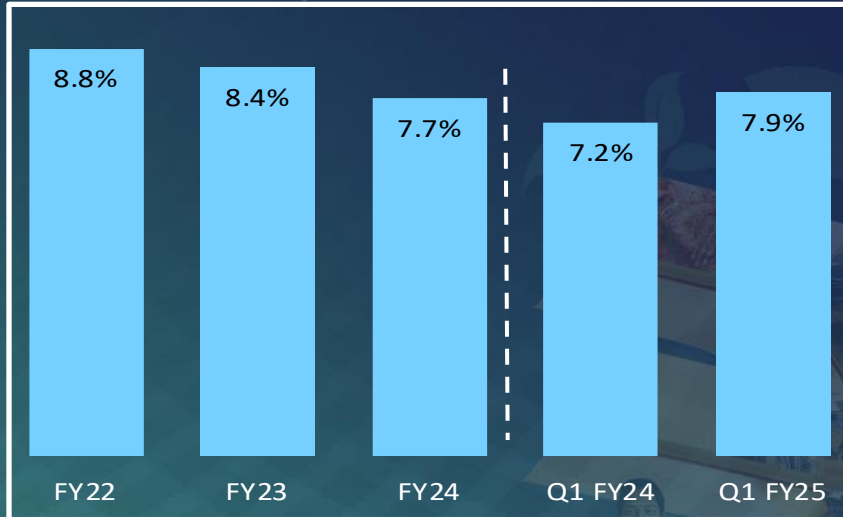
Income (₹Cr)



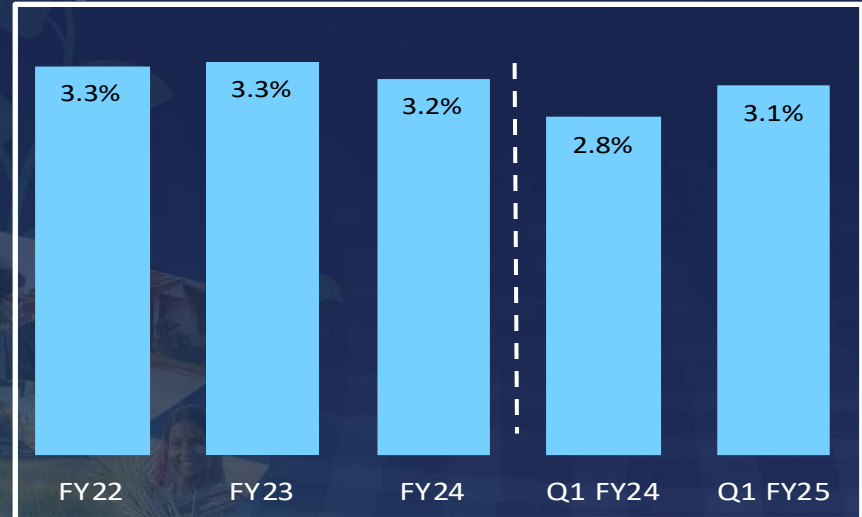
Profit before tax (₹Cr)



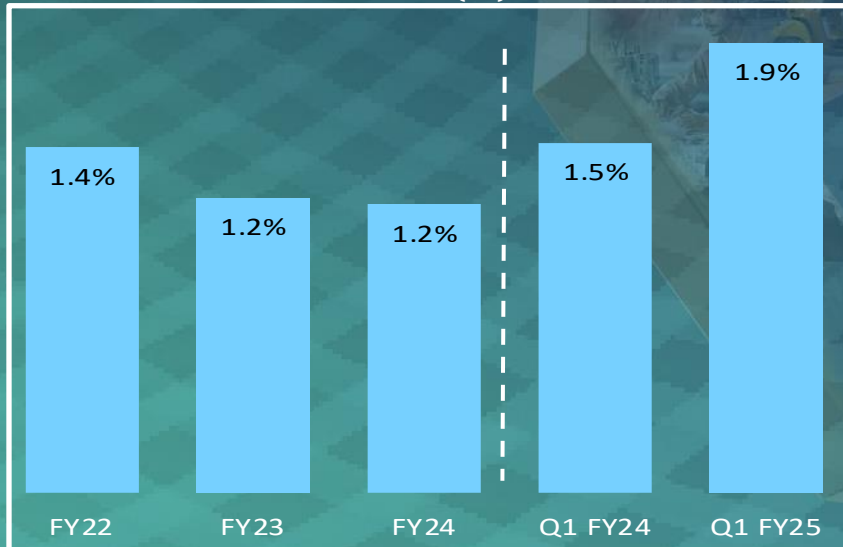
Net Income Margin (%)



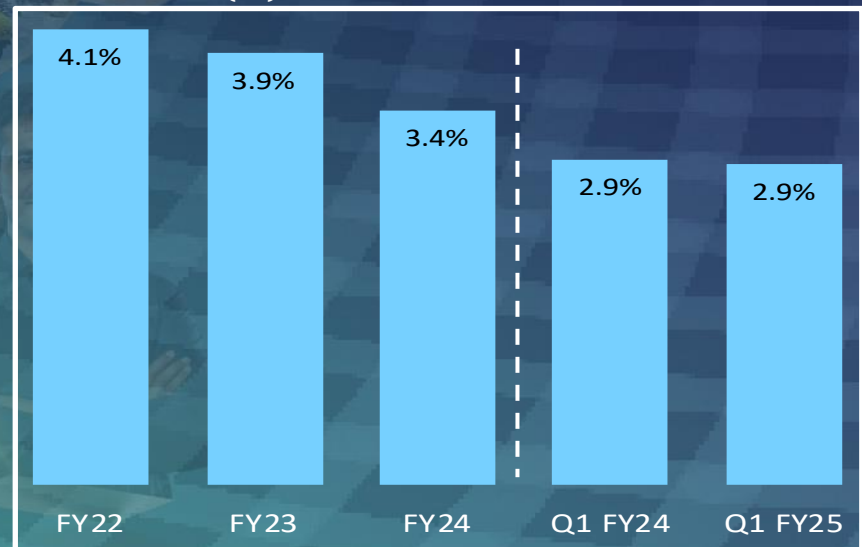
Expense Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Vehicle Finance (Managed)

₹ Cr

Particulars	Q4FY24	Q1 FY24	Q1 FY25	Growth % Q1-o-Q1	FY24
Disbursements	12,962	11,301	12,766	13%	48,348
Asset Under Management	84,498	71,065	88,638	25%	84,498
Income	3,144	2,498	3,255	30%	11,274
Finance Charges	1,455	1,258	1,558	24%	5,436
Net Income	1,690	1,239	1,697	37%	5,839
Expenses	706	489	672	38%	2,401
Net Credit Losses	96	250	404	62%	906
PBT	888	501	620	24%	2,532
Asset Ratios					
Income	15.4%	14.6%	15.1%		14.9%
Cost of Funds	7.1%	7.3%	7.2%		7.2%
Net Income Margin	8.3%	7.2%	7.9%		7.7%
Expense	3.5%	2.8%	3.1%		3.2%
Losses & Provisions	0.5%	1.5%	1.9%		1.2%
ROA-PBT	4.4%	2.9%	2.9%		3.4%
Cost to Net Income	41.8%	39.4%	39.6%		41.1%

Profit and Loss Statement - Vehicle Finance (On Book)

₹ Cr

Particulars	Q4FY24	Q1 FY24	Q1 FY25	Growth % Q1-o-Q1	FY24
Disbursements	12,962	11,301	12,766	13%	48,348
Closing Assets (On B/S)	84,456	70,918	88,611	25%	84,456
Income	3,142	2,491	3,254	31%	11,256
Finance Charges	1,454	1,254	1,557	24%	5,426
Net Income	1,688	1,237	1,697	37%	5,830
Expenses	706	489	672	38%	2,401
Net Credit Losses	96	250	404	62%	906
PBT	887	499	620	24%	2,523
Asset Ratios					
Income	15.4%	14.6%	15.1%		14.9%
Cost of Funds	7.1%	7.3%	7.2%		7.2%
Net Income Margin	8.3%	7.2%	7.9%		7.7%
Expense	3.5%	2.9%	3.1%		3.2%
Losses & Provisions	0.47%	1.5%	1.9%		1.2%
ROA-PBT	4.3%	2.9%	2.9%		3.3%
Cost to Net Income	41.8%	39.5%	39.6%		41.2%

Loan Against Property



Loan Against Property – Q1FY25 Performance

Disbursements

- Disbursements grew by 45% in Q1FY25 to Rs. 3,874 Cr as compared to Q1FY24.

Asset under management

- AUM has grown by 41% YoY.

Loss and provisions

- Loan losses at 0.1% in Q1FY25 from -0.1% in Q1FY24

Profit before tax

- PBT grew by 31% in Q1FY25 to Rs.292 Cr as compared to Q1FY24.

Sector Outlook

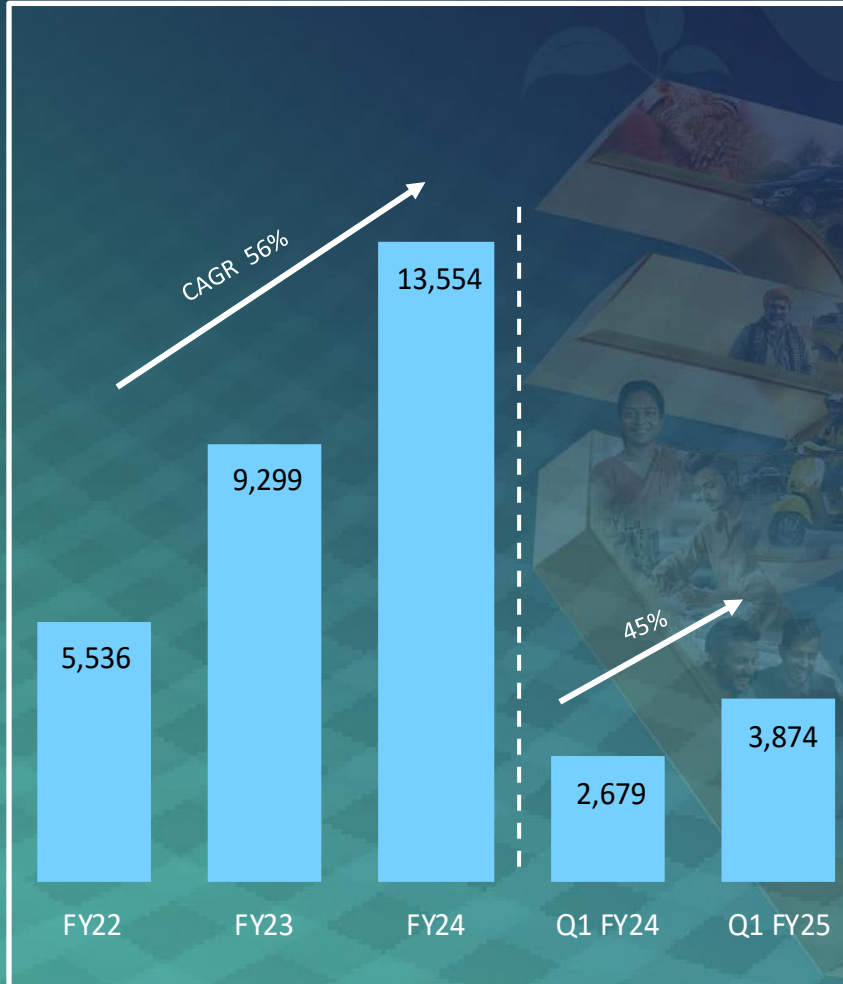
- CRISIL MI&A Research estimates the LAP segment to grow 25-26% for NBFCs in fiscal 2024. Similarly, range bound growth is anticipated in fiscal 2025, with NBFCs likely to grow at a rate of 22-24%
- Ind-Ra believes NBFCs' funding strategy will continue to be in focus for FY25. Furthermore, while net interest margins will be under pressure, other levers including fee income, operating expenses and credit costs will be used to minimize any impact on profitability
- With continued improvement in economic activity, better collection efficiency and strong credit growth, GNPA level decreased compared to previous years and is expected to improve in this fiscal.

Chola's Position

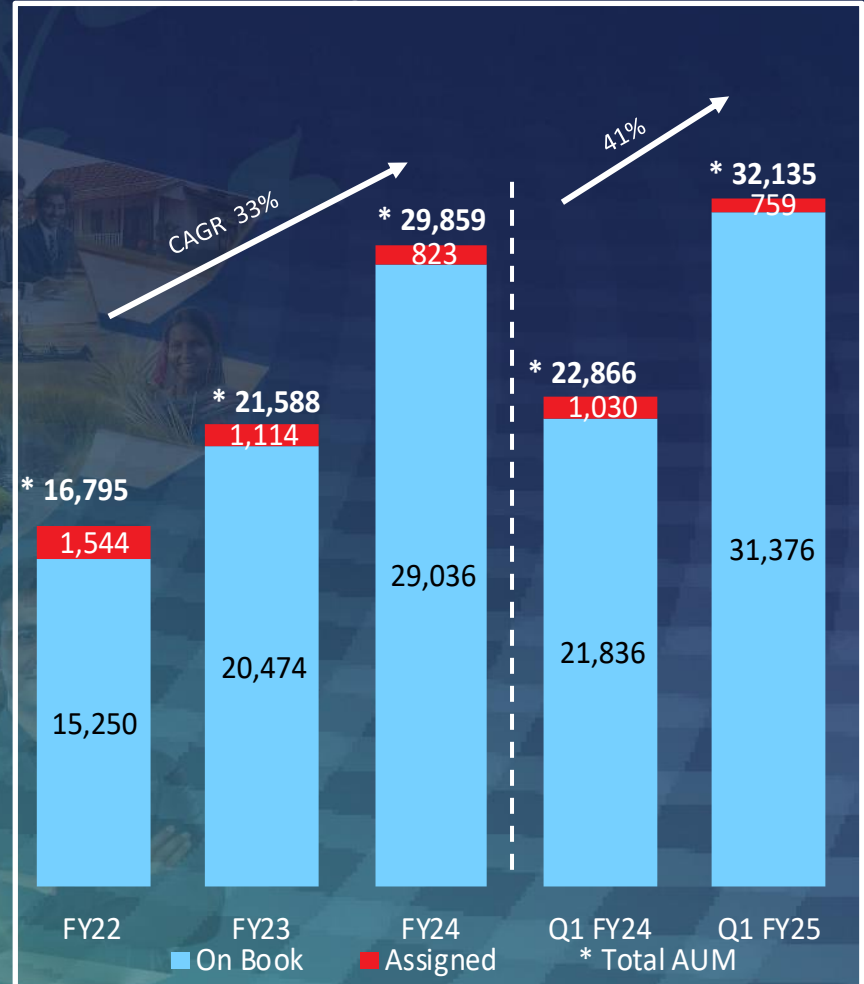
- The focus is on increasing the market share backed by consistent disbursement growth and collections performance. Our focus continues to be on retail customers especially in smaller towns and rural areas.
- We are capitalizing on our pan India geographical presence by going wide in tier 3 and tier 4 markets to improve margins, while continuing to hold significant presence in tier 1 and tier 2 markets.
- We have strengthened our collection & legal process, and the asset quality has shown steady improvement. The stage 3 book has come down with consistent improvement in collection efficiency

Loan Against Property - Disbursements and Asset Under Management

Disbursements (₹Cr)

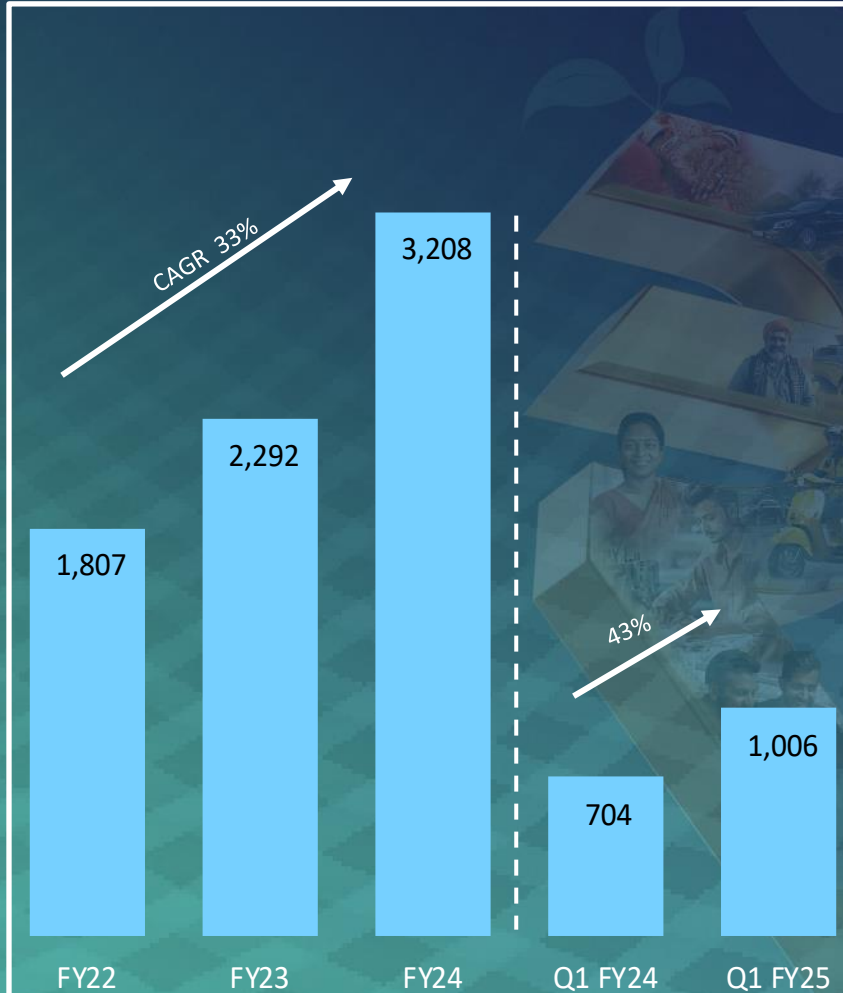


Assets under Management (₹Cr)

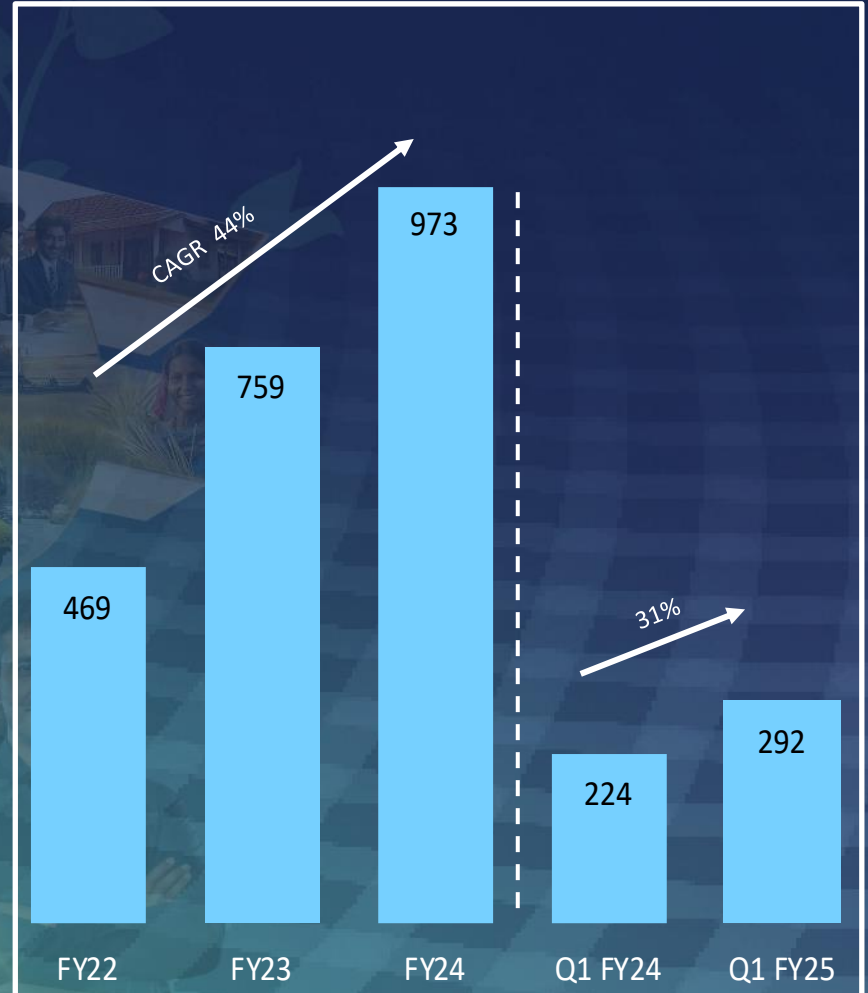


Loan Against Property – Income and Profit before tax

Income (₹Cr)

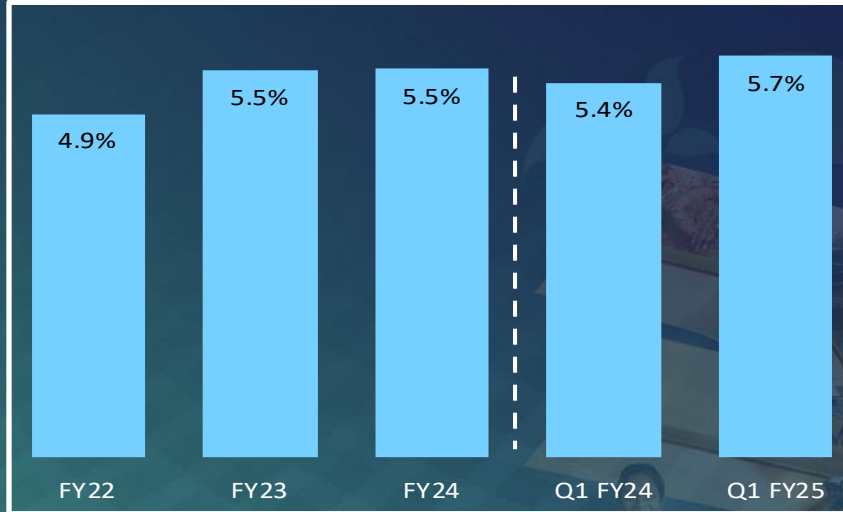


Profit before tax (₹Cr)

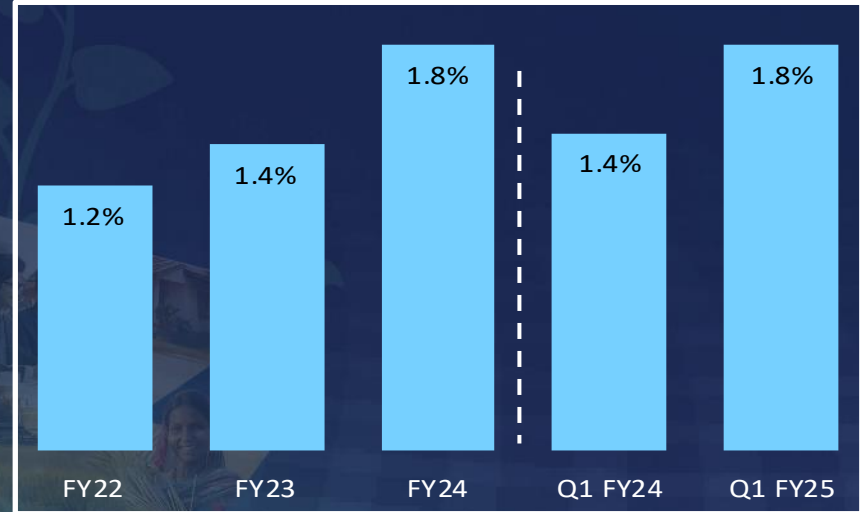


Loan Against Property – Asset Ratios

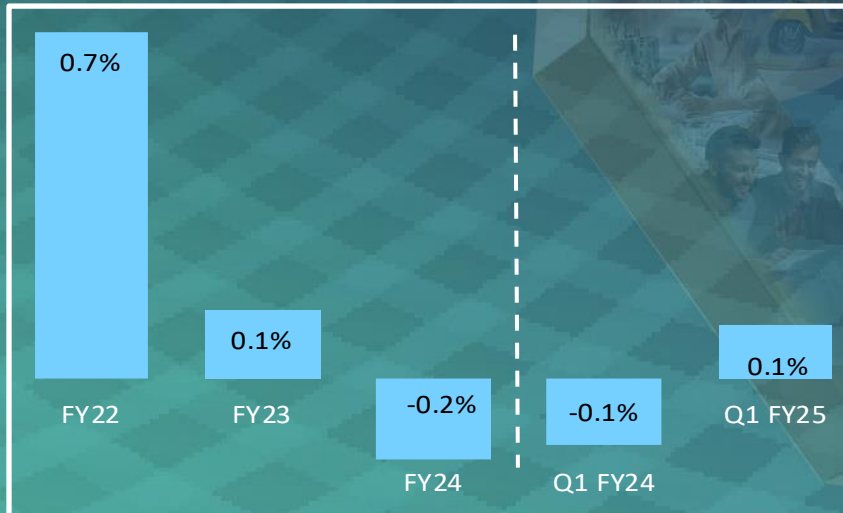
Net Income Margin (%)



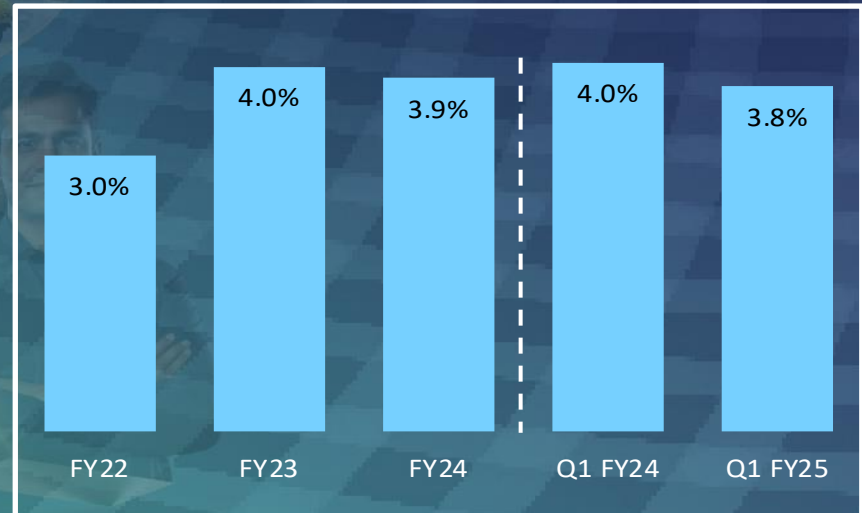
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Loan Against Property (Managed)

₹ Cr

Particulars	Q4FY24	Q1 FY24	Q1 FY25	Growth % Q1-o-Q1	FY24
Disbursements	4,273	2,679	3,874	45%	13,554
Asset Under Management	29,859	22,866	32,135	41%	29,859
Income	917	704	1,006	43%	3,208
Finance Charges	513	408	563	38%	1,811
Net Income	404	296	443	50%	1,397
Expenses	157	80	142	79%	464
Net Credit Losses	-24	-7	8	215%	-40
PBT	271	224	292	31%	973
Asset Ratios					
Income	13.0%	12.7%	13.0%		12.7%
Cost of Funds	7.3%	7.4%	7.3%		7.2%
Net Income Margin	5.7%	5.4%	5.7%		5.5%
Expense	2.2%	1.4%	1.8%		1.8%
Losses & Provisions	-0.3%	-0.1%	0.1%		-0.2%
ROA-PBT	3.8%	4.0%	3.8%		3.9%
Cost to Net Income	38.9%	26.9%	32.2%		33.2%

Profit and Loss Statement - Loan Against Property (On Book)

₹ Cr

Particulars	Q4FY24	Q1 FY24	Q1 FY25	Growth % Q1-o-Q1	FY24
Disbursements	4,273	2,679	3,874	45%	13,554
Closing Assets (On B/S)	29,036	21,836	31,376	44%	29,036
Income	890	672	986	47%	3,069
Finance Charges	492	384	545	42%	1,722
Net Income	397	288	441	53%	1,347
Expenses	157	80	142	79%	464
Net Credit Losses	-24	-7	8	215%	-40
PBT	264	215	291	35%	923
Asset Ratios					
Income	13.0%	12.8%	13.1%		12.7%
Cost of Funds	7.2%	7.3%	7.2%		7.1%
Net Income Margin	5.8%	5.5%	5.9%		5.6%
Expense	2.3%	1.5%	1.9%		1.9%
Losses & Provisions	-0.3%	-0.1%	0.1%		-0.2%
ROA-PBT	3.9%	4.1%	3.9%		3.8%
Cost to Net Income	39.6%	27.7%	32.3%		34.4%

Home Loans



Disbursements

- Disbursements grew by 22% in Q1FY25 to Rs. 1,778 Cr as compared to Q1FY24.

Asset under management

- AUM have grown by 53% YoY.

Loss and provisions

- Loan losses at 0.3% in Q1FY25 from -0.1% in Q1FY24.

Profit before tax

- PBT grew by 88% in Q1FY25 to Rs.163 Cr as compared to Q1FY24.

Sector Outlook

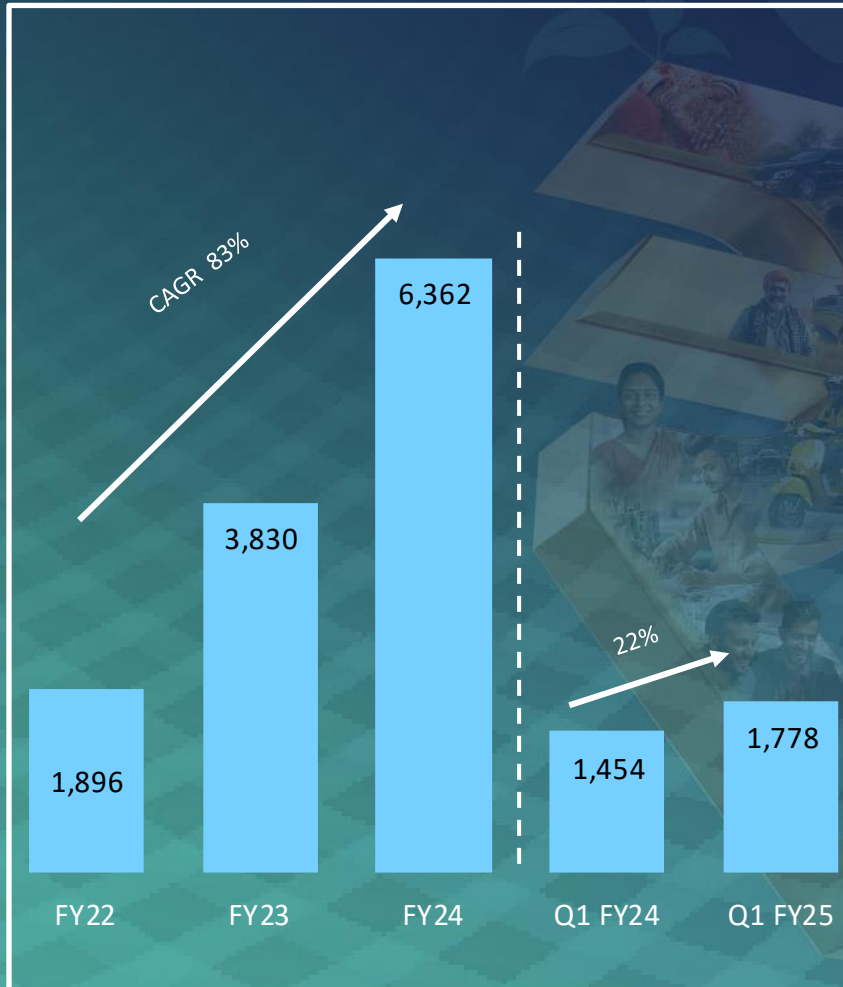
- The overall growth in HFCs is expected to remain at 12-14% in FY25
- GNPA's of AHFCs are expected to stabilize and further recovery in FY25 is anticipated
- Moderation in NIMs expected; however, contained credit costs to support profitability. Adequate capital and liquidity support the entity- level risk profiles.

Chola's Position

- Chola continues to leverage its strength in penetrating to smallest villages and towns. Chola will focus on penetrating untapped rural areas across India and provide accessibility to home loans for all.
- Chola continues to pursue legal recovery for the higher bucket portfolio & is also continuously improving collection efficiencies through advanced analytics & digital-led collections.
- Chola continues to pursue profitable growth through low-cost expansion, process optimizations, & elimination of inefficiencies across all functions to ensure margins are sustained. Chola will focus on optimizing profitability through differential pricing model based on customer risk profiling.

Home Loans - Disbursements and Asset Under Management

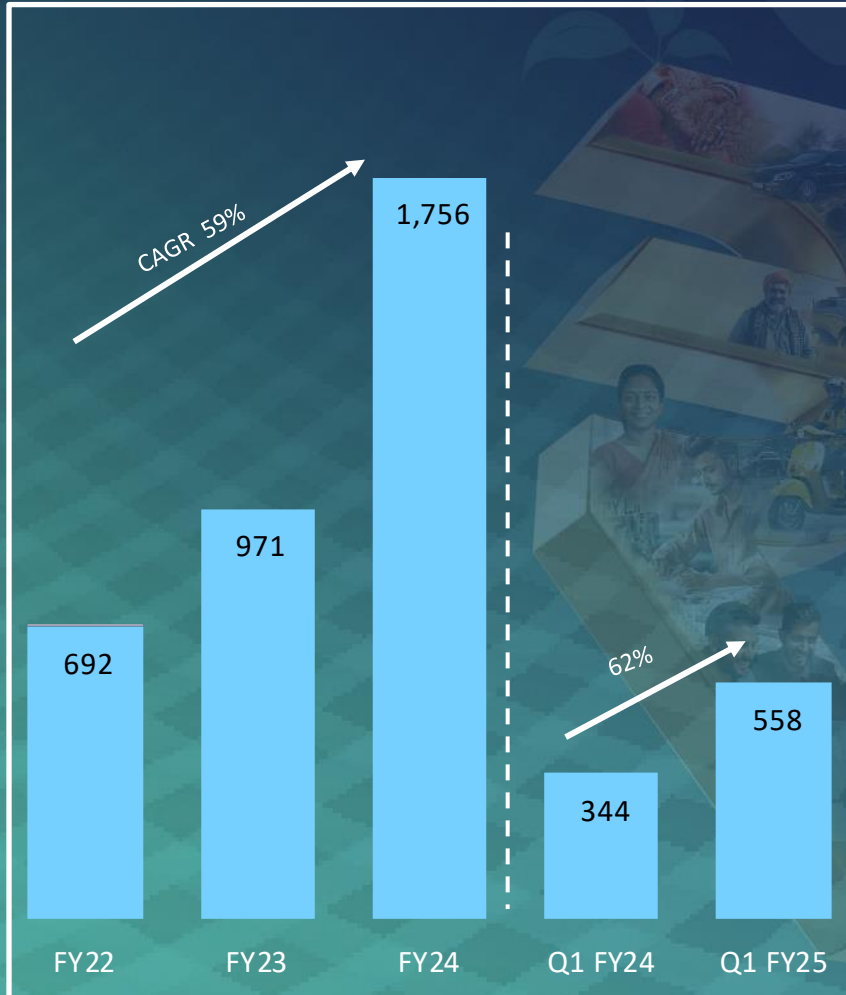
Disbursements (₹Cr)



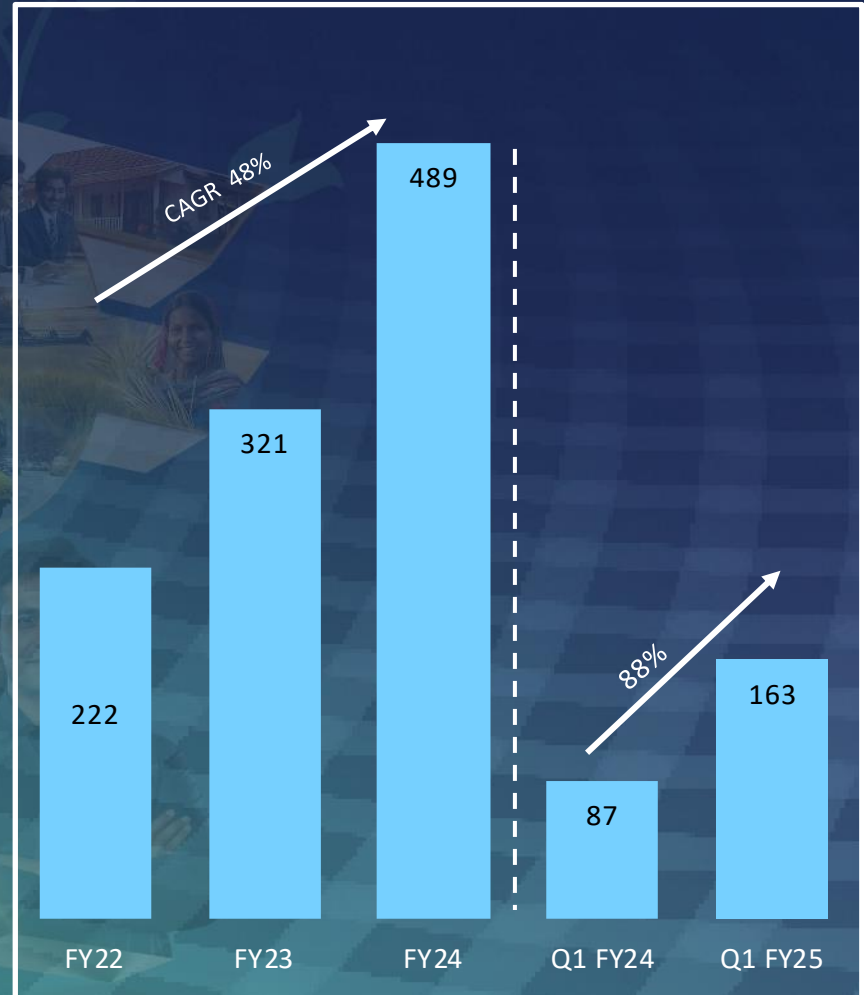
Assets under Management (₹Cr)



Income (₹Cr)

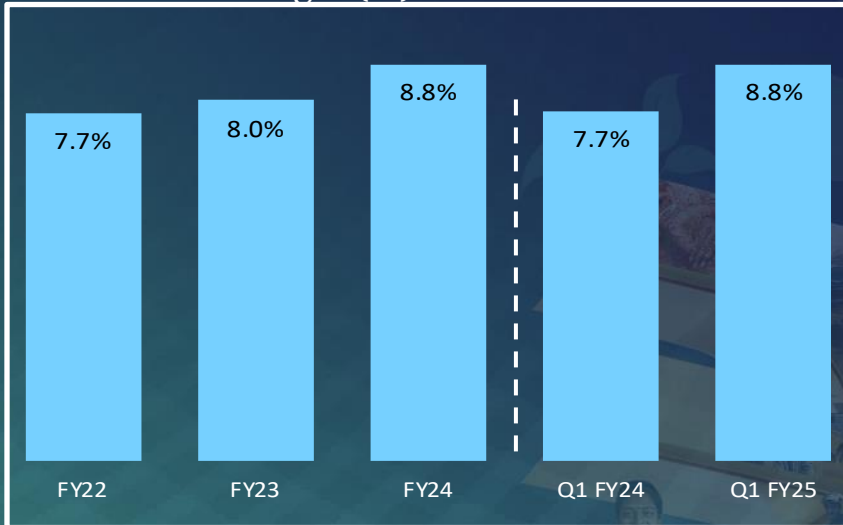


Profit before tax (₹Cr)

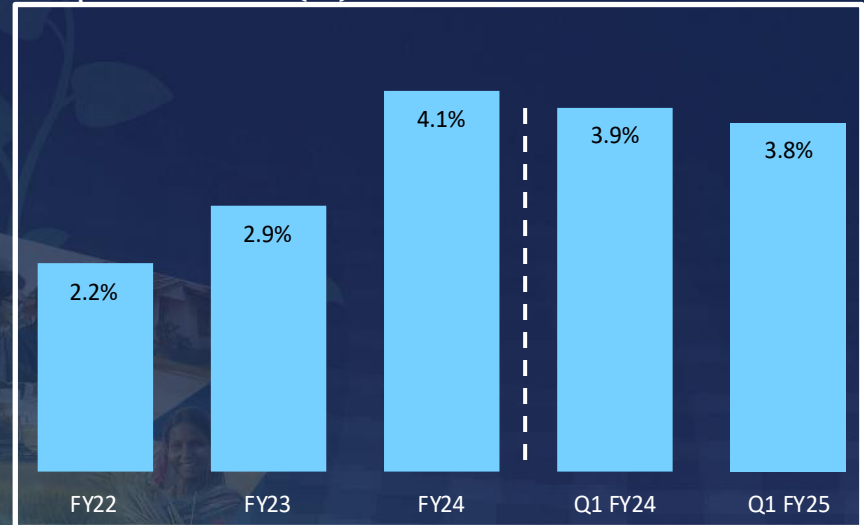


Home Loans – Asset Ratios

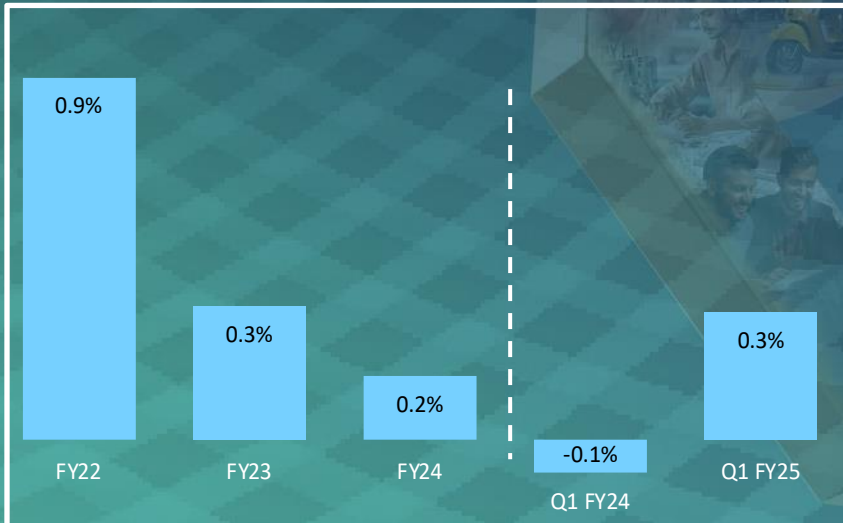
Net Income Margin (%)



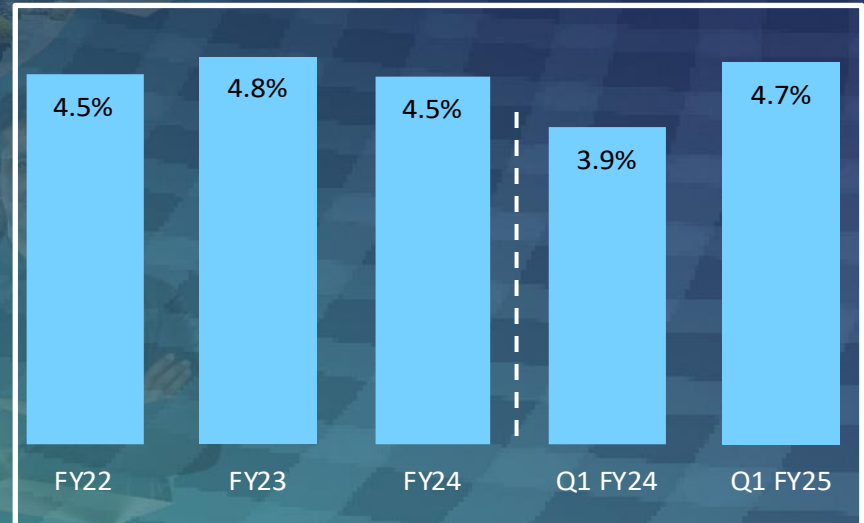
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Home Loans (Managed)

₹ Cr

Particulars	Q4FY24	Q1 FY24	Q1 FY25	Growth % Q1-o-Q1	FY24
Disbursements	1,747	1,454	1,778	22%	6,362
Asset Under Management	13,404	9,528	14,565	53%	13,404
Income	534	344	558	62%	1,756
Finance Charges	229	171	253	48%	805
Net Income	305	173	306	77%	951
Expenses	137	88	131	50%	444
Net Credit Losses	-1	-2	11	720%	18
PBT	170	87	163	88%	489
Asset Ratios					
Income	16.9%	15.4%	16.0%		16.2%
Cost of Funds	7.2%	7.7%	7.3%		7.4%
Net Income Margin	9.6%	7.7%	8.8%		8.8%
Expense	4.3%	3.9%	3.8%		4.1%
Losses & Provisions	0.0%	-0.1%	0.3%		0.2%
ROA-PBT	5.4%	3.9%	4.7%		4.5%
Cost to Net Income	44.8%	50.8%	42.9%		46.7%

Profit and Loss Statement - Home Loans (On Book)

₹ Cr

Particulars	Q4FY24	Q1 FY24	Q1 FY25	Growth % Q1-o-Q1	FY24
Disbursements	1,747	1,454	1,778	22%	6,362
Closing Assets (On B/S)	13,048	9,115	14,224	56%	13,048
Income	523	331	547	65%	1,702
Finance Charges	220	162	245	51%	770
Net Income	303	169	302	79%	932
Expenses	137	88	131	50%	445
Net Credit Losses	-1	(2)	11	720%	18
PBT	167	83	159	92%	470
Asset Ratios					
Income	17.0%	15.6%	16.1%		16.3%
Cost of Funds	7.2%	7.6%	7.2%		7.4%
Net Income Margin	9.8%	7.9%	8.9%		8.9%
Expense	4.4%	4.1%	3.9%		4.3%
Losses & Provisions	0.0%	-0.1%	0.3%		0.2%
ROA-PBT	5.4%	3.9%	4.7%		4.5%
Cost to Net Income	45.1%	51.9%	43.4%		47.7%

NEW BUSINESSES



₹ Cr

Particulars	CSEL		SME		SBPL	
	FY24	Q1FY25	FY24	Q1FY25	FY24	Q1FY25
Disbursements	11,281	3,486	8,106	2,160	1,074	268
Asset Under Management	11,430	12,909	4,977	5,576	1,404	1,618
Income	1,713	613	514	164	227	98
Finance Charges	666	223	320	99	70	28
Net Income	1,047	390	194	65	157	69
Expenses	430	145	96	29	117	37
Net Credit Losses	371	144	17	12	5	2
PBT	246	101	81	24	35	30
Asset Ratios						
Income	20.4%	20.2%	12.4%	12.5%	25.9%	26.0%
Cost of Funds	7.9%	7.4%	7.7%	7.5%	8.0%	7.5%
Net Income Margin	12.4%	12.9%	4.7%	4.9%	17.9%	18.4%
Expense	5.1%	4.8%	2.3%	2.2%	13.4%	9.7%
Losses & Provisions	4.4%	4.7%	0.4%	0.9%	0.6%	0.6%
ROA–PBT	2.9%	3.3%	2.0%	1.8%	3.9%	8.1%
Cost to Net Income	41.1%	37.2%	49.5%	43.9%	74.6%	52.8%

Note :

- FLDG recovery is part of Other Income in FY24.
- CSEL loan losses in FY 24 is before FLDG recovery which is around 1%.

CSEL – Consumer & Small Enterprise Loan

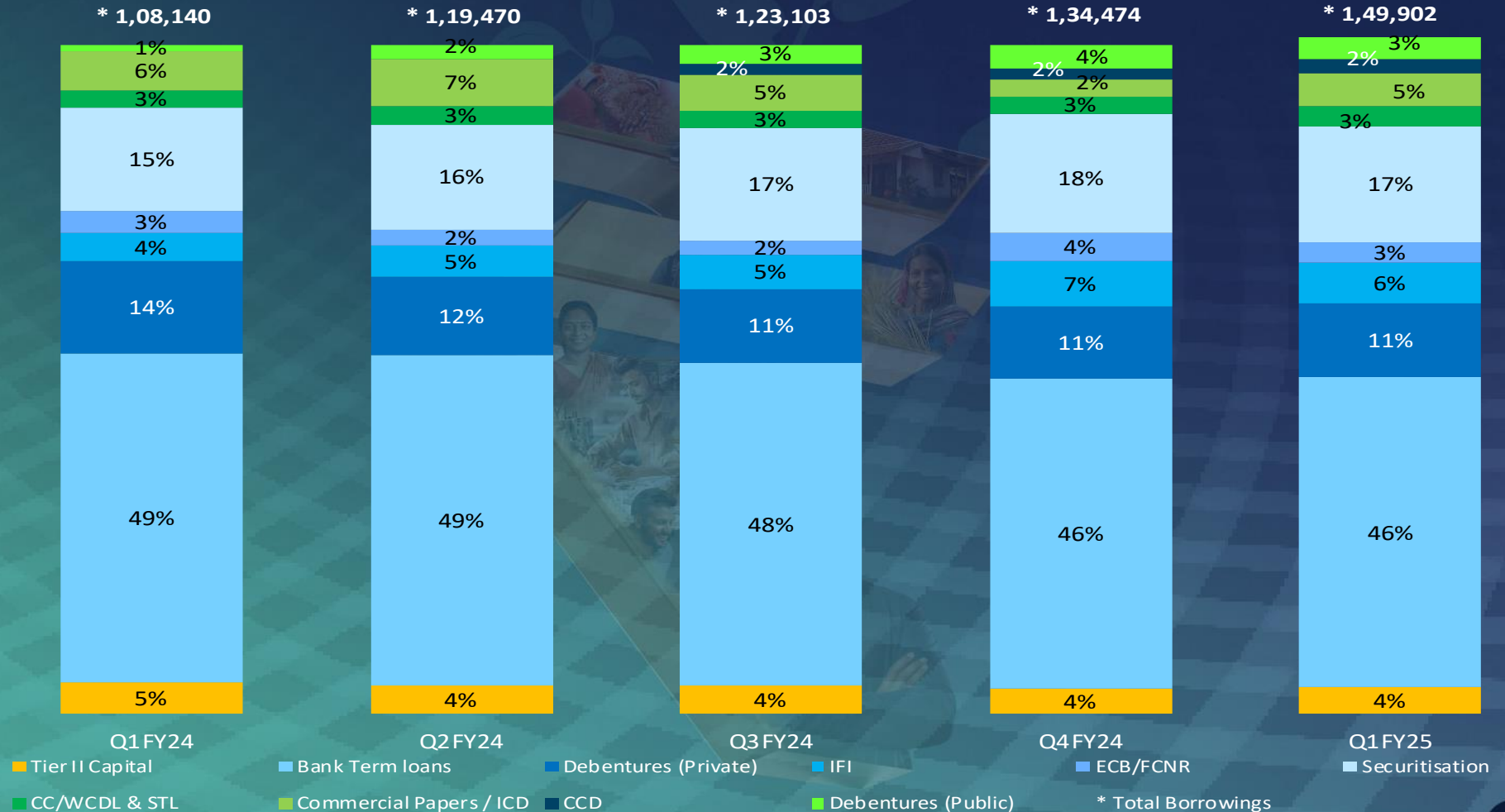
SBPL - Secured Business & Personal Loan

Funding Profile



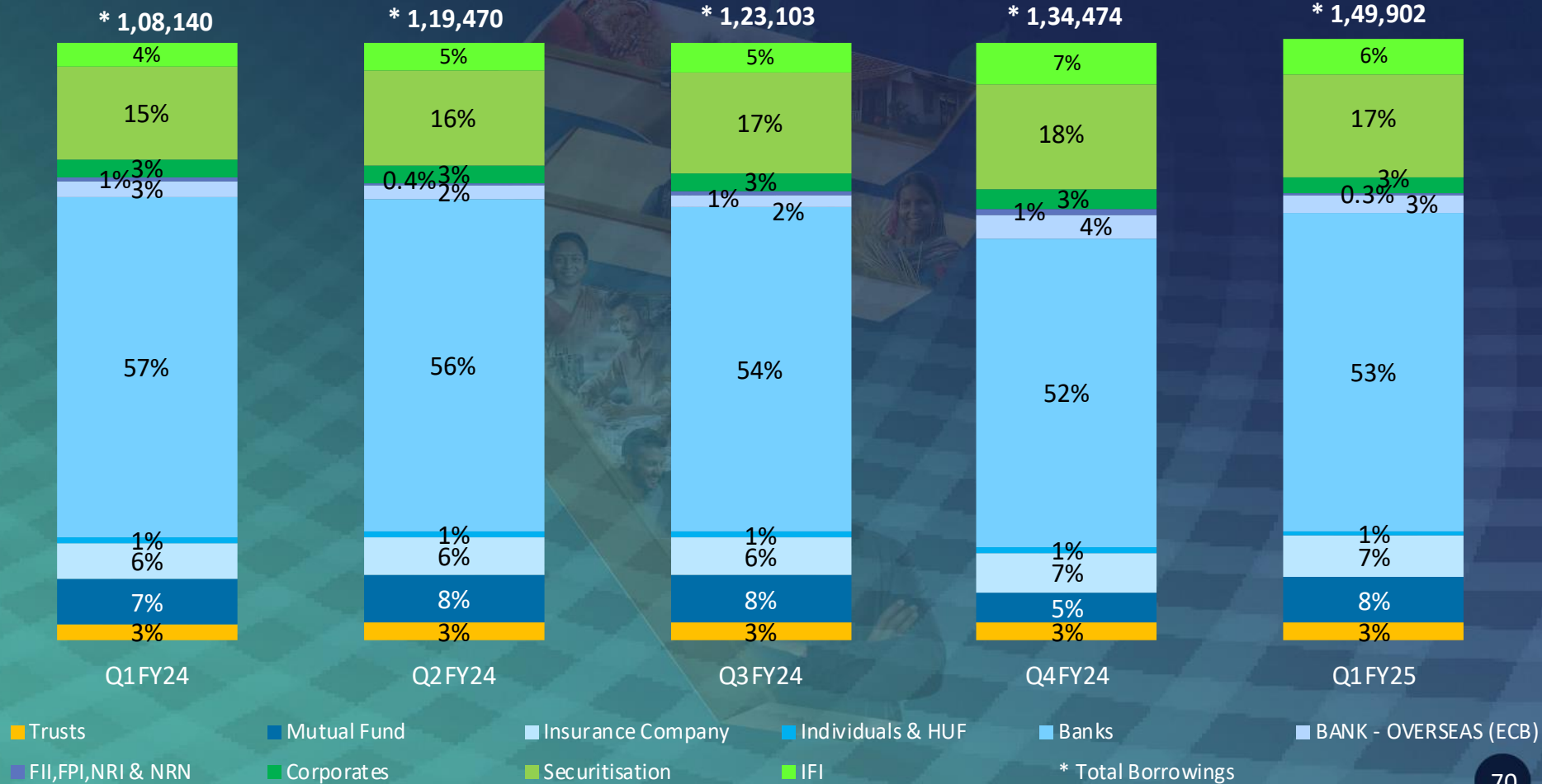
Diversified Borrowings Profile (I/II)

Borrowing mix by instrument type



(₹Cr)

Borrowing mix by investor type

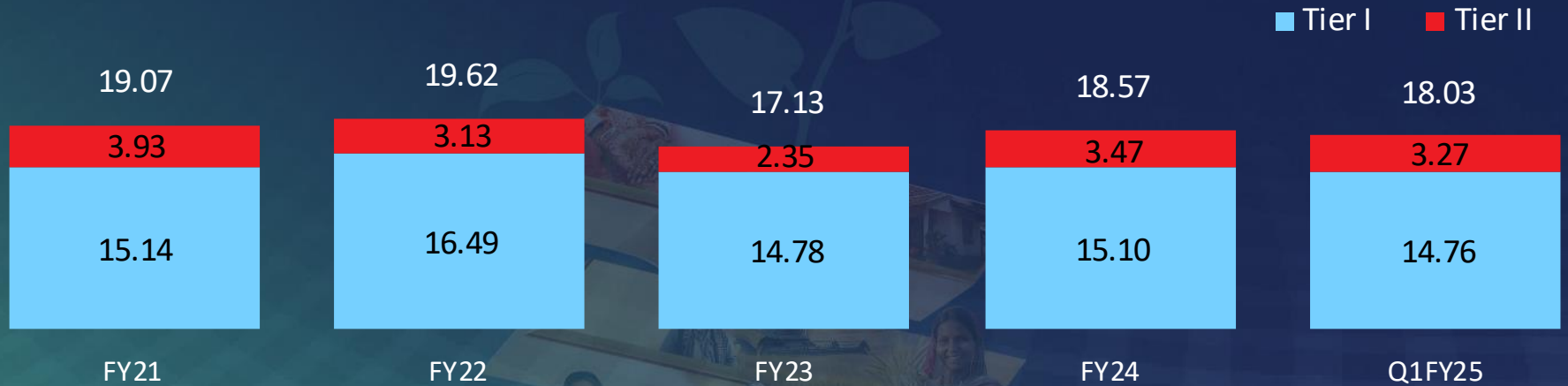


ALM Statement as of 30th Jun 2024 (As per IND AS)

(₹Cr)

ALM snapshot as on 30th Jun 2024									
Particulars	1 m	>1 to 2m	>2 to 3m	>3 to 6m	>6m to 1 yr	>1 to 3 yr	>3 to 5 yr	>5 yr	Total
Cash & Bank Balances	6,904.02	12.73	2,329.23	200.84	417.72	2,063.06	867.47	1,528.94	14,324.00
Advances	5,333.32	5,103.70	3,908.99	14,670.56	23,764.95	62,411.27	23,504.86	17,984.39	1,56,682.06
Trade Receivable & Others	102.71	301.71	1.87	44.48	7.09	107.51	406.65	2,997.91	3,969.93
Total Inflows (A)	12,340.05	5,418.14	6,240.10	14,915.88	24,189.76	64,581.84	24,778.97	22,511.25	1,74,975.99
Cumulative Total Inflows (B)	12,340.05	17,758.19	23,998.29	38,914.17	63,103.93	1,27,685.77	1,52,464.74	1,74,975.99	
Borrowin Repayment-Bank & Others	5,239.96	2,801.89	5,143.00	10,062.97	16,762.60	56,738.06	16,289.45	168.92	1,13,206.85
Borrowin Repayment- Market	2,542.57	2,336.52	1,029.26	3,762.20	4,637.21	10,122.73	8,691.60	3,441.41	36,563.51
Capital Reserves and Surplus	-	-	-	-	-	-	-	20,655.93	20,655.93
Other Outflows	3,243.15	194.53	46.80	125.90	169.54	317.87	391.13	60.78	4,549.70
Total Outflows (C)	11,025.68	5,332.94	6,219.05	13,951.07	21,569.34	67,178.67	25,372.19	24,327.05	1,74,975.99
Cumulative Total Outflows (D)	11,025.68	16,358.62	22,577.67	36,528.74	58,098.09	1,25,276.76	1,50,648.94	1,74,975.99	
E. GAP (A - C)	1,314.37	85.20	21.04	964.81	2,620.41	(2,596.82)	(593.22)	(1,815.80)	
F.Cumulative GAP (B - D)	1,314.37	1,399.57	1,420.61	2,385.42	5,005.84	2,409.02	1,815.80	0.00	
Cumulative GAP as % (F/D)	11.92%	8.56%	6.29%	6.53%	8.62%	1.92%	1.21%	0.00%	

Capital Adequacy Ratio (CAR) – As per RBI guideline



Minimum CAR Stipulated by RBI is 15% & for Tier I is 10%

Tier 2 includes 1.49% % of CCD which is compulsorily convertible into equity in Sep 2026.

Credit Rating

Loan type	India ratings	Care	ICRA	Crisil
ST CP/WCDL	-	-	[ICRA] A1+	[CRISIL] A1+
LT NCD/CC	IND AA + (ind) stable	CARE AA+/Stable	[ICRA] AA+/Positive	-
NCD (Public Issue)	IND AA+/ Stable	CARE AA+/Stable	[ICRA] AA+/Positive	-
Tier II SD	IND AA+/ Stable	CARE AA+/Stable	[ICRA] AA+/Positive	-
Tier I PDI	IND AA/ Stable	CARE AA /Stable	[ICRA] AA/Positive	-

Note : ICRA has reaffirmed the Ratings and Outlook upgraded to AA+ (Positive) from AA+ (Stable)

Consolidated Financials



(₹Cr)

Particulars	FY23	FY24	Q1 FY24	Q1FY25	Growth % Q1-o-Q1
Income	13,106	19,420	4,171	5,857	40%
Expenses	9,491	14,815	3,215	4,582	43%
PBT	3,615	4,605	956	1,275	33%
PAT	2,665	3,420	710	947	33%

Risk Management



Our Enterprise Risk Management strategy comprehensively covers all aspects of risk

① Risk vision

Risk Pillars

②

Capital &
Liquidity
risk

③

Credit
risk

④

Fraud
risk

⑤

Cyber &
Data
security
risk

⑥

Regulatory
&
Compliance
risk

⑦

Key
emerging
risks-
climate,
social etc.

⑦

Risk organization



⑧

Risk governance & reporting

We have integrated best-in-class practices across all key risk areas (I/II)

Category	Key Highlights
1 Risk vision	<ul style="list-style-type: none"> • Risk Appetite Statement implemented as a strategic lever: Strong linkage to functions with well-defined thresholds and robust governance mechanisms
2 Capital & Liquidity risk	<ul style="list-style-type: none"> • Well-diversified source of funds with judicious mix of instruments and of investor profiles • Liquidity position assessed regularly. • Strong governance for key parameters like HQLA holdings, funding lines in place
3 Credit risk	<ul style="list-style-type: none"> • Analytics based decision making embedded across credit and collections processes <ul style="list-style-type: none"> - Regular finetuning of credit policies and gating criteria basis portfolio review - Robust governance mechanism in place for regular review of all underwriting and collection models - Personalized collection treatment strategies basis Early Warning /Roll forward models • Stress testing capability deployed to refine credit & collection strategies proactively, basis macro-economic forecasts
4 Fraud risk	<ul style="list-style-type: none"> • Best-in-class preventive controls, tools & SOPs to mitigate frauds across customers, employees & third-parties • Ongoing cross-business sharing of best practices for detection and mitigation • Regular employee training and awareness campaigns on fraud detection & prevention

We have integrated best-in-class practices across all key risk areas (II/II)

 Category	 Key Highlights
5 Cyber risk	<ul style="list-style-type: none"> • Built/ deployed robust capabilities, processes and toolkits to manage growing cyber risks • Quarterly red-teaming & war gaming assessments; Regular phishing simulations & crisis management drills
6 Regulatory & compliance risk	<p>In-house team of 20+ members with collective experience of 200+ years to independently monitor regulatory compliance</p> <ul style="list-style-type: none"> • Strong performance across annual internal and external audits.
7 Risk organization	<p>Comprehensive risk organizational structure defined with focus on fortifying an active risk function</p> <ul style="list-style-type: none"> • Focus on building capabilities in managing new emerging risks • Deeper interlinkage with business, functional coverage & monitoring focus to mitigate all kinds of risks
8 Risk reporting	<p>Comprehensive risk registers for monitoring along with governance mechanism in place</p> <ul style="list-style-type: none"> • In- house team, 300+ risk matrices tracked across businesses & functions with defined frequency for circulation & monthly reviews

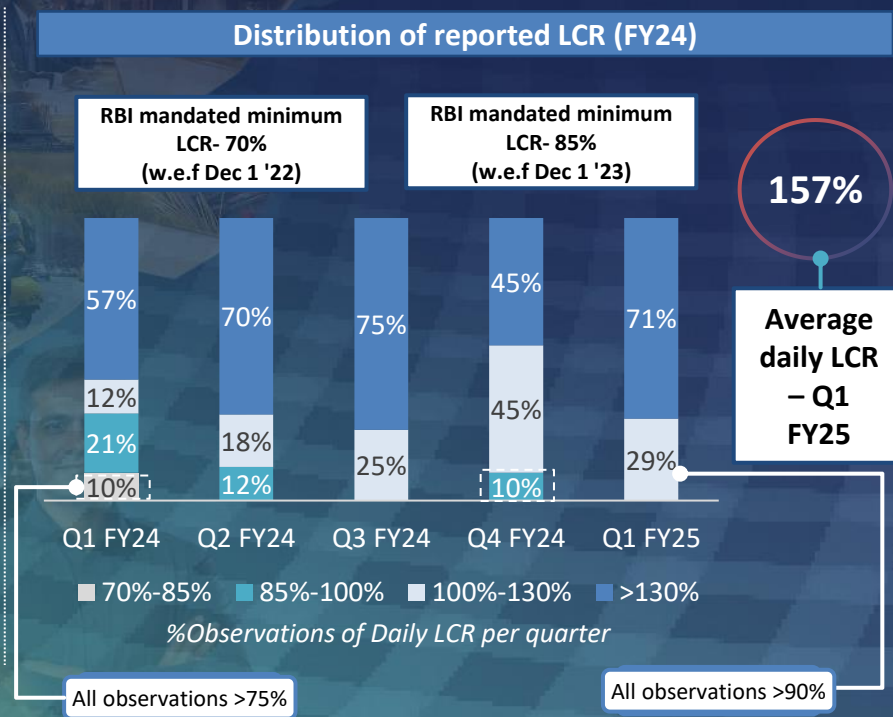
Capital & Liquidity risk | Well managed with judicious buffers maintained consistently

ALM: Stringent Internal thresholds

Time bucket	RBI thresholds	Chola internal thresholds
2-7 days	-10%	0%
8-14 days	-15%	0%
15-28 days	-20%	0%

- No cumulative mismatch across time buckets
- No breaches against internal threshold, demonstrating strong adherence to regulatory compliance

Liquidity: LCR reported is 1.7-2x of RBI mandate on average



Capital & Liquidity risk | Sufficient Tier 1 capital

(₹Cr)

Total RWA as on 30th Jun'24

1,34,415

RWA

Per regulatory guidance, NBFCs to maintain atleast **10% of RWA as Tier I capital**

Chola held **14.76%** of RWA as Tier I capital as on 30th Jun'24

~Rs 2000 Cr maintained as CCD as part of Tier-2 capital¹

13441

Core Tier -1 capital requirement (atleast 9% of RWA)- 12097

Regulatory requirement

19833

Core Tier-1 capital maintained (13.63% of RWA)- 18314

Tier-1 Capital held as on 30th Jun'24

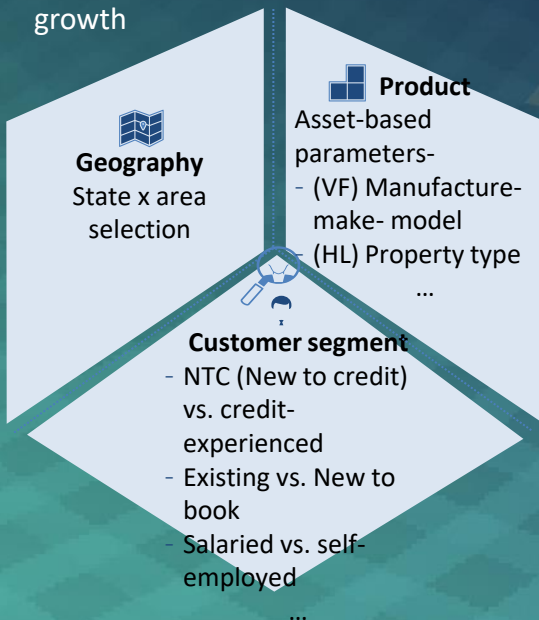
If Rs.2000 Cr CCD is compulsory converted into Equity in FY 26, then the Total Tier I will be at 16.24%

Holistic risk management for credit risk mitigation



Robust Business Decision Matrix based on key criteria

- Choosing right customer mix upfront for key portfolio decisions - e.g., collections & growth



Multi-faceted underwriting process

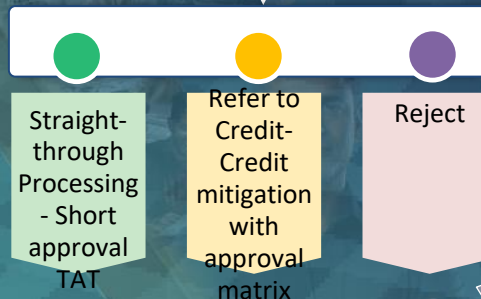
Input variables leveraged-

- Income source
- Existing loan details
- Asset type (For e.g., vehicle type for VF loan)
- ...

1100+



Data-driven model created for each product segment



Proactive portfolio monitoring at a customer level

- Rigorous non-starter/early default monitoring to manage portfolio proactively
- Predictive models and personalized treatment strategies being rolled out across businesses


Use-case	0 DPD	1-90 DPD	90+ DPD
EWS/Bounce	Bounce Prediction		
Collections		Roll-forward models	
		Roll-back models	
	Bureau-based enrichment		
Repo			Repo & settlement models


Feedback loop to refine underwriting models


Regulatory & compliance risk | Effective governance augmented by a strong compliance function


Governance & Compliance form the core of every business and functional process

➔ **Strong 'Compliance- first' approach** tone setting from the Board and senior management ensures compliance across all levels till field staff

 **"Zero tolerance policy"** to any form of non-compliance

 **Stringent Code of conduct** implemented at all levels including employees, DSAs and collection agents

 **Continuous training to employees at all levels** on various regulatory requirements

 **Fair Practice Code** implemented in letter and spirit

20+ professionals
with collective experience of **200+ years**



Compliance team

- Real-time tracking & efficient dissemination of all regulatory changes to senior management and other key stakeholders
- Comprehensive compliance audits conducted throughout the year by independent agencies



Centralized Corporate Legal team

- Real-time tracking of all legal notices/cases against the company
- Centralized review and approval of legal documentation for effective control and governance

Regulatory & compliance risk | Governance further strengthened by robust compliance mechanisms



Cyber risk | Regular monitoring & strong internal processes to prevent, detect & mitigate cyber risk



People

- 1 Well-equipped, adept team of security professionals to mitigate cyber risk at organizational level
- 2 Regular employee trainings & readiness exercises
 - Phishing simulations, crisis management drills, etc.



Process

- 3 Continued effort towards strengthening protocols
 - Code review process
 - Business continuity & Disaster recovery exercises
- 4 Quarterly war gaming & red teaming assessments



Tools & Technology

- 5 Continuous expansion of suite of tools to monitor threats, potential privacy breaches and improve cyber resilience-
 - User access security (SASE)
 - DevSecOps
 - Cloud container security
 - API security

50+ initiatives planned for FY25 to further strengthen cyber risk mitigation

Risk governance & reporting | Clearly defined roles & responsibilities for effective corporate governance

Organization structure setup to ensure effective governance



Well-defined tracking mechanism & review cadence

- 1 RCSA (Risk control and self-assessment)** conducted across businesses periodically
- 2 Multiple Board-led committees** to monitor org risk-

Name of the committee	Key risk reviewed
Risk Management Committee	Overall enterprise risk management policies & processes across each key risk area
Asset Liability Committee	Capital & liquidity position & risk
Audit Committee	Chola's compliance of policies and processes
Business Committee	Business-wise performance & key risks
IT Strategy Committee	IT & cybersecurity framework; IT disaster recovery process
Stakeholders' Relationships Committee	Reputational risk & shareholders' outlook
CSR Committee	Policies, strategies and programs related to ESG

- 3 Comprehensive monitoring & tracking thresholds:**
 - Risk Appetite Statement** to define organizational risk goals
 - Risk registers defined** encompassing **300+ metrics** with strong linkages to businesses/functions

Information Technology



Chola's overall technology focus spread across all layers

System of Engagements

LOS

CRM

**Direct to Customer
(GB, Chola One)**

Partner Integration

System of Records

**Loan
Management
Suite**

**Customer
Database**

Collections

Accounting

Treasury

System of Intelligence

**Data
Repository**

**MIS /
Reporting**

**Data
Visualization**

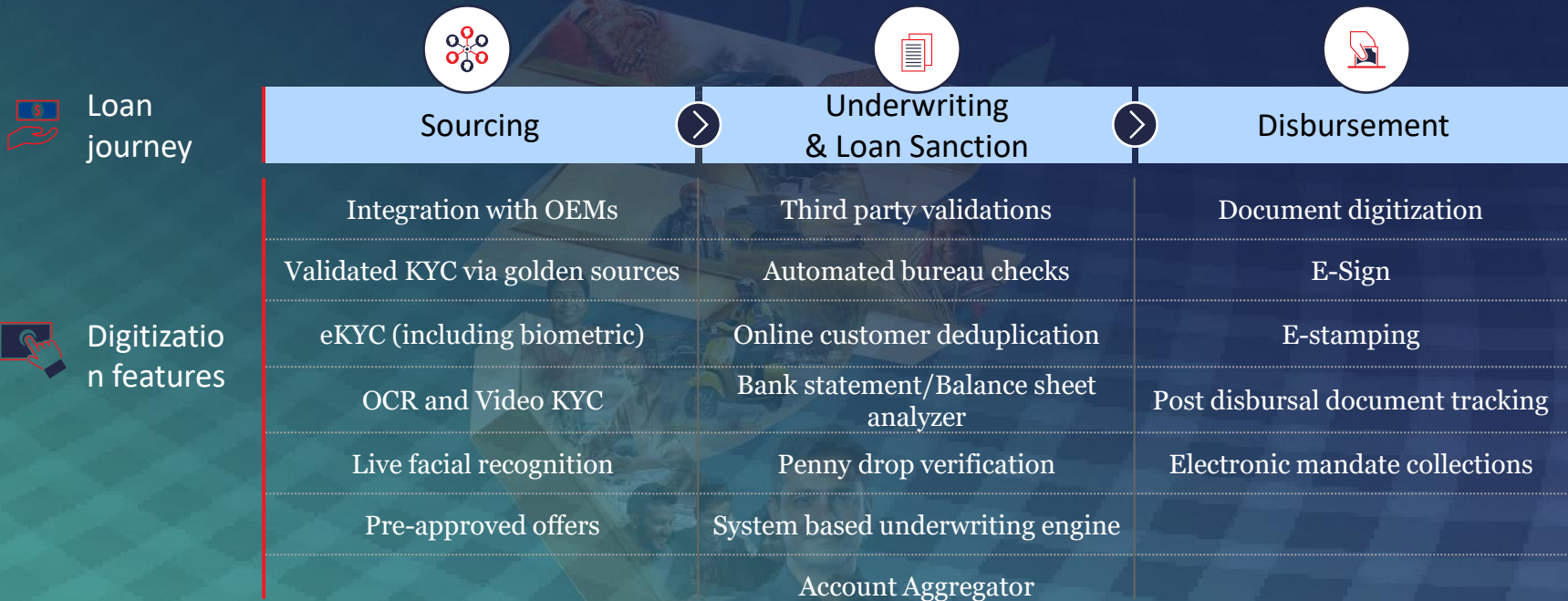
Other Core Areas

**Technology
Risk**

People

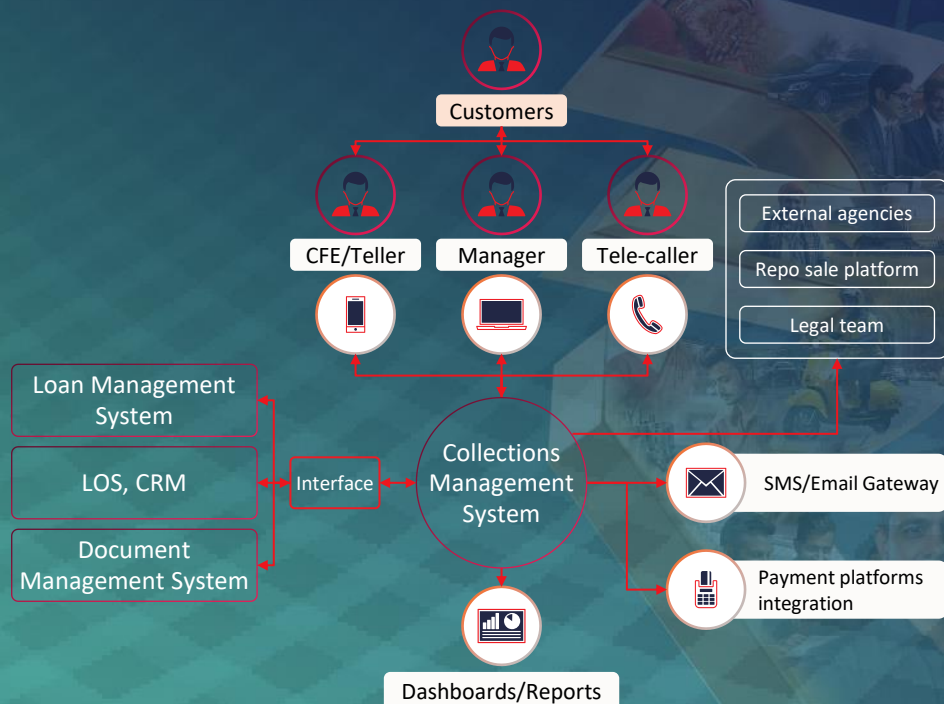
**Core Function
Applications**

Organization-wide capabilities built for digitization of Loan Origination System (LOS)



Note: Most capabilities built for all the verticals of Chola - being used wherever applicable and as per business needs

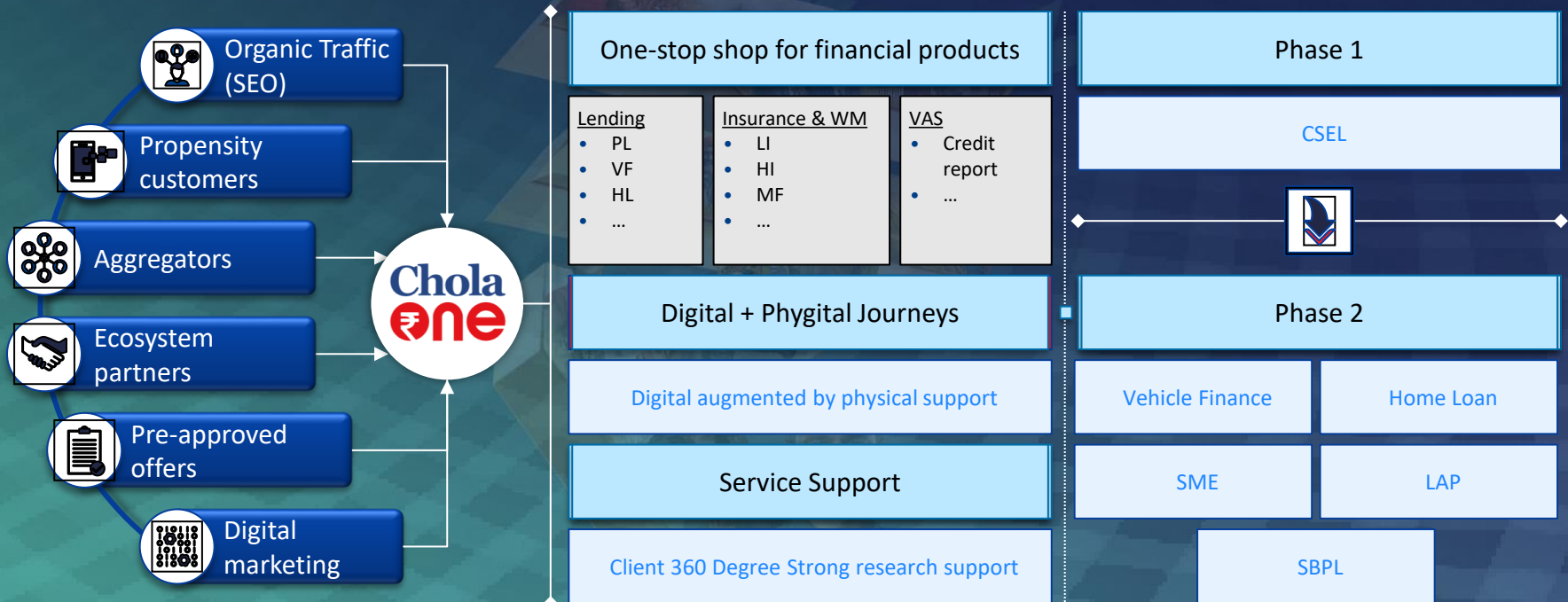
We have a comprehensive digital Collection Management System to manage end-to-end collection process



- | | |
|--|---|
| 1 Analytics Engine (EWS) | 10 Easy payment through Bitly link |
| 2 Allocation Rule Engine (Automatic allocation) | 11 Real time view of MIS/reports |
| 3 E-receipts (view/download) | 12 Integrated contact recording |
| 4 Challan-less deposit (Airtel, Spice, etc.) | 13 Integrated SMS & voice blast solution |
| 5 Single foreclosure receipting (multiple agreement-single mode) | 14 Multiple times movement of data between LMS |
| 6 All wallets & BBPS | 15 Device agnostic platform (mobile/tab/desktop) |
| 7 New receipt types to avoid manual adjustment | 16 Cloud based solution (integrated dialer, standard reports, increased productivity) |
| 8 Auto-receipting of RTGS transactions | 17 Possible to restrict payment modes |
| 9 Real time pick-up allocation | |

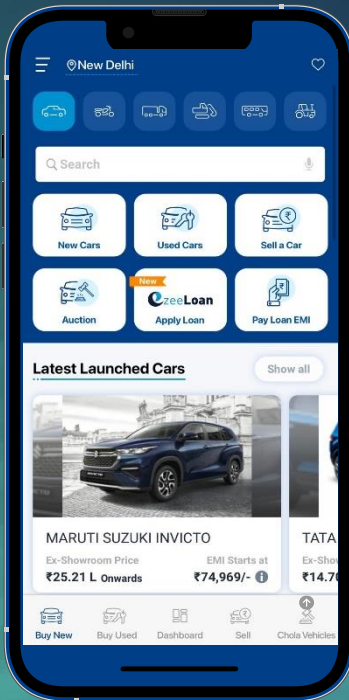
● Digitization & automation
 ● Analytics
 ● Technology

Chola One platform envisioned to be a super-app, a one-stop-shop for all our products, lead generation, VAS, customer service



We are building an E2E integrated ecosystem for VF

 Gaadi Bazaar.in



Used vehicle marketplace

- Vehicle listing for selling
- Dealer info for buying



New vehicle discovery

- Recommendations
- Test drive
- OEM offers & discounts



Repo vehicles sale

- Subscription fee
- Auction model
- Vehicle valuation

SEO Score¹
(out of 100)

93

Monthly Avg. Unique
Users

(site traffic)

1.1M+

Page authority
(score out of 100)

32

"Used truck"
search rank

(Google organic search rank)

1

Repo Subscribers

(#paid repo subscribers)

1.5K+

New listings

(vehicles/ month)

13K+

Vehicles sold
(per month)

3K+

Dealer portal

(#dealers)

2.9K+

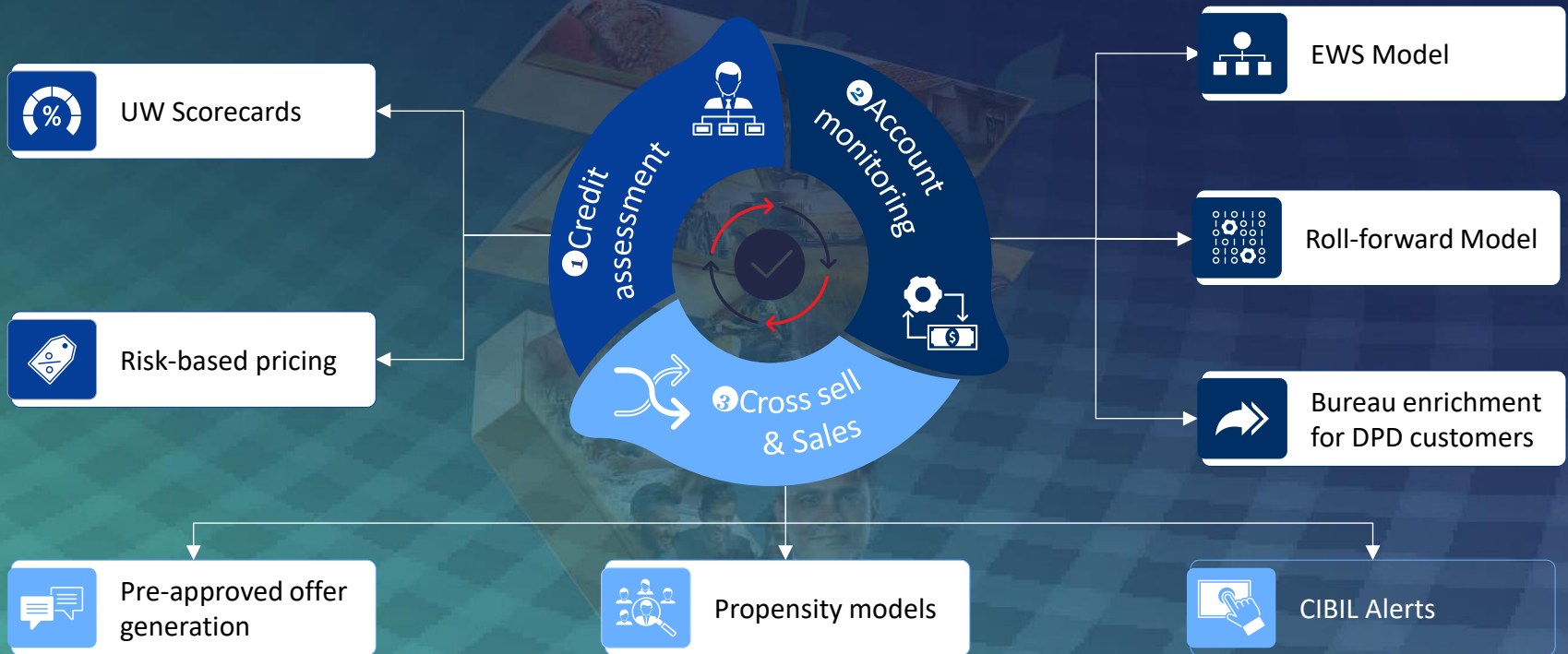
% Service requests

Automated

(service requests)

99%

Our Data and Analytics team works across the entire value chain of customer journey



Environmental Social Governance





FY21

- **FTSE Russell** - Included in FTSE4 Good Index series

FY22

- **FTSE Russell** - Reaffirmed as constituent of FTSE4Good Index Series in June 2021.

FY23

- **FTSE Russell** - Reaffirmed as constituent of FTSE4Good Index Series in June 2022.
- **CRISIL ESG rating – STRONG**

FY24

- **FTSE Russell** - Reaffirmed as constituent of FTSE4Good Index Series in June 2023.

FY25

- **FTSE Russell** – Reaffirmed as constituent of FTSE4Good Index Series in June 2024.

We Believe In Making A Positive Impact In The Society



Environmental

As an environmentally responsible company, we focus on sustainability and carbon footprint reduction.

Social

To enable better opportunity for all, we ensure financial inclusion of marginalized groups of people through financial products and services enabling socio-economic upliftment.

Governance

The company has strong commitment to values and ethical business conduct and the highest standards of corporate governance in all its activities and processes.





Board – The final authority for all the major policy and sustainability reports related to ESG

CSR Committee – This Committee comprises of Chairman, an independent Director and a non-executive Director to support and advise Board on the company's policies, strategies and programs related to ESG

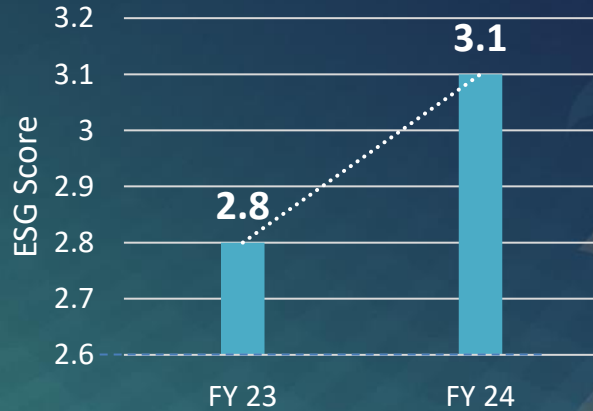
ESG Steering Committee – This Committee comprises Executive Director, CRO and key risk managers and other invitees from Businesses as may be required.

ESG Working Committee – This Committee comprises the members of the Risk Management (ERM) division and SPOCs from lines of business and functions, directly engaged into ESG related aspects to undertake implementation of the initiatives at the ground level, data obtaining, submission of reports, regulatory compliance, coordination etc.

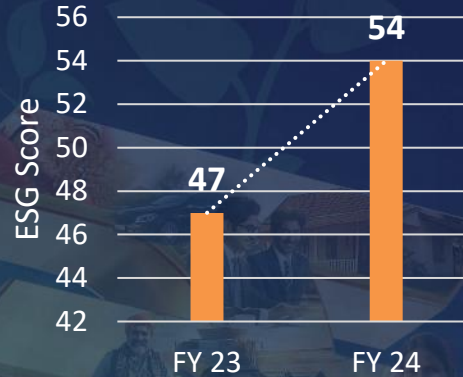
Internal working groups for effective and sustained implementation of ESG activities in the organization through *Enterprise Risk Management (ERM) division and SPOCs from lines of business and functions, directly engaged into ESG to implement initiatives at the ground level, data obtaining, submission of reports, regulatory compliance etc .*

Chola ESG Rating and Ranking

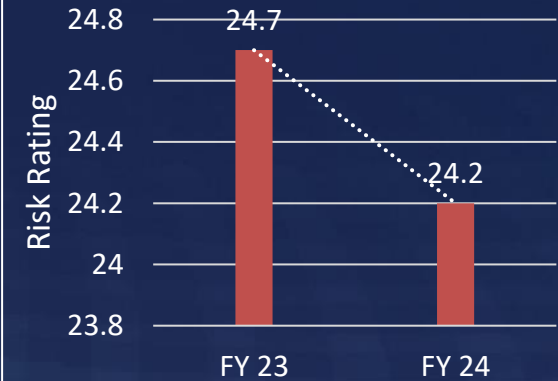
Member of FTSE4Good Index
(Score/rating (0 to 5) Industry avg 2.6)



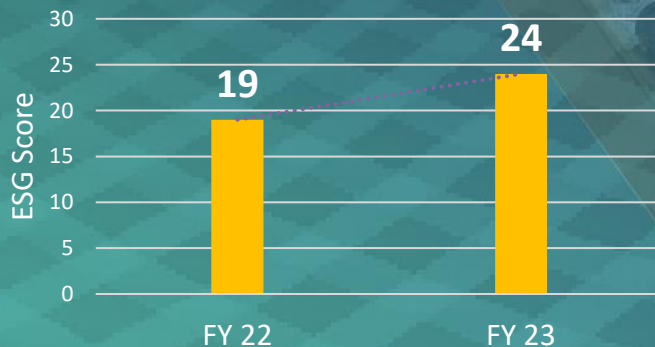
Refinitiv Rating
higher score indicates lower risks



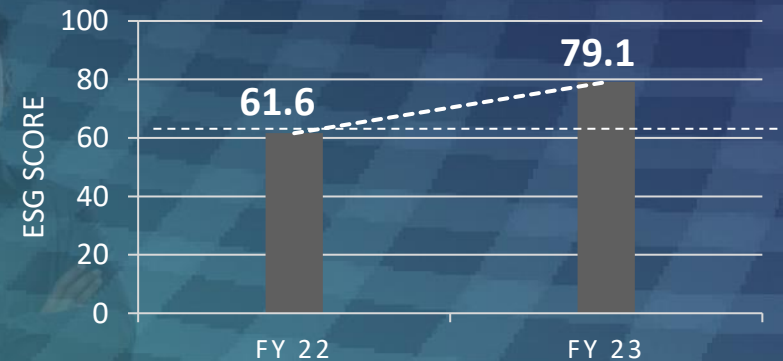
Sustainalytics
Lower rank indicates lower risk



S & P Global
higher score indicates lower risks



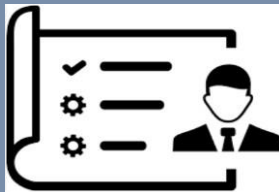
Stakeholders Empowerment Services (SES) Rating
higher score indicates lower risks (FY 23 66 Industry avg)



Note: ---- denotes Industry average where published

Policy for **Sustainable Sourcing**. Reduced consumption of paper, sustainable sourcing of A4 sheets in Chennai HO/CPU and other locations.

- ~ **E-receipts** are issued to customers in place of physical receipts.
- ~ We procure electronics for the office based on the star rating. Our head office has sensor-based taps and lights to **reduce the carbon footprint**.
- ~ Financing **Electric Vehicles** for a green and clean future – disbursed INR 65.61Cr in Q1 of FY'25.
- ~ Adoption of **SEMS** – Socially & Environmentally Managed System, part of credit policy.
- ~ All Chola branches are fitted with **water aerators**. It maintains a constant rate of water flow, and these mesh screens divide the flow of water into multiple small streams by adding air in between. **It saves water in every flow**.
- ~ There is **no hazardous waste generated** by the company.
- ~ **Digitization** including customer onboarding, credit underwriting process etc.



CSR in Chola

CIFCL is rooted towards its commitment for the social welfare. Rooted in a commitment to national development and inclusion, Chola exemplifies this ethos through its steadfast dedication to Corporate Social Responsibility (CSR) initiatives across India.

FY 2023-24

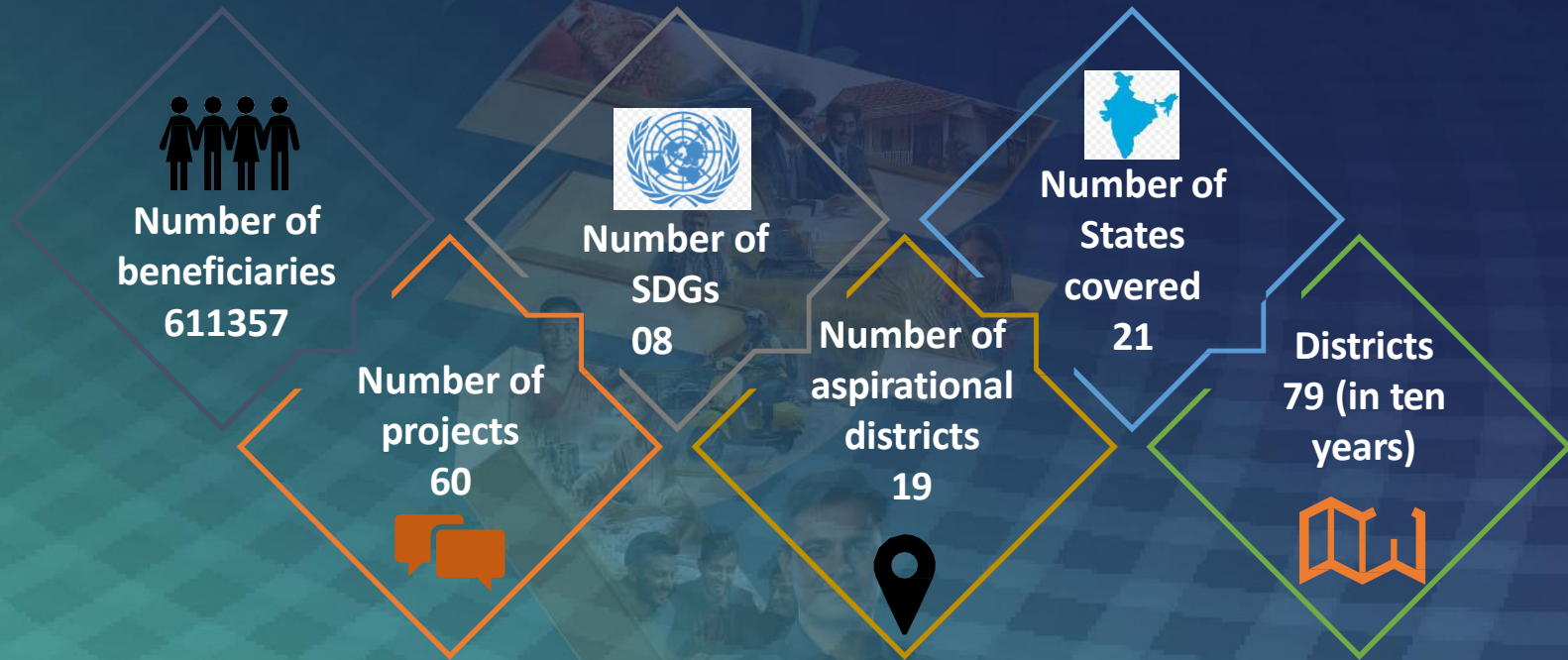
Rs 56.98 cr. spent on CSR

Themes

- Education
- Health
- Rural Development
- Art and Culture

Impact Assessment

REES – Relevance, Effectiveness, Efficiency, Sustainability and Social Impact.





- Livelihood skills for the marginalized section
- No. of projects-02



- Ensure healthy lives and promote well-being for all at all ages
- No. of projects- 23



- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Number of projects- 13



- Training of players of blind women's football- 10
- Female Golf Players- 04



8
SDGs



- Ensure availability and sustainable management of water and sanitation for all
- No. of projects- 02



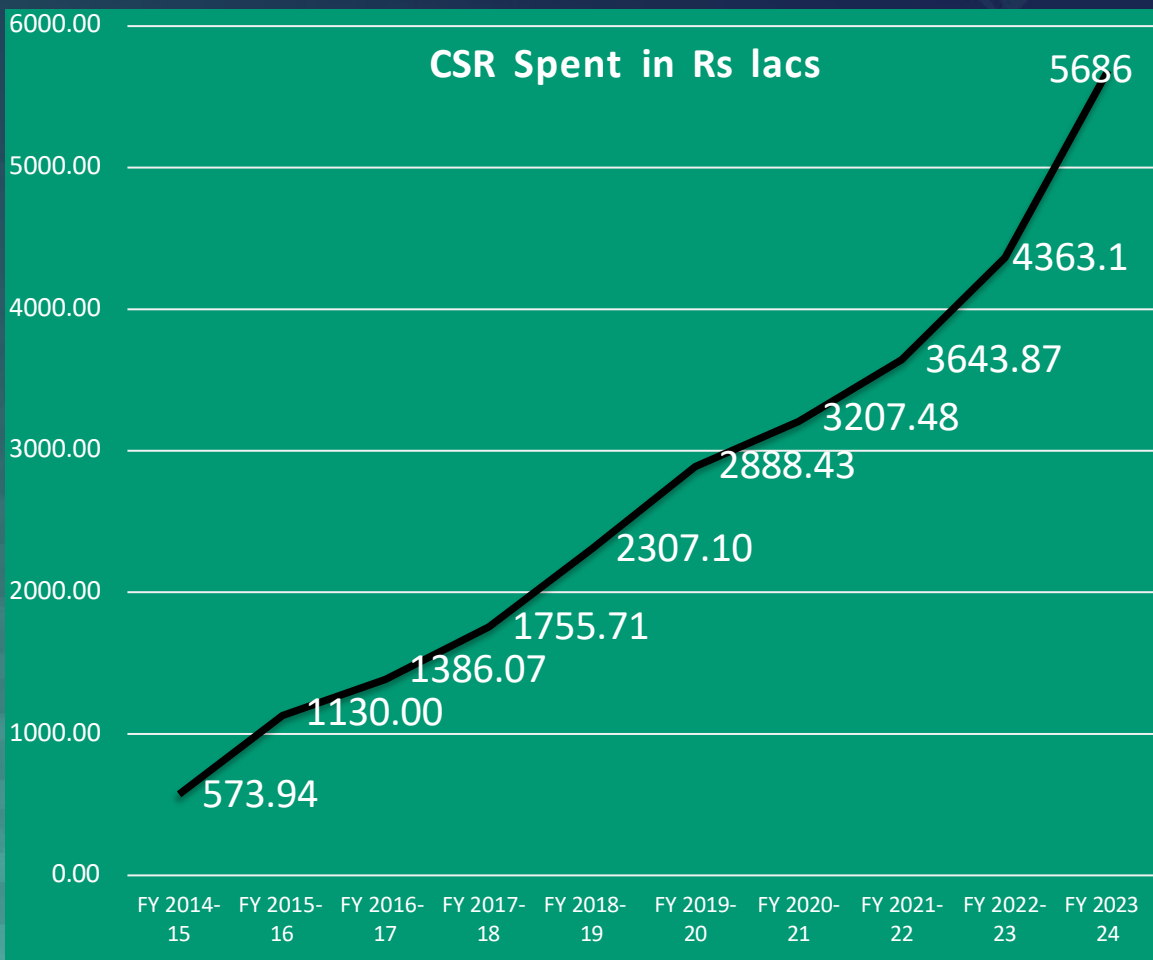
- Ensure access to affordable, reliable, sustainable and modern energy for all
- No. of projects- 03



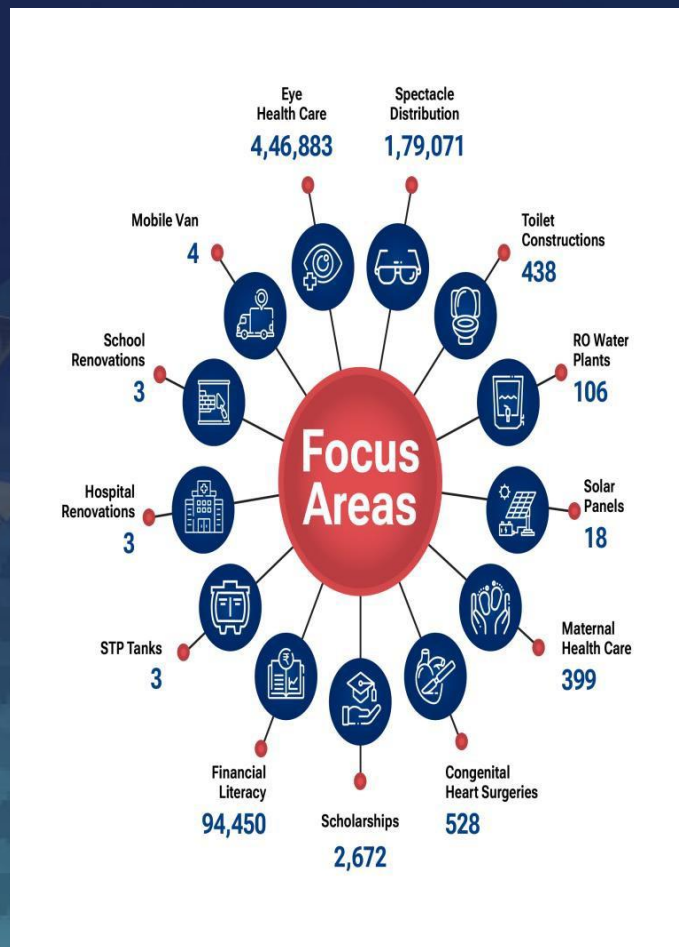
- Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- No. of projects- 01



- Strengthen the means of implementation and revitalize Global Partnership for Sustainable Development



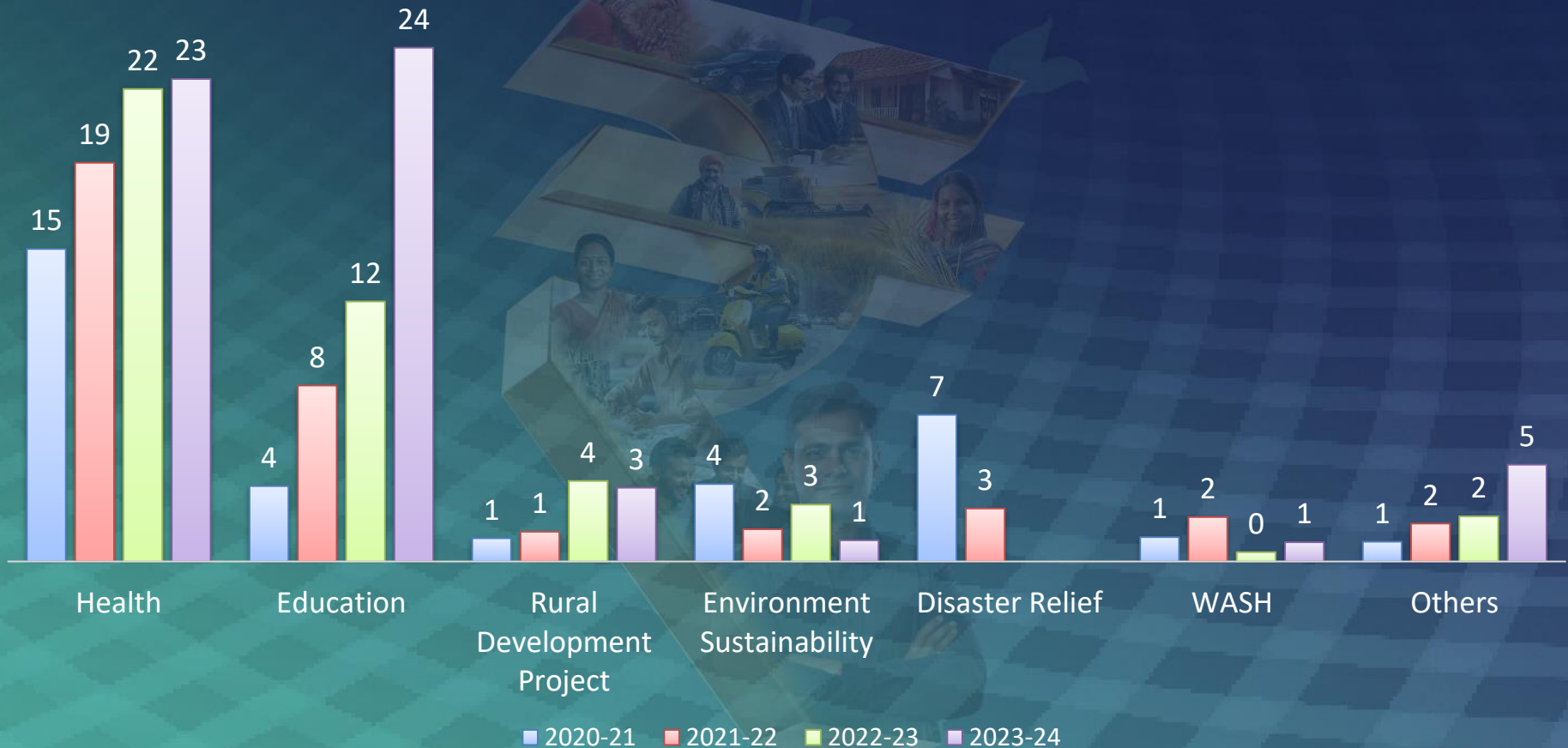
CSR Spent over ten years



Lives impacted over ten years

SOCIAL RESPONSIBILITY YEARWISE THEMATIC ALLOCATION

(₹ Cr)



- ~ **Vehicle Finance:** New to credit customers, women borrowers, low-income groups, electric vehicles, transport entrepreneurs in geographies with limited presence of banks & financiers.
- ~ **Loan Against Property:** Small business entrepreneurs for self-occupied residential property.
- ~ **Affordable Housing:** Focus on underserved customers in tier III, IV, V, VI cities ; unorganized segments; women borrowers.
- ~ **Consumer & Small Enterprise Loans :** Unsecured lending to retail customers including New To Credit (NTC) customer to support lower income segment people.
- ~ **Small & Medium Enterprise Loans:** Micro, Small and Medium Enterprises (MSME) customers, Factoring and Inventory Funding to support SME customers.
- ~ **Secured Business & Personal Loans:** Funding to the under-served self-employed non- professional customers (e.g. grocery shop, dairy owners, unskilled laborers, low salaried/cash salaried workers).
- ~ *90% of branches in Tier-III, Tier-IV, Tier V and Tier-VI towns. Business expansion through 250+ branches in the under-banked districts.*

Governance Philosophy - *“The fundamental principle of economic activity is that no man you transact with will lose; then you shall not.”*

- ~ Adhere to corporate governance standards beyond the letter of law;
- ~ Maintain high degree of transparency and disclosures;
- ~ Maintain a clear distinction between personal interest and corporate interest;
- ~ Have a transparent corporate structure driven by business needs; and
- ~ Ensure compliance with applicable laws

Governance Policy

- ~ Code of Conduct and Ethics Policy. Whistle Blower Policy.
- ~ Risk Management Policy.
- ~ Policy on Related Party Transactions.
- ~ Policy for Prevention of Sexual Harassment in line with POSH Act.
- ~ Compensation Policy/Remuneration Policy.
- ~ IT Strategy & policy.
- ~ Business Responsibility Policy.
- ~ Code of Conduct for Directors and Senior Management. Policy on Board Diversity.
- ~ Equal Opportunity policy as per the Rights of Persons with Disabilities Act, 2016.
- ~ Recruitment Policy (*no child labour/no discrimination*).
- ~ Grievance Redressal.
- ~ Business Continuity Policy.

**Our registered
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