



BETTER
LIVES
BETTER
NATION

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Murugappa Group Overview



Murugappa Group in a Nutshell



Years of
Existence



Consolidated
Turnover
(FY23)



Group Market
cap (as on 30th
Jun 2023)



Sectors



Businesses



Listed
Companies



Geographical
Presence

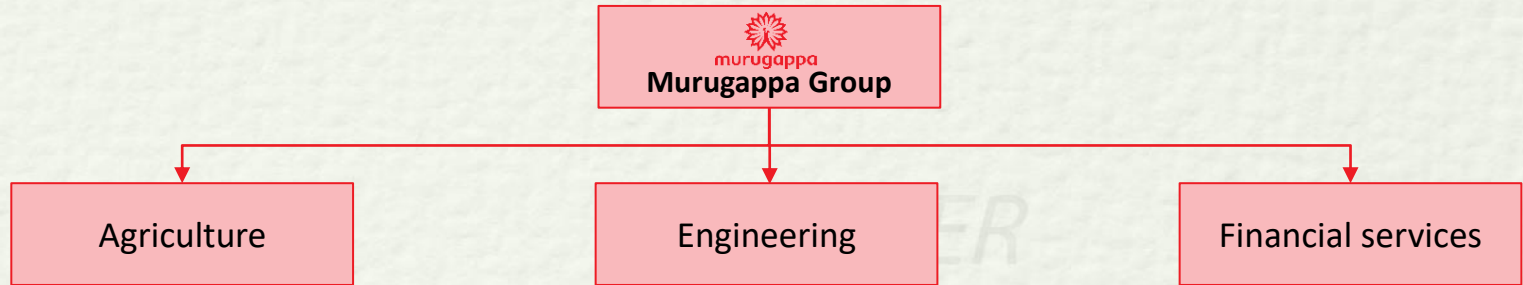


Manufacturing
Locations










Work force

Murugappa Group Overview



Market Cap(Cr.)	36,090	84,048	1,10,827
Turnover (Cr.)	35,171	19,032	19,124
PAT(Cr.)	1,541	1,739	2,917

							
Market Cap(Cr.)	27,877	8,213	22,749	61,299	93,877	NA	16,950
Turnover (Cr.)	29,587	5,584	4,601	14,431	12,884	6,156	84
PAT(Cr.)	1,528	13	414	1325	2,666	193	58

Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings.
 Financial Performance are of FY 22-23.
 Market data as on 30th Jun 2023. Source: BSE

Corporate Overview



SPIRIT OF MURUGAPPA



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

Cholamandalam Investment & Finance Company Limited



27.4 lakh + customers

Helping customers enter better life

2 lakh customers in year 2000 to 27.4 lakh plus customers till date



48,127 employees

Experienced team to serve more customers

200 plus employees in year 2000 to 48,000+ employees today



Rs. 1.22 lakh Cr. Total AUM

Healthy ROA of 3.3%

PAT – 10 CAGR of 25% from
FY14 to FY23



Rs. 93+k Cr. market cap

Rapid market cap growth

From Rs. 840 Cr. in year 2008 to Rs. 93K Cr. in
2023



1204 branches

Strong geographical presence

Across 29 states/Union Territories 81% presence
across tier III—VI towns



Diversified product
portfolio

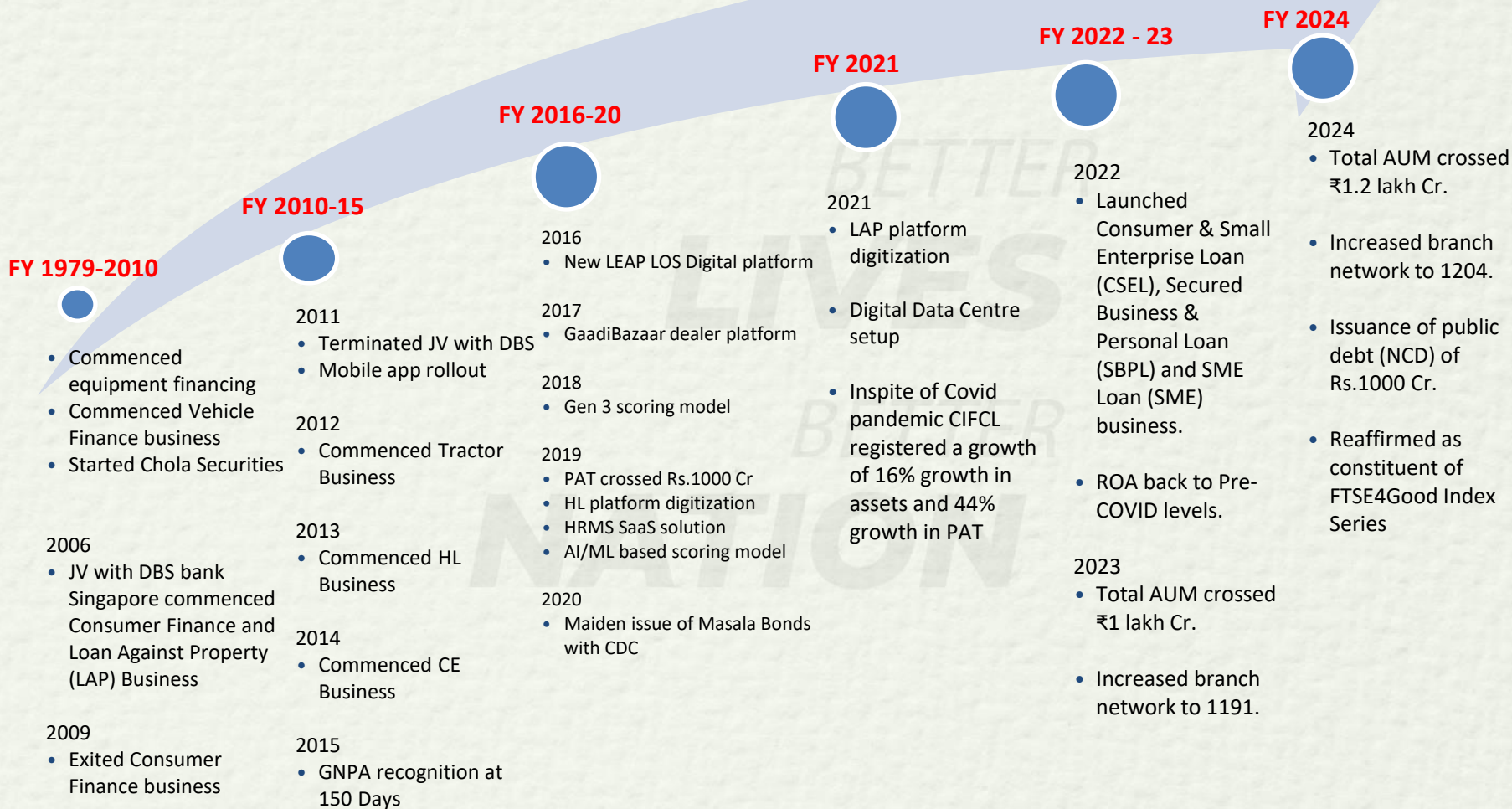
- Presence across Vehicle Finance loans, Loan Against Property, Home Loans, Consumer loans, Personal loans, SME Loans, Stock broking & distribution of financial products.



Highly experienced
management

- Highly experienced management team with unrivaled industry experience
- Significant synergies with Murugappa group, deriving operational and financial benefits

Our journey so far



Highlights – Q1 FY24 (I)

Particulars	Q1 FY24 Vs Q1 FY23
Disbursement	Disbursement at Rs.20,015 Cr, a growth of 50%.
Business AUM	Rs. 1,14,791 Cr in Q1 FY24 registering a growth of 40%.
NIM	7.3% as compared to 8%
PBT	Rs.968 Cr, a growth of 27%
PBT – ROTA	3.3% as compared to 3.7%
Return on Equity	19.9% as compared to 18.9%
Stage 3 (90DPD)	3.06% in Jun23 from 4.16% in Jun22.
GNPA (RBI)	4.30% in Jun23 as against 6.31% in Jun22 and NNPA at 2.77% in Jun23 against 4.85% in Jun22.
CAR	17.44%. Tier I at 15.14%..

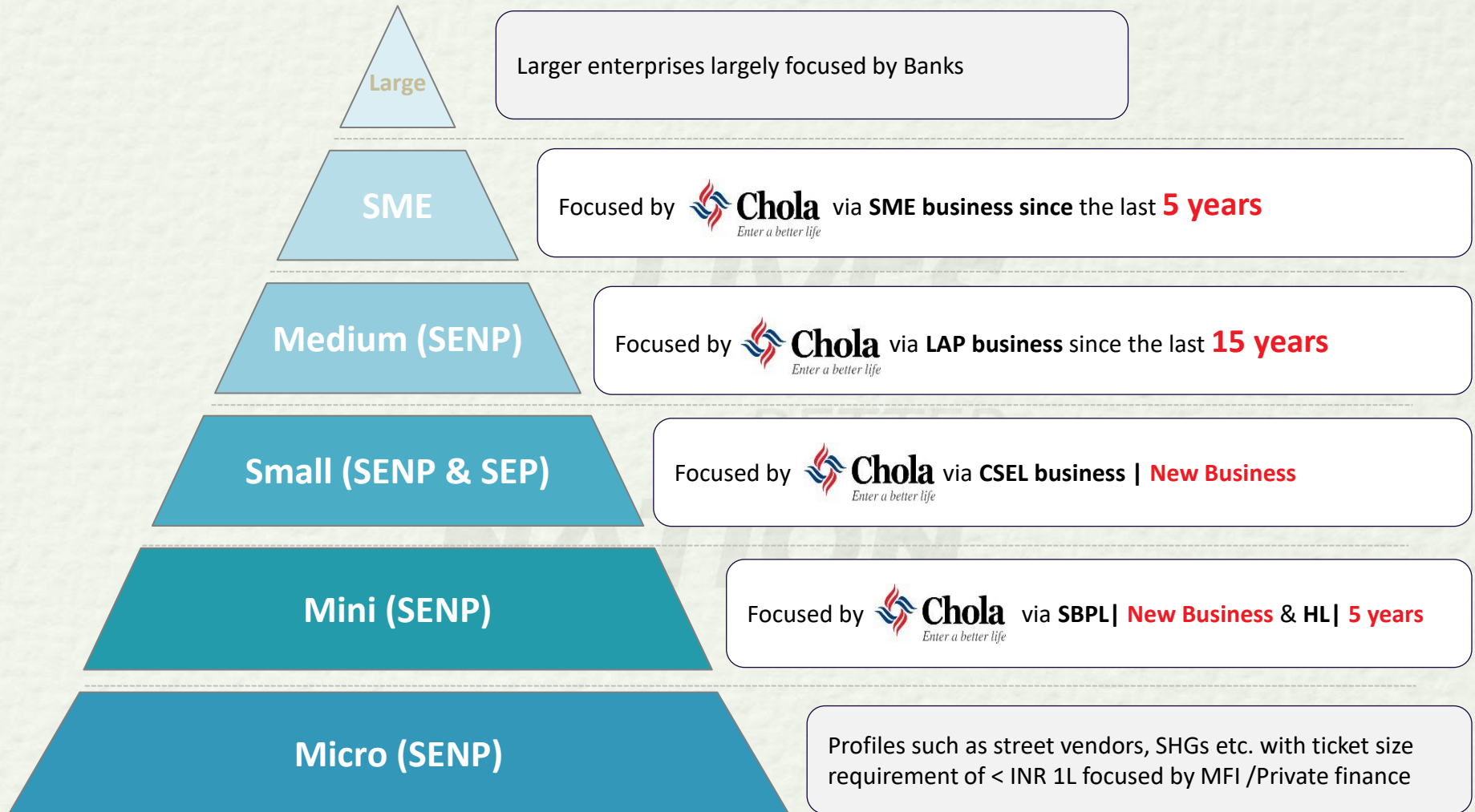
Particulars	Q1 FY24 Vs Q1 FY23
VEHICLE FINANCE Overview	<ul style="list-style-type: none"> Well-diversified product portfolio spread across 1150 branches PAN India Focused on financing of Commercial, Passenger, Two-wheelers, Tractors and Construction Equipment in both New and Used Vehicles. Our focus continues to be on retail customers especially in smaller towns and rural areas
Disbursement	Disbursement of Rs.11,301 Cr, a growth of 32%.
PBT	PBT at Rs.501 Cr, a growth of 4%
LOAN AGAINST PROPERTY Overview	<ul style="list-style-type: none"> Focused on financing of Loan Against Property to SME customers for their business needs and operates out of 606 branches PAN India. Over 80% of the book is financed against Self-Occupied residential property as collateral.
Disbursement	Disbursement of Rs.2,679 Cr, a growth of 32%.
PBT	PBT at Rs.224 Cr, a growth of 12%
HOME LOAN Overview	<ul style="list-style-type: none"> Focused on providing Home Loans under affordable segment with presence across 553 branches PAN India. 89% of assets are in tier 2,3,4 cities and suburbs of tier 1 cities
Disbursement	Disbursement of Rs.1,454 Cr, a growth of 138%.
PBT	PBT at Rs.87 Cr, a growth of 3%

Particulars	Highlights
NEW BUSINESS	<ul style="list-style-type: none"> ▪ CSEL - Offers Personal Loans, Professional Loans & Business Loans to salaried, self-employed professionals and micro & small businesses through traditional DSA/DST model, partnerships and FinTech's. – present in 380 locations (co-located) and have acquired over 5.5 lakh as on Jun23. ▪ SBPL - Offers secured business loan and secured personal loan against self-occupied residential property or commercial-cum-residential property as collateral – present in 325 locations (co-located) spread across 10 states as on Jun23. ▪ SME – 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 66 (co-located) locations with business growth both through traditional and Fintech partnerships.

Particulars	VF	LAP	HL	New Businesses	Business Enablers	Chola
No of Employees	34847	3165	5042	3853	1220	48127
No of Branches	1150	606	553	771	NA	1204
No of Customers	2025308	42844	76581	597006	NA	2741739

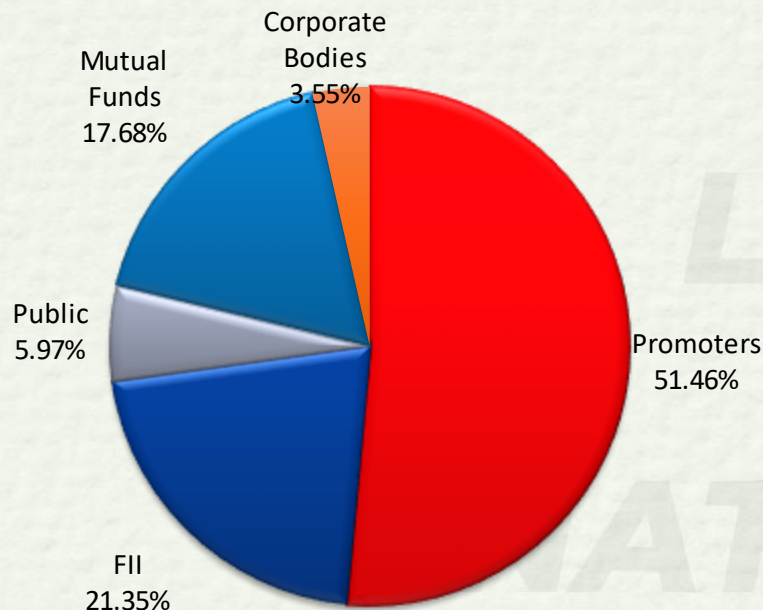
597LAP, 514 HL and 771 new businesses branches are co-located with VF

Ecosystem Play in the MSME Sector



Shareholding

Shareholding Pattern



- Promoters' share holding of 51.46% includes
 - Cholamandalam Financial Holdings Limited – 45.36%,
 - Ambadi Investments Limited – 4.10%
 - Others - 2.00%

Institutional Holders (More than 1%)

Top Domestic Institutional Holding

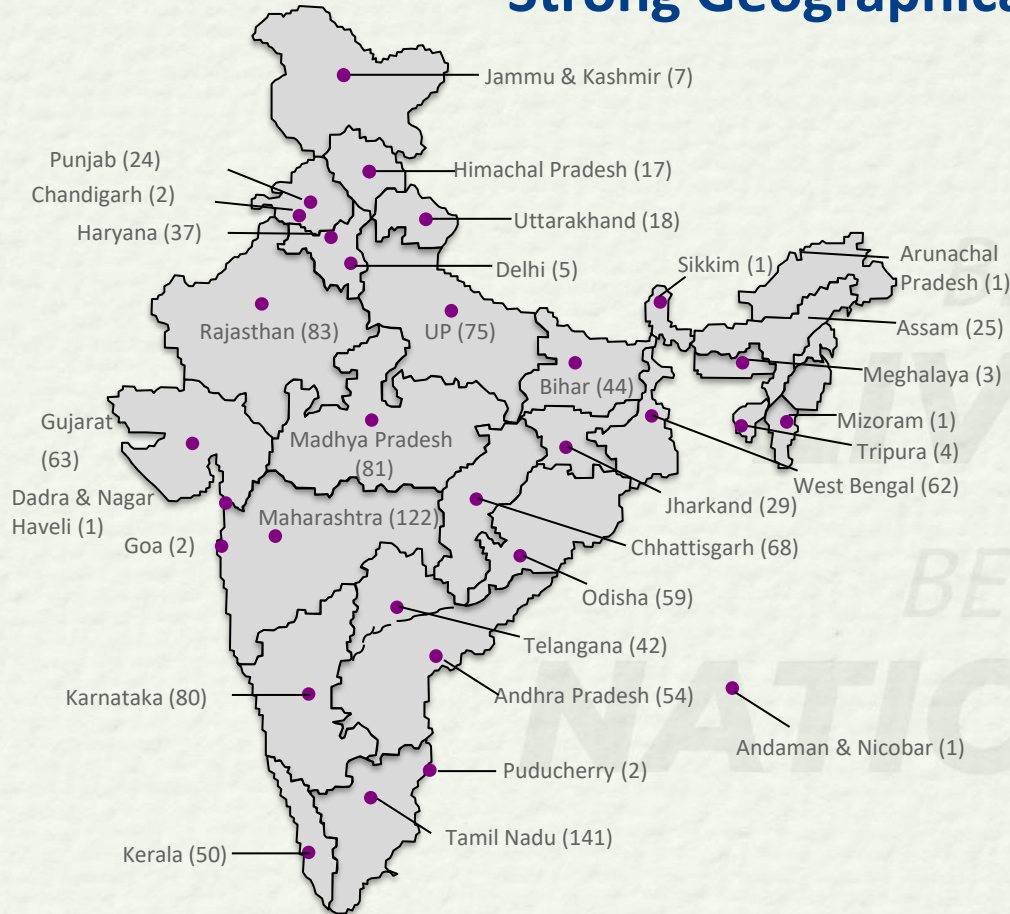
- Axis Mutual Fund
- HDFC Mutual Fund
- SBI Mutual Fund
- Canara Robeco Mutual Fund
- Birla Sun Life Mutual Fund

Top Foreign Institutional Holding

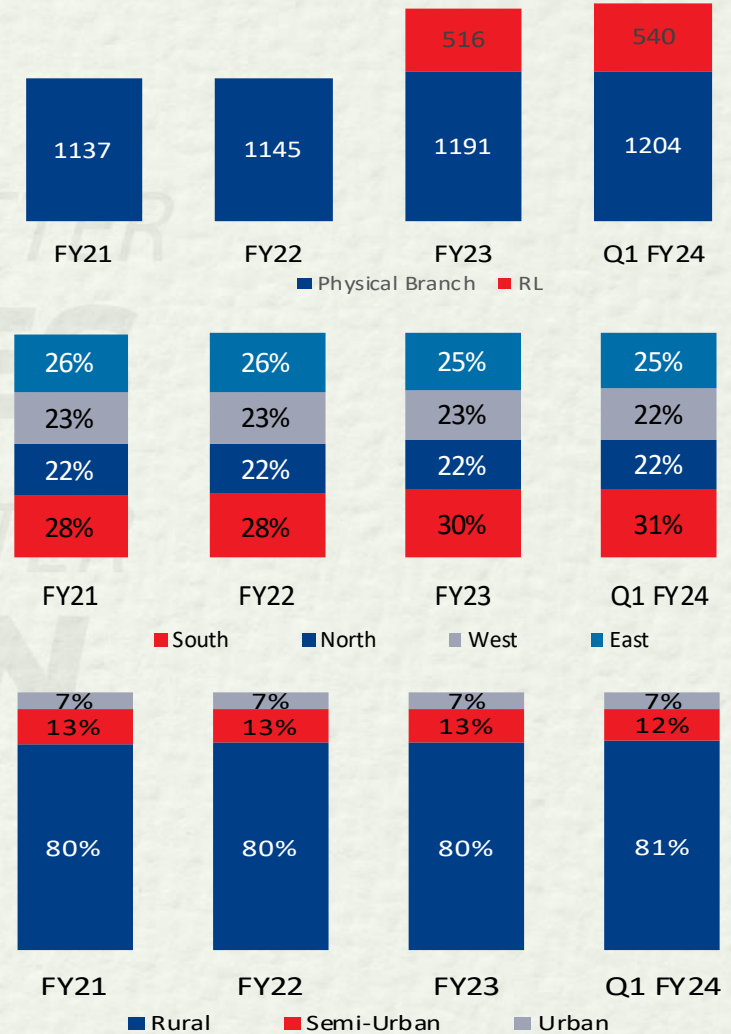
- Vanguard
- Capital World
- Blackrock
- Norges Bank Investment Management
- Abu Dhabi Investment Authority (ADIA)

Note: As on 21st July 2023

Strong Geographical Presence



- 1204 branches across 29 states/Union territories: 1150 VF, 606 LAP (597 co-located with VF), 553 HL (514 co-located with VF), 380 CSEL, 325 SBPL, 66 SME (all co-located with VF) & 6 locations for Head office Functions and Operations in Tamil Nadu
- 81% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns



Financial Performance

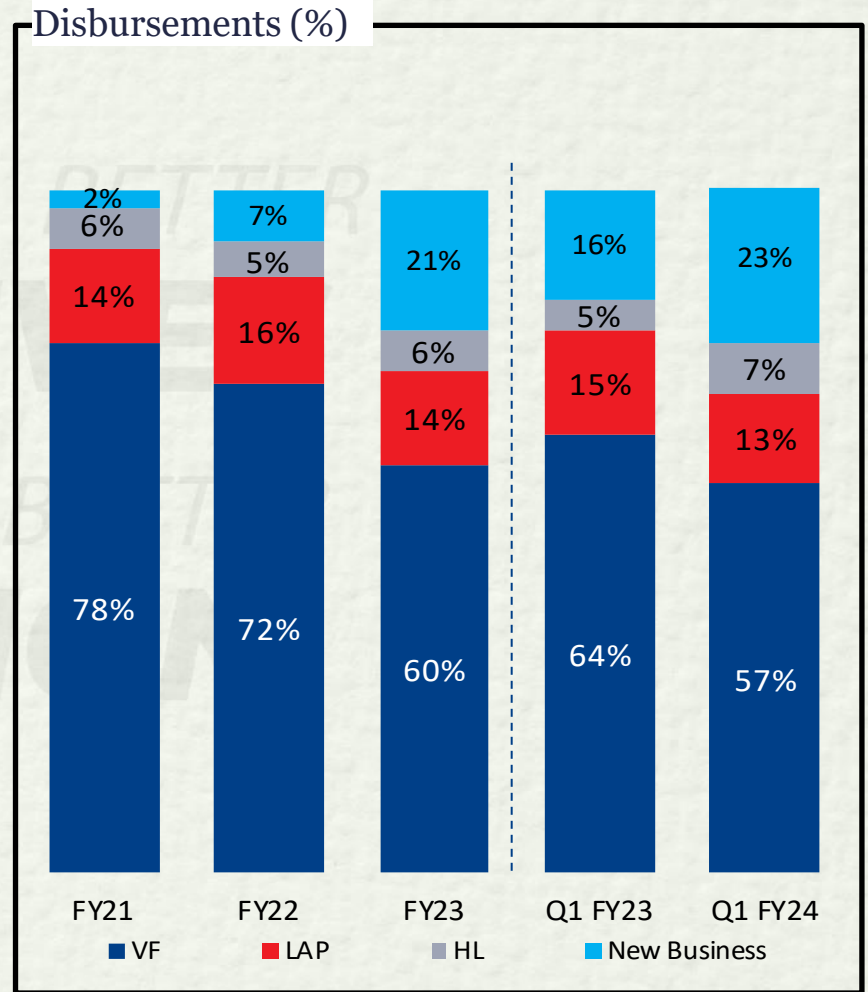
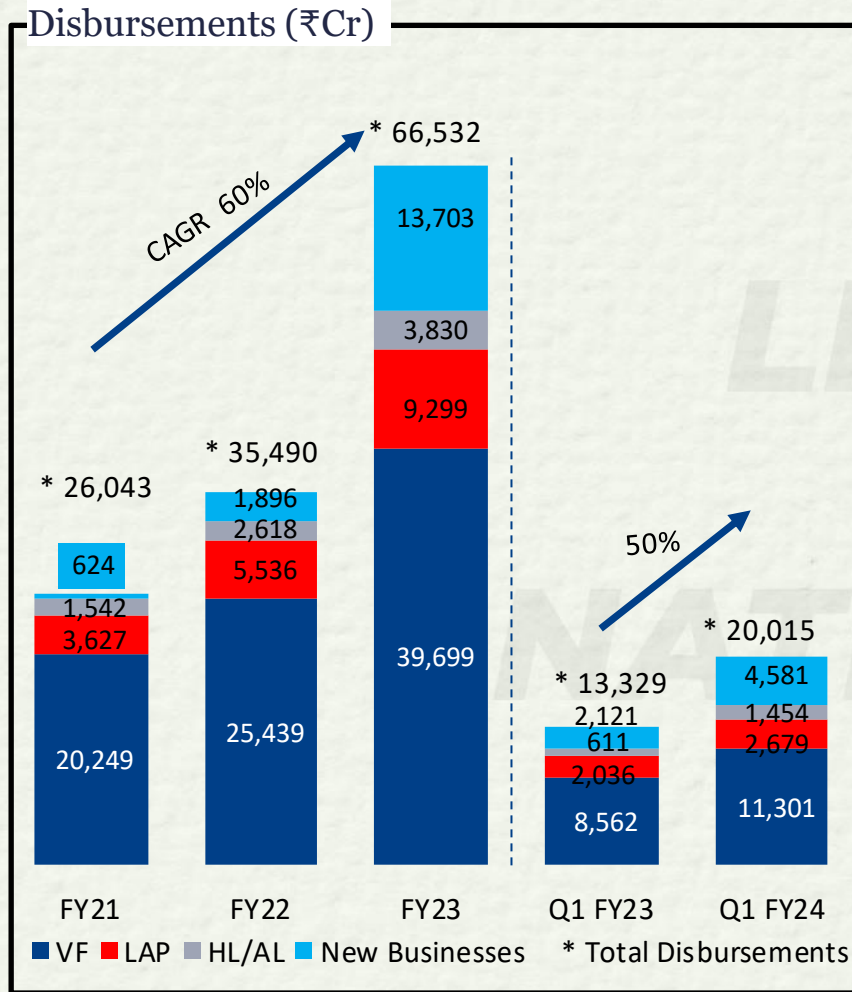


Financial Snapshot —10 Years

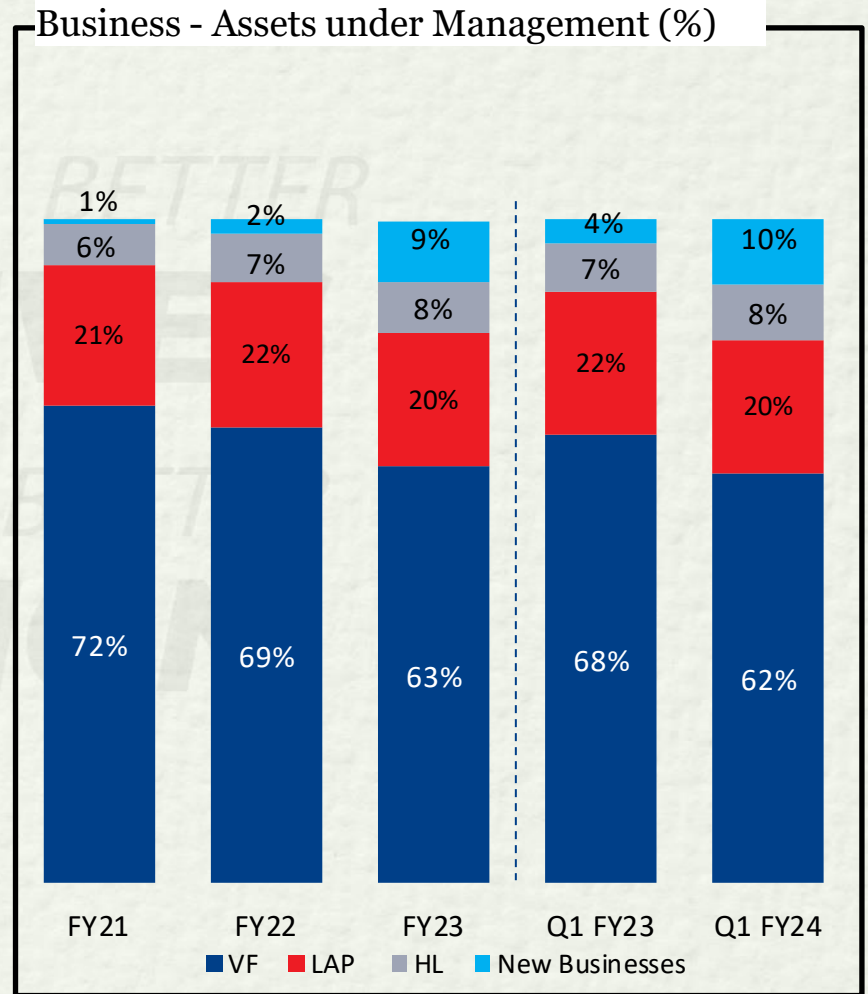
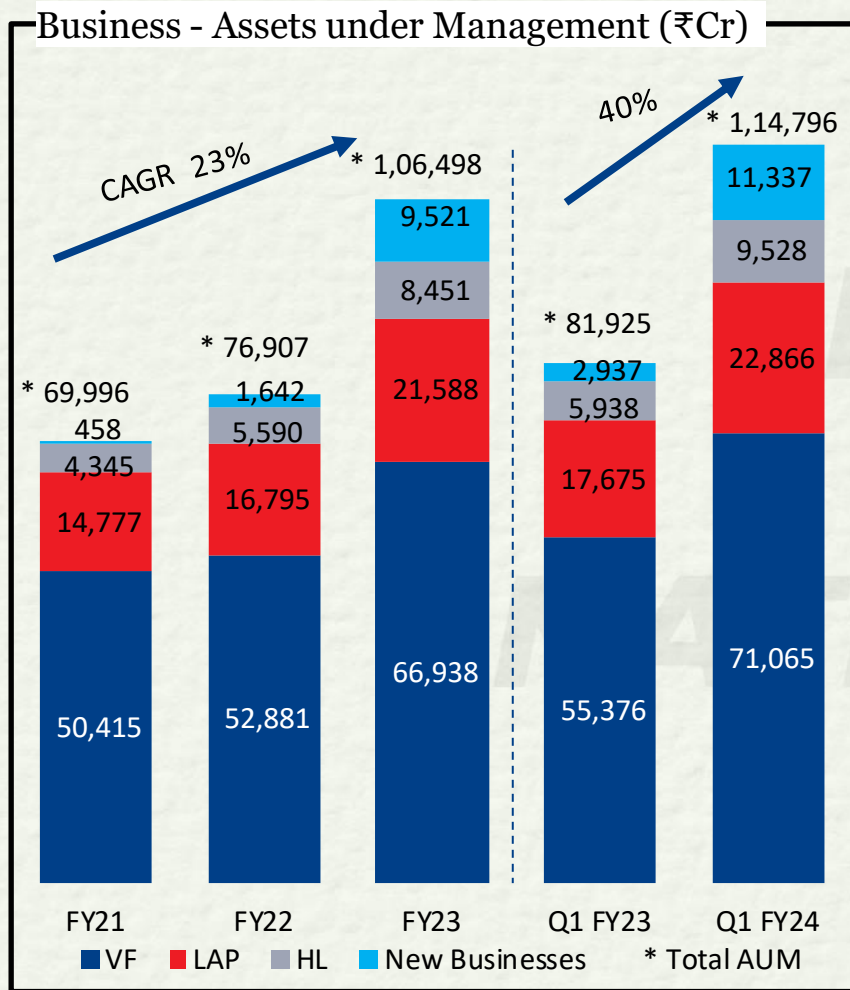
Financials Snapshot	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	YoY	CAGR (5 years)	CAGR (10 years)
	IGAAP	IGAAP	IGAAP	IGAAP	INDAS	INDAS	INDAS	INDAS	INDAS	INDAS			
Disbursements	13,114	12,808	16,380	18,591	25,114	30,451	29,091	26,043	35,490	66,532	87%	22%	20%
Assets under management	23,253	25,452	29,650	34,167	42,924	54,279	60,549	69,996	76,907	1,06,498	38%	18%	18%
Total Income	3,263	3,691	4,194	4,660	5,529	7,049	8,715	9,576	10,139	12,978	28%	16%	17%
Interest expenses	1,771	1,960	2,051	2,231	2,659	3,589	4,592	4,576	4,299	5,749	34%	13%	14%
Net Income	1,492	1,731	2,143	2,430	2,870	3,460	4,123	5,000	5,840	7,229	24%	20%	19%
Operating Expenses	658	749	845	1,013	1,115	1,270	1,578	1,583	2,069	2,780	34%	22%	17%
Operating Profit Before Loan Losses	834	982	1,298	1,416	1,754	2,190	2,545	3,416	3,771	4,449	18%	19%	20%
Loan Losses & Provision	283	325	427	311	353	367	959	1,378	880	850	-3%	23%	13%
Profit before tax	550	657	871	1,106	1,401	1,823	1,586	2,038	2,891	3,600	25%	19%	23%
Profit after tax	364	435	568	719	918	1,186	1,052	1,515	2,147	2,666	24%	22%	25%
Ratios													
Net Income to assets (%)	7.7	6.9	7.7	7.5	7.7	7.0	6.9	7.3	7.9	7.7			
Expense to assets (%)	3.4	3.0	3.0	3.1	3.0	2.6	2.6	2.3	2.8	3.0			
Losses and provisions (%)	1.5	1.3	1.5	1.0	0.9	0.7	1.6	2.0	1.2	0.9			
Return on assets (PBT) (%)	2.8	2.6	3.1	3.4	3.7	3.7	2.7	3.0	3.9	3.8			
Cost to Net Income (%)	44.1	43.3	39.4	41.7	41.4	38.9	36.7	38.3	31.7	35.4			
Networth	2295	*3173	3657	4285	5098	6176	*8172	9560	11708	14296			
Tier I	10.5	13.0	13.3	13.6	13.2	12.6	15.3	15.1	16.5	14.8			
CAR (%)	17.2	*21.2	19.7	18.6	18.4	17.4	*20.68	19.1	19.6	17.1			
Return on equity (%)	17.1	15.8	16.7	18.1	19.6	20.9	15.2	16.9	20.4	20.6			
Earnings per share (Basic)	5.1	6.0	7.5	9.2	11.8	15.2	13.4	18.5	26.2	32.5			
Dividend	35%	35%	45%	55%	65%	65%	85%	100%	100%	100%			
Market Capitalisation	4125	8423	11140	15072	22667	22624	12535	45824	58978	62607			
GNPA (%)	1.9	3.1	3.5	4.7	3.4	2.7	3.8	4.0	6.8	4.6			
NNPA (%)	0.7	2.0	2.1	3.2	2.2	1.7	2.2	2.2	4.7	3.1			
NPA Recognition	6month	5month	4month	3month	3month	3month	3month	3month	3month	3month			
Branch Network	574	534	534	703	873	900	1091	1137	1145	1191			

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

Disbursements

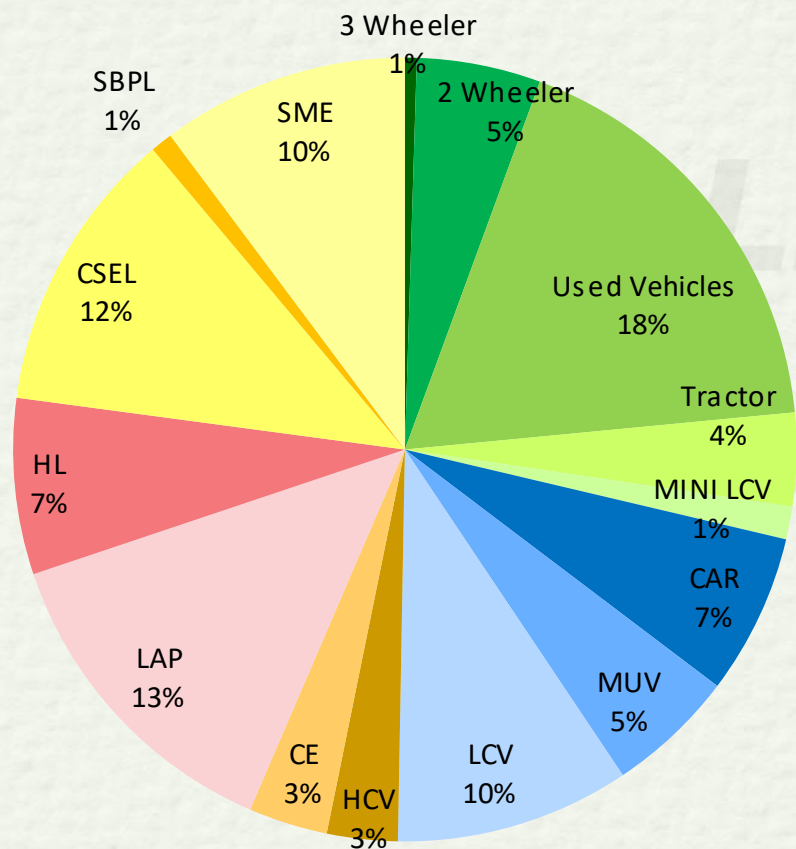


Assets Under Management

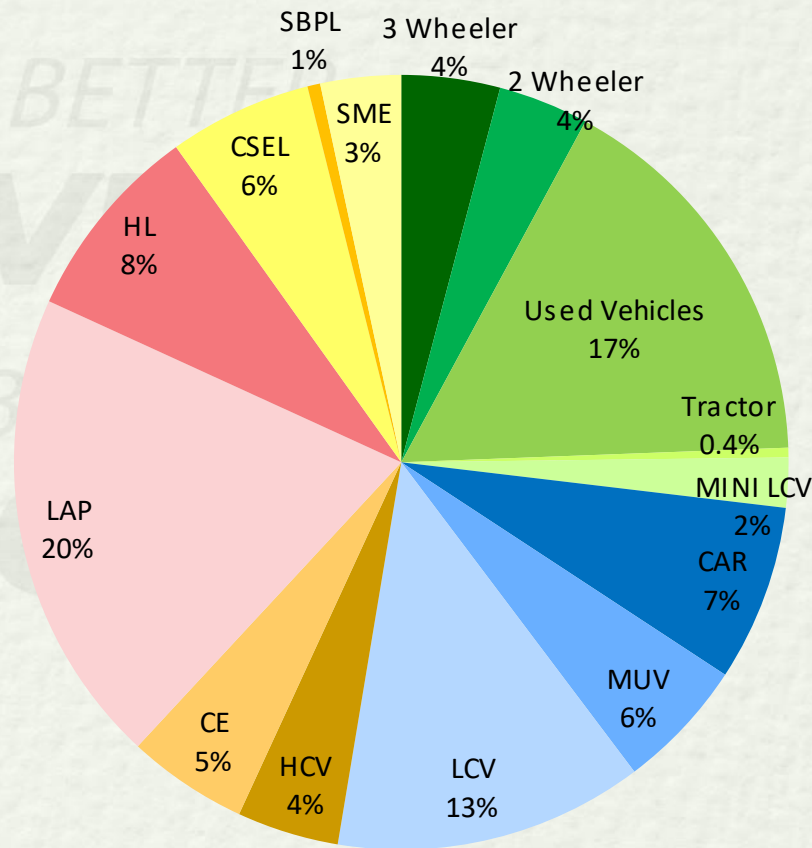


Well diversified product segments

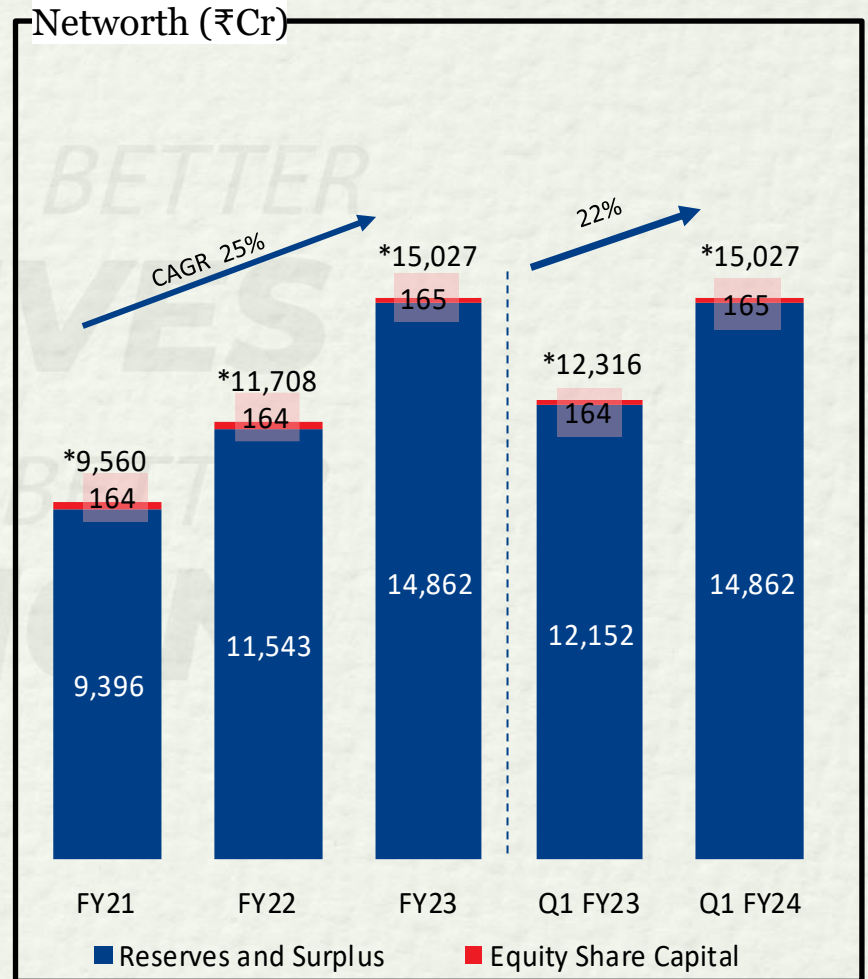
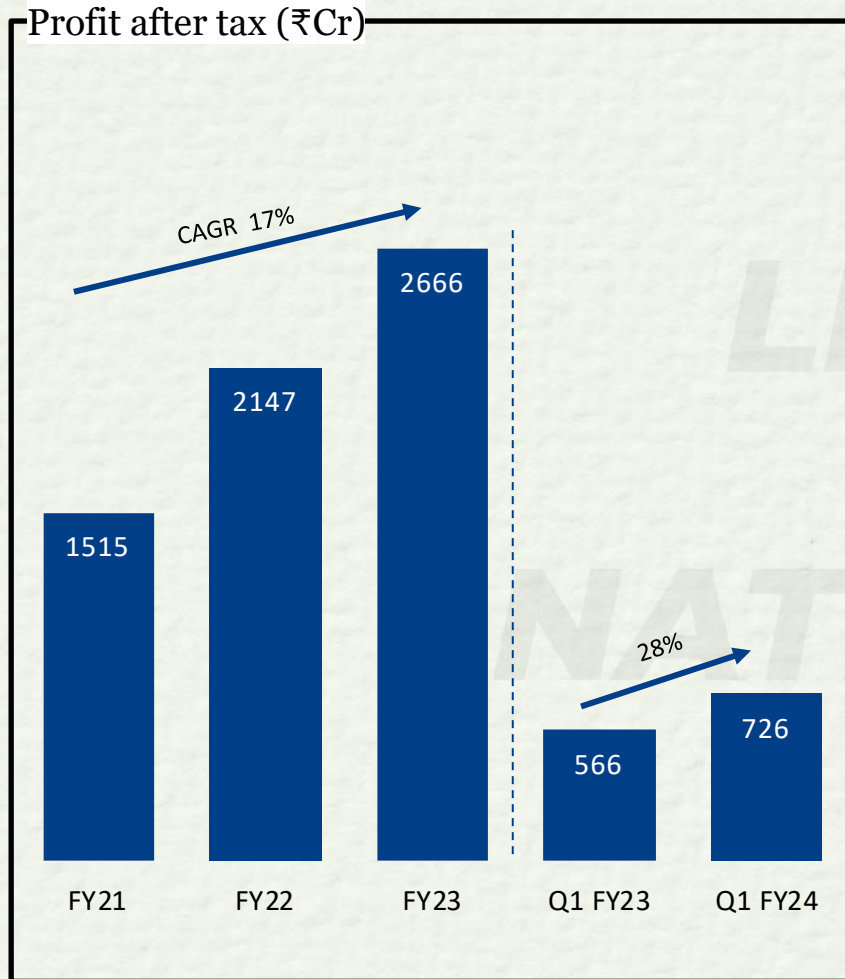
Disbursements (%) - Product wise



Portfolio (%) - Product wise

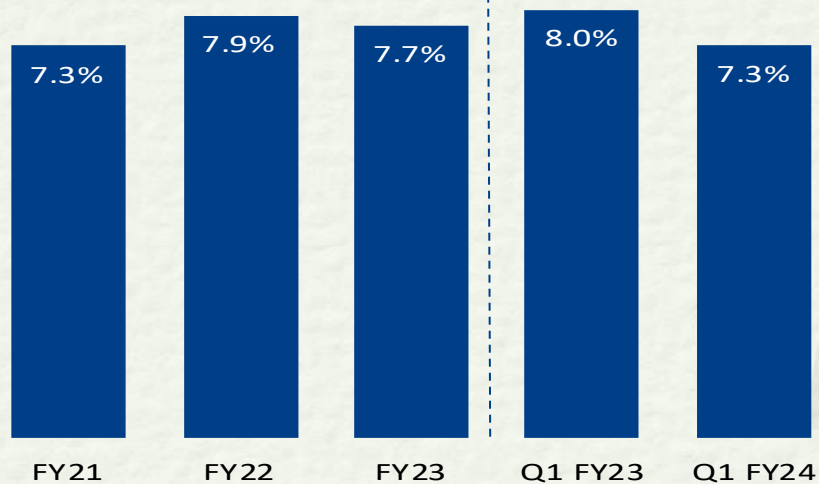


Profitability and Net worth

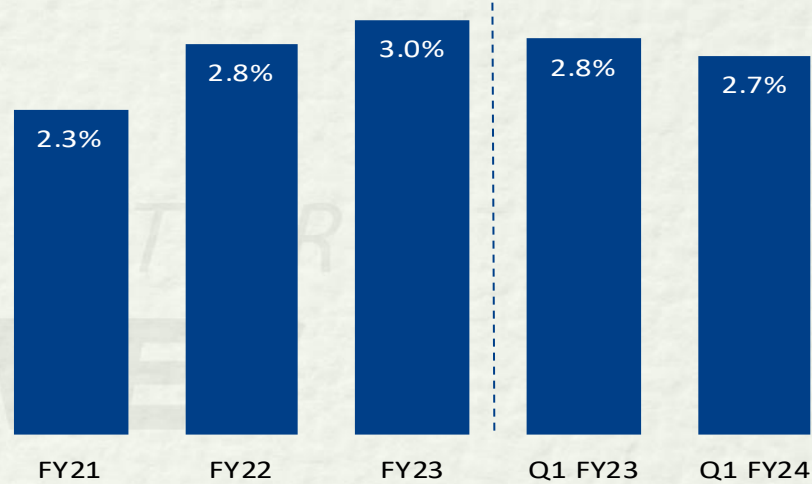


Asset Ratios

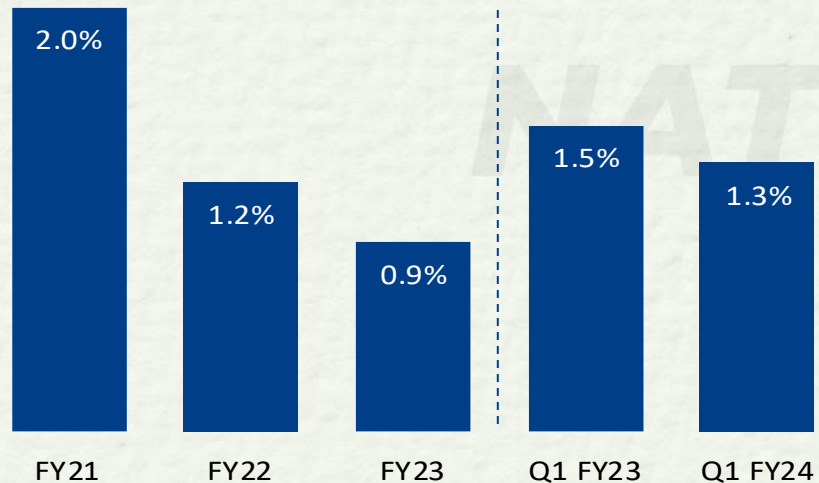
Net Income Margin (%)



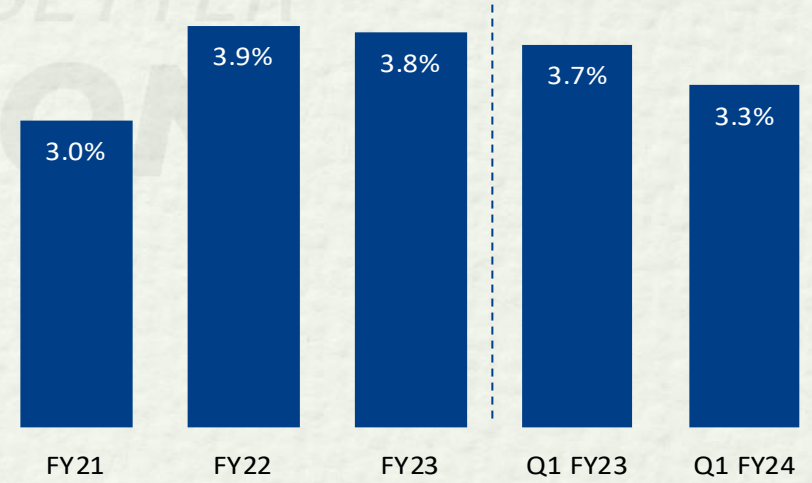
Expenses Ratio (%)



Loan Losses & Provisions (%)

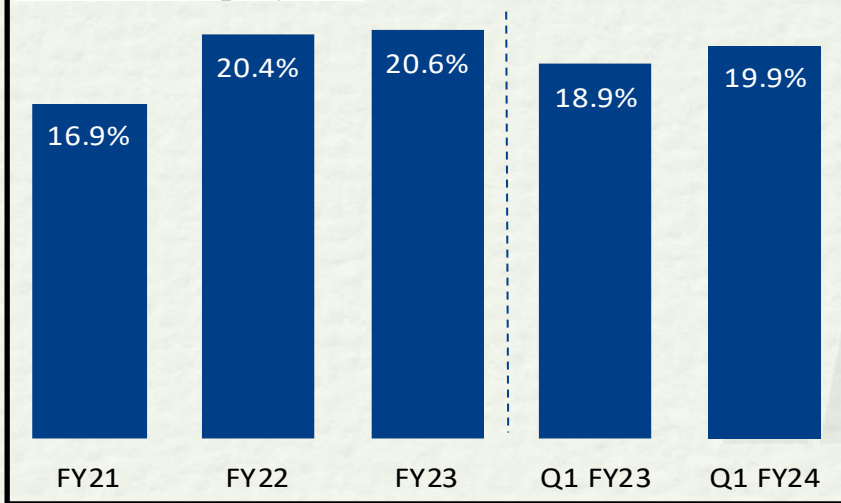


ROA - PBT (%)

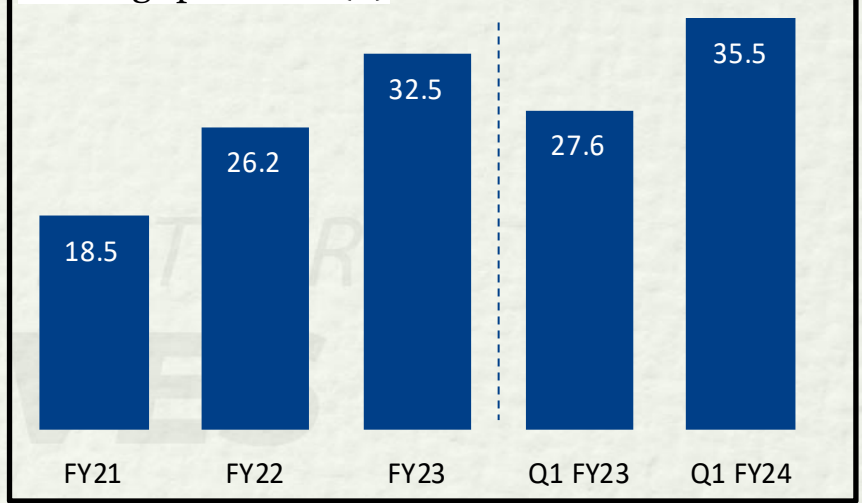


Shareholders' Returns Ratios

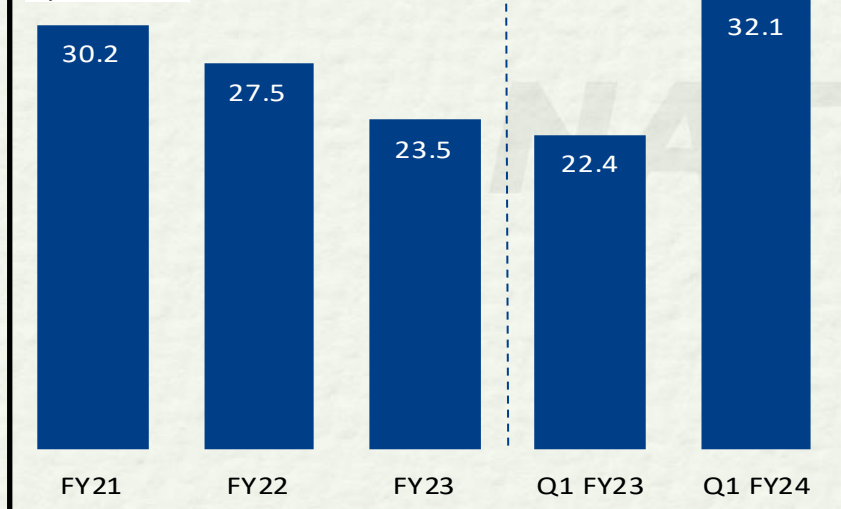
Return on equity (%)



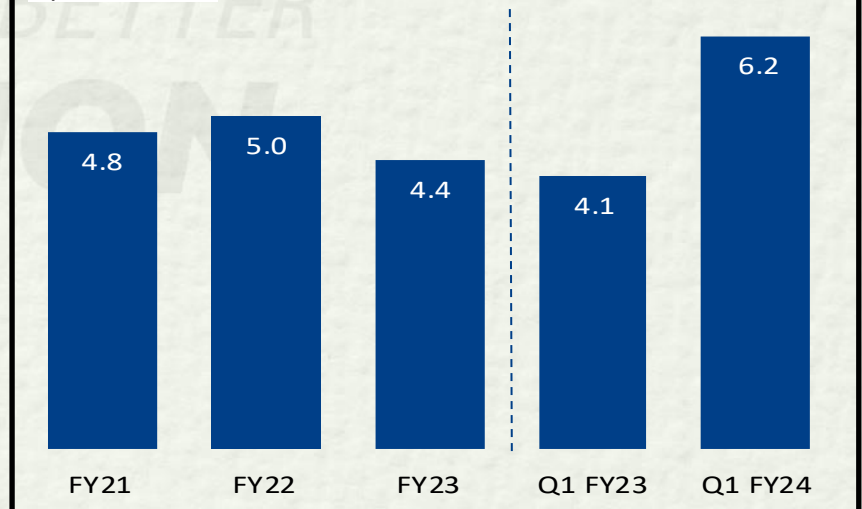
Earnings per share (₹)



P/E Ratio



P/BV Ratio



Profit and Loss Statement (As per IND AS)

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Growth % Q1o-Q1	FY23
Disbursements	13,329	20,015	50%	66,532
Closing Assets - Managed	86,703	1,22,755	42%	1,12,782
Operating Income	2,771	4,134	49%	12,978
Finance Charges	1,131	2,007	77%	5,749
Net Income	1,640	2,127	30%	7,229
Expenses	580	787	36%	2,780
Net Credit Losses	299	372	25%	850
PBT	762	968	27%	3,600
PAT	566	726	28%	2,666
Asset Ratios				
Income	13.5%	14.2%		13.8%
Cost of Funds	5.5%	6.9%		6.1%
Net Income Margin	8.0%	7.3%		7.7%
Expense	2.8%	2.7%		3.0%
Losses & Provisions	1.5%	1.3%		0.9%
ROA-PBT	3.7%	3.3%		3.8%
ROA-PAT	2.8%	2.5%		2.8%
Gross - Stage 3	3,408	3,546		3,222
ECL Provisions - Stage 3	1,387	1,610		1,482
Coverage Ratio - Stage 3	40.7%	45.4%		46.0%
Cost to Net Income	35.3%	37.0%		38.5%

Balance Sheet (As per IND AS)

₹ Cr

Particulars	Jun22	Mar23	Jun23
ASSETS			
Financial Assets	86,235	1,12,075	1,23,212
Cash and Bank balance	3,850	2,961	5,544
Derivative financial instruments	206	273	259
Receivables	124	191	227
Loans	79,475	1,04,748	1,13,232
Investments	2,284	3,628	3,698
Other Financial Assets	296	274	251
Non- Financial Assets	1,289	1,440	1,488
Current tax assets (Net)	151	267	242
Deferred tax assets (Net)	711	609	644
Property, Plant and Equipment	268	372	372
Capital work in progress	23	36	44
Intangible assets	34	51	51
Other Non-Financial Assets	101	106	136
TOTAL	87,524	1,13,516	1,24,699
EQUITY AND LIABILITIES			
Financial Liabilities	75,010	99,032	1,09,460
Derivative financial instruments	134	134	165
Trade Payables - Others	52	123	18
Other Payables - Others	548	1,065	831
Borrowings	73,929	97,356	1,08,140
Other Financial Liabilities	346	354	306
Non-Financial Liabilities	198	187	212
Shareholder's fund	12,316	14,296	15,027
TOTAL	87,524	1,13,516	1,24,699

Stagewise Assets & Provision Summary

₹ Cr

Particulars	Mar23 INR Cr	Jun23 INR Cr	Mar23 % to GA	Jun23 % to GA
Gross Assets	1,07,077	1,15,731	100.0%	100.0%
Stage 1	99,913	1,08,126	93.31%	93.43%
Stage 2	3,943	4,059	3.68%	3.51%
Stage 3	3,222	3,546	3.01%	3.06%
Provision	2,329	2,499	2.17%	2.16%
Stage 1	445	477	0.45%	0.44%
Stage 2	402	412	10.20%	10.15%
Stage 3	1,482	1,610	46.00%	45.40%
Net Assets	1,04,748	1,13,232	97.83%	98.06%
Stage 1	99,468	1,07,649	92.89%	93.02%
Stage 2	3,541	3,648	3.31%	3.37%
Stage 3	1,740	1,936	1.62%	1.67%

Stagewise ECL Summary – Jun 23

Particulars		Asset	Total Provn	NNPA	Asset	Total Provn	NNPA
		Rs in Cr			%		
Stage 1A	(A)	1,07,894	466	1,07,428	93.23%	0.43%	92.83%
Stage 1B	(B)	232	11	221	0.20%	4.71%	0.19%
Total Stage 1	(C)	1,08,126	477	1,07,649	93.43%	0.44%	93.02%
Stage 2A	(D)	2,859	263	2,596	2.47%	9.21%	2.24%
Stage 2B	(E)	1,200	149	1,052	1.04%	12.38%	0.91%
Total Stage 2	(F)	4,059	412	3,648	3.51%	10.15%	3.15%
Total Stage 3	(G)	3,546	1,610	1,936	3.06%	45.40%	1.67%
Total	(C + F + G)	1,15,731	2,499	1,13,232	100.00%	2.16%	97.84%
NPA as per RBI (incl Sec)	(B + E + G)	4,978	1,769	3,208	4.30%	35.55%	2.77%
NNPA% - RBI: Net NPA / (Asset - provisions for GNPA)							2.82%

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.815 Cr under INDAS over IRAC

Asset Classification:

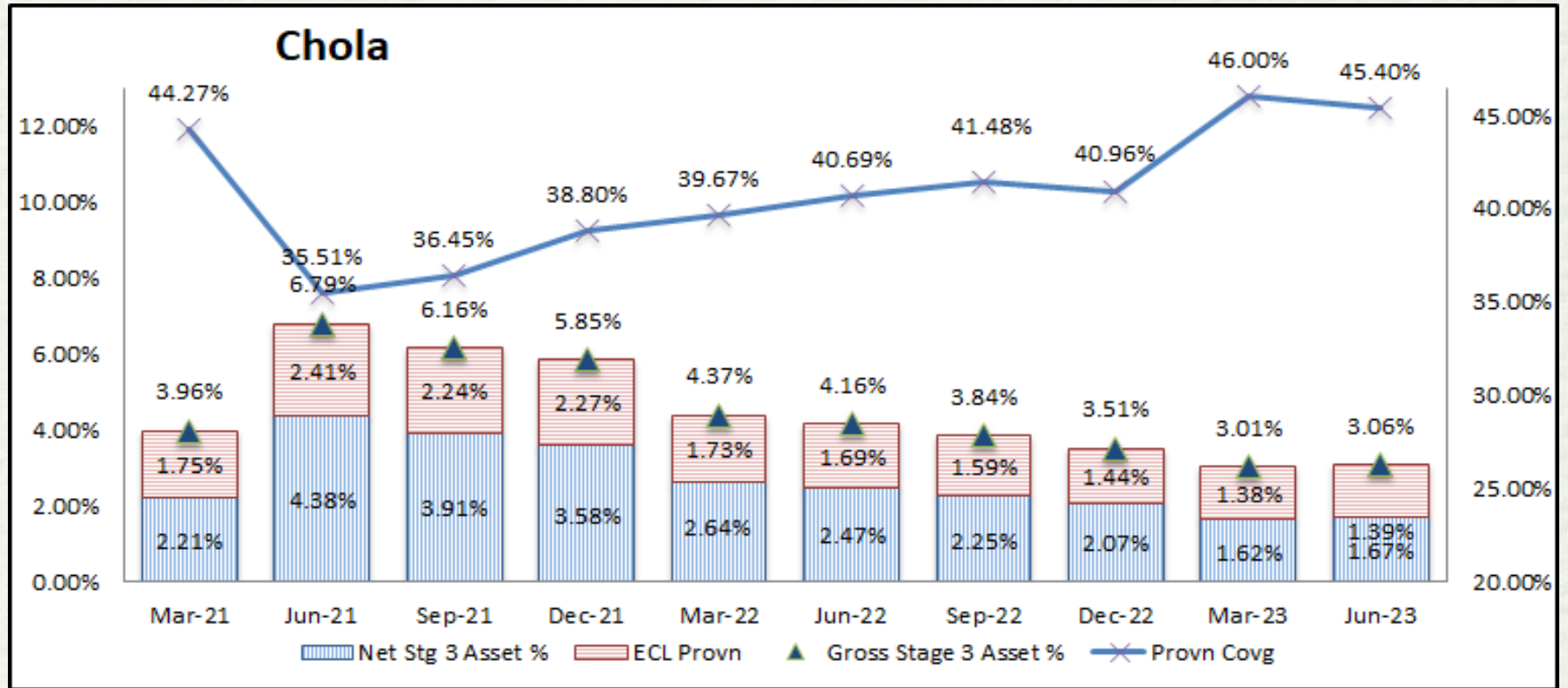
STAGE_1A	Represents assets (i) which had never touched NPA and (ii) which had been an NPA in the past but had been normalised and currently in the 0-30 days - Hence no more an NPA as per RBI norms
STAGE_1B	Represents assets which had been an NPA in the past but yet to be fully normalised though it has moved to stage 1 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 and 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 stage 2 currently - Hence an NPA as per current RBI norms
STAGE_3	Represents assets which continues to be a 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%
Jun23	1,15,731	3,546	3.06%	1,610	45.40%	1,936	1.67%
VF	72,657	2,432	3.35%	1,106	45.48%	1,326	1.83%
LAP	22,345	854	3.82%	383	44.90%	470	2.10%
HL	9,234	144	1.56%	52	36.09%	92	1.00%
Others	11,495	116	1.01%	68	58.92%	48	0.41%
Mar23	1,07,077	3,222	3.01%	1,482	46.00%	1,740	1.62%
VF	68,322	2,189	3.20%	995	45.44%	1,195	1.75%
LAP	20,995	844	4.02%	394	46.71%	449	2.14%
HL	8,142	126	1.55%	62	49.27%	64	0.78%
Others	9,618	63	0.65%	31	49.40%	32	0.33%

As per revised RBI norms GNPA% & NNPA% as of Jun23 is at 4.30% and 2.82% respectively.

Chola –Stage 3 Assets Trend



As per revised RBI norms GNPA% & NNPA% as of Jun23 is at 4.30% and 2.82% respectively.

Business Overview



Vehicle Finance



Vehicle Finance: Q1 FY24 Performance

Disbursements

- Disbursements grew by 32% in Q1 FY24 to Rs.11,301 Cr as compared to Rs.8,562 Cr in Q1 FY23.

Assets under management

- AUM have grown by 28% YoY.

Loss and provisions

- Loan losses dropped to 1.5% in Q1 FY24 from 2.1% in Q1 FY23.

Profit before tax

- PBT grew by 4% in Q1 FY24 to Rs.501 Cr as compared to at Rs.480 Cr in Q1 FY23

Sector Outlook

- The Light commercial vehicle segment witnessed flat growth in Q1 FY'24, this is due to the high base effect of the previous year which was the all time high for any Q1. Monsoon will play a key role in rural demand during the year.
- The Small commercial vehicle segment had a de-growth of 18% in Q1 FY'24. The demand for this segment is expected to be passive in the coming quarters.
- The Heavy commercial vehicle segment had a growth of 1% in Q1 FY'24. The segment is expected to have positive traction during the year due to the encouraging macro economic environment.

Chola's Position

- Increased demand for Light commercial vehicle will help us garner higher volumes, we will continue to be cautious in this segment based on rural sentiments and upcoming harvest seasons.
- Any increase in demand for Small commercial vehicles will help us improve our market share together with our cautious approach to financing.
- Our exposure in this segment is 7% at a portfolio level. We are moving watchfully in this segment due to inflationary concerns and higher fuel prices.

Sector Outlook

- The Passenger vehicle (Car & MUV) segment had a growth of 10% in Q1 FY'24 with an all-time high sales in the first quarter of any previous year. This segment is supported by robust demand and is poised for double digit growth.
- The Two-wheeler industry had a growth of 11% in Q1 FY'24. Easing commodity prices and uptick in rural demand will be the key factors for growth in this segment during the year.
- Used vehicle business has contributed to 32% of our disbursement volumes and this segment is expected to have a buoyant growth during the year.

Chola's Position

- Our focus continues to be on retail customers especially in smaller towns and rural areas. We will continue to grow this segment in line with market trends.
- The company intends to focus on two-wheeler financing by maintaining a clean portfolio through quality underwriting.
- We are one of the key financiers in this segment and will continue to have a guarded approach with razor-sharp focus on collections.

Sector Outlook

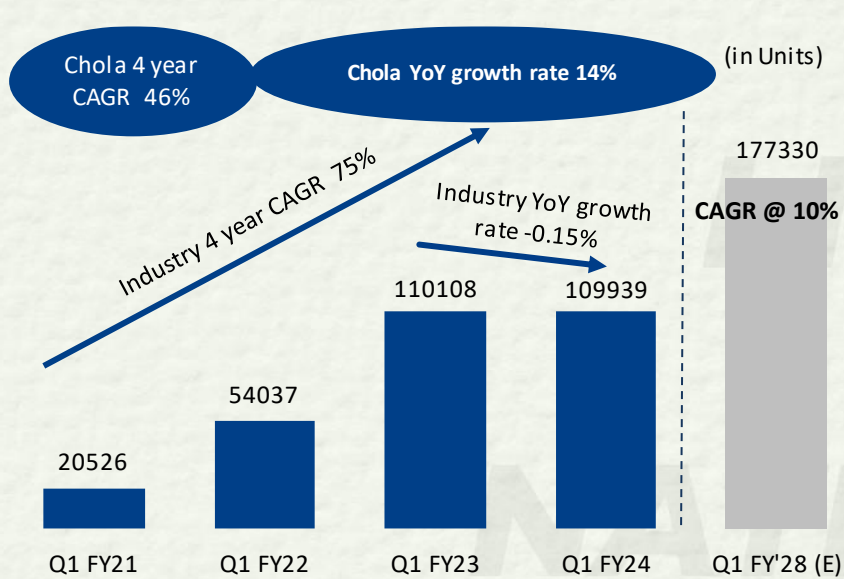
- The Construction Equipment segment had a growth of 14% in Q1 FY'24 supported by improvement in construction, mining activities and positive macroeconomic environment. Higher demand drive with the run up to elections will have a positive impact in this segment during the year.
- The Tractor industry had a de-growth of 2% in Q1 FY'24 due to a high base effect in the previous year. We expect this segment to have stable growth provided there is no adverse effects of El-Nino this year.

Chola's Position

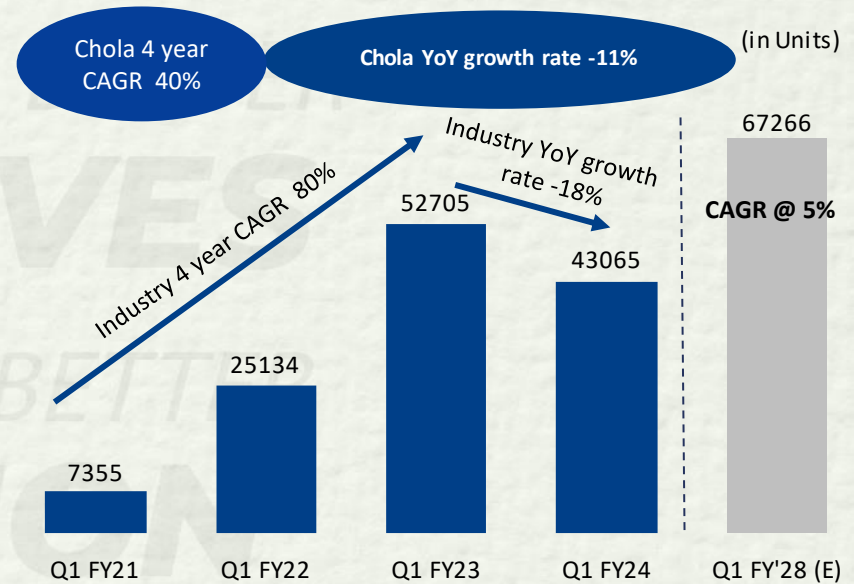
- Our exposure in this segment is around 7% at a portfolio level with emphasis on building a quality book.
- We will keep a close watch on this segment considering various external factors like El-Nino phenomenon, crop loss and uneven farm cash flows.

Auto Industry Outlook

Trend in Domestic LCV Sales



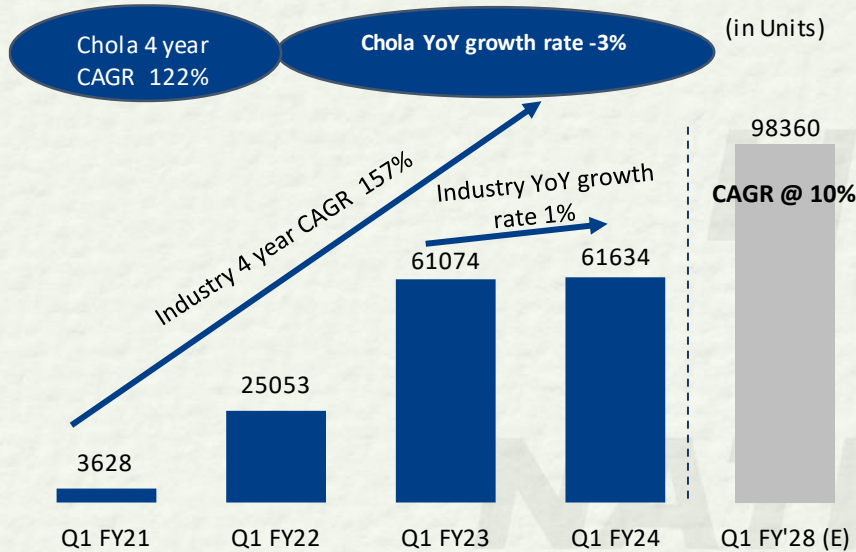
Trend in Domestic SCV Sales



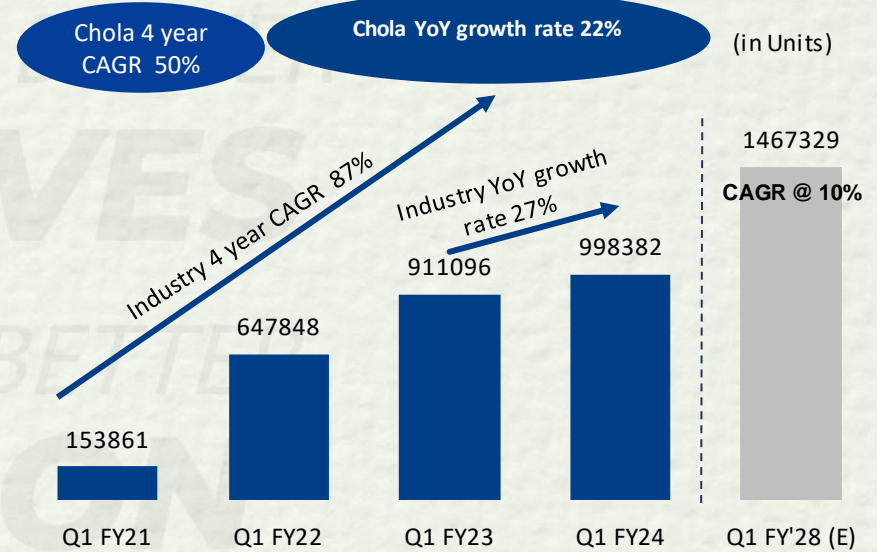
- Replacement demand, last-mile transport requirements and positive macroeconomic environment.
- Stronger demand from consumption driven sectors and E-commerce based companies.
- Demand for Pickups to increase in the long term due to higher flexibility in usage over sub one tonne vehicles.
- Bus Sales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

Auto Industry Outlook

Trend in Domestic HCV Sales



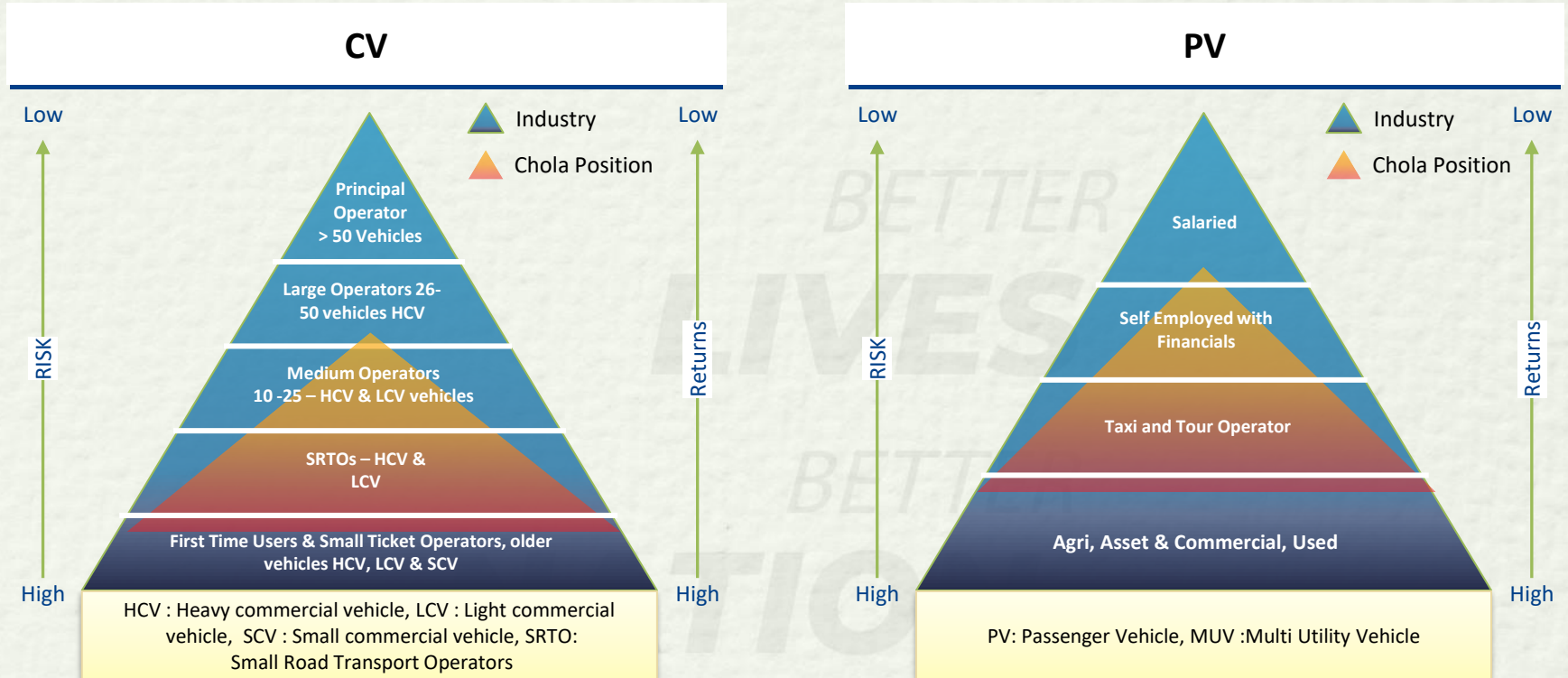
Trend in Domestic Car & MUV Sales



- 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.

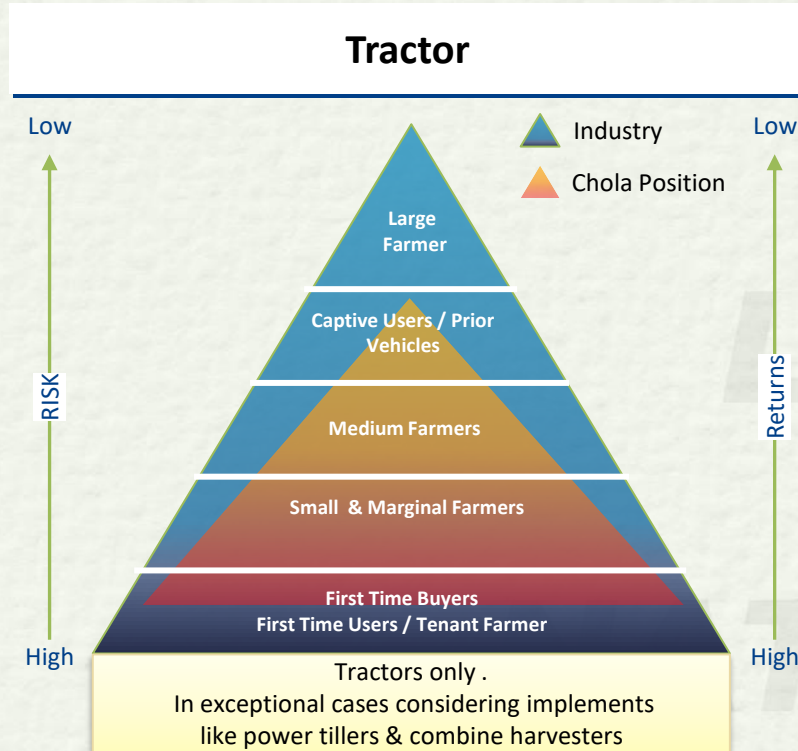
Vehicle Finance—Business Model & Positioning



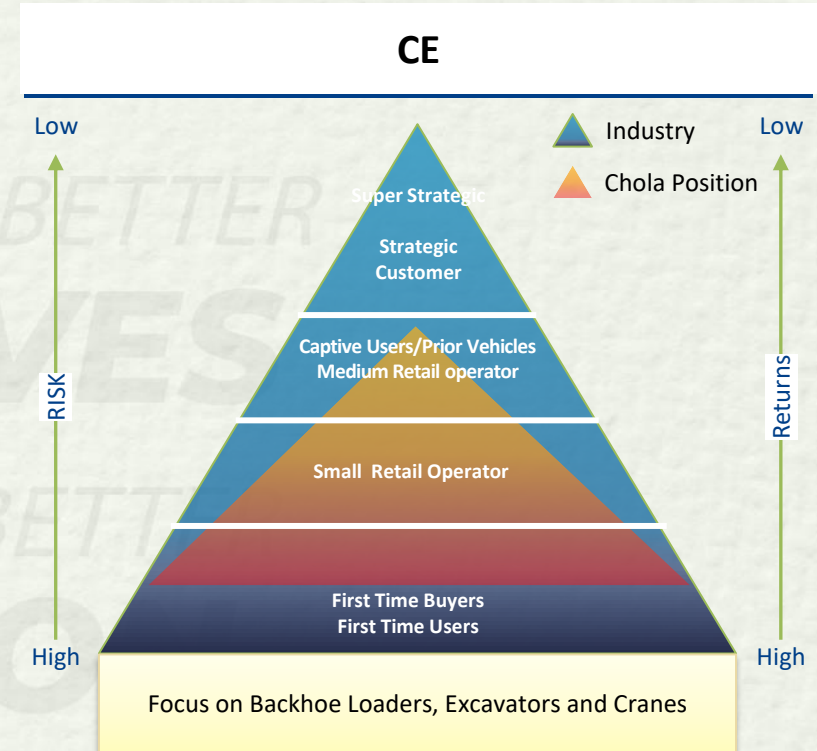
- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
 - Middle of the pyramid through New CVs, Used CVs
 - Top of the Bottom of the pyramid through SCV & older CVs Shubh

- ~ 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

Vehicle Finance—Business Model & Positioning



- ~65% of disbursements are to agri -based customer segment
- Application -
 - Agri usage
 - Commercial usage
 - Agri and Commercial usage
- New & Used



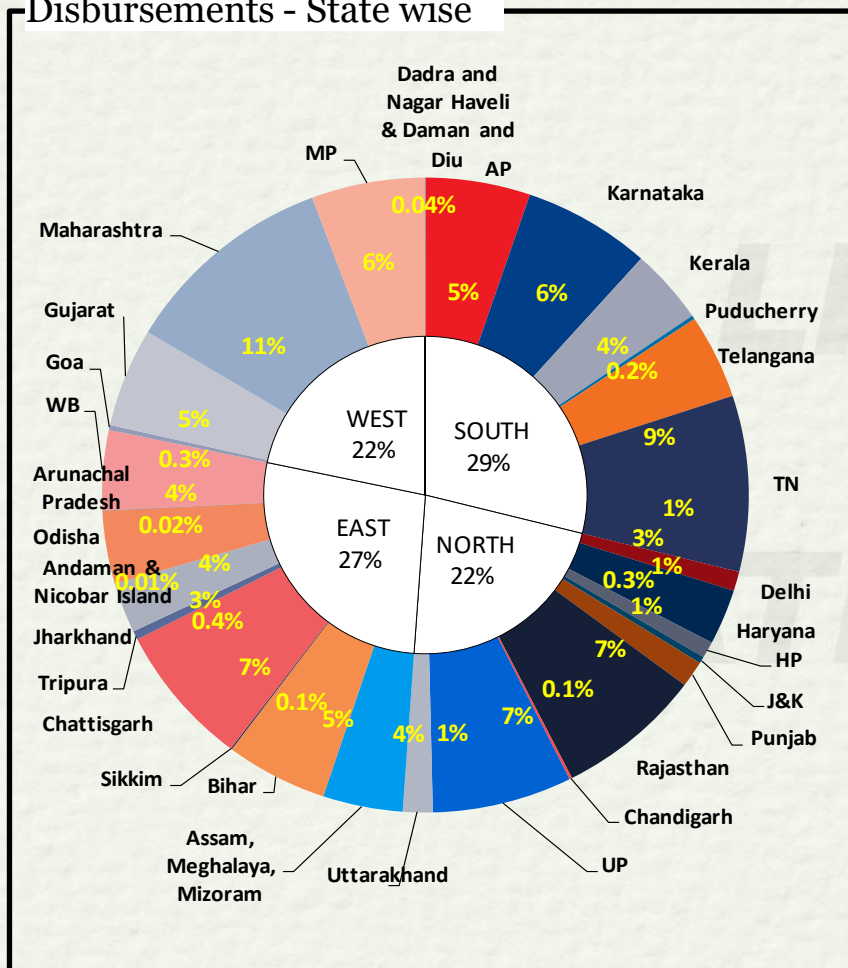
- ~ 69% of disbursements are to retail customer segment
- Application –
 - Captive
 - Hiring
- New & Used

Vehicle Finance - Disbursement/Portfolio Mix – Q1 FY24

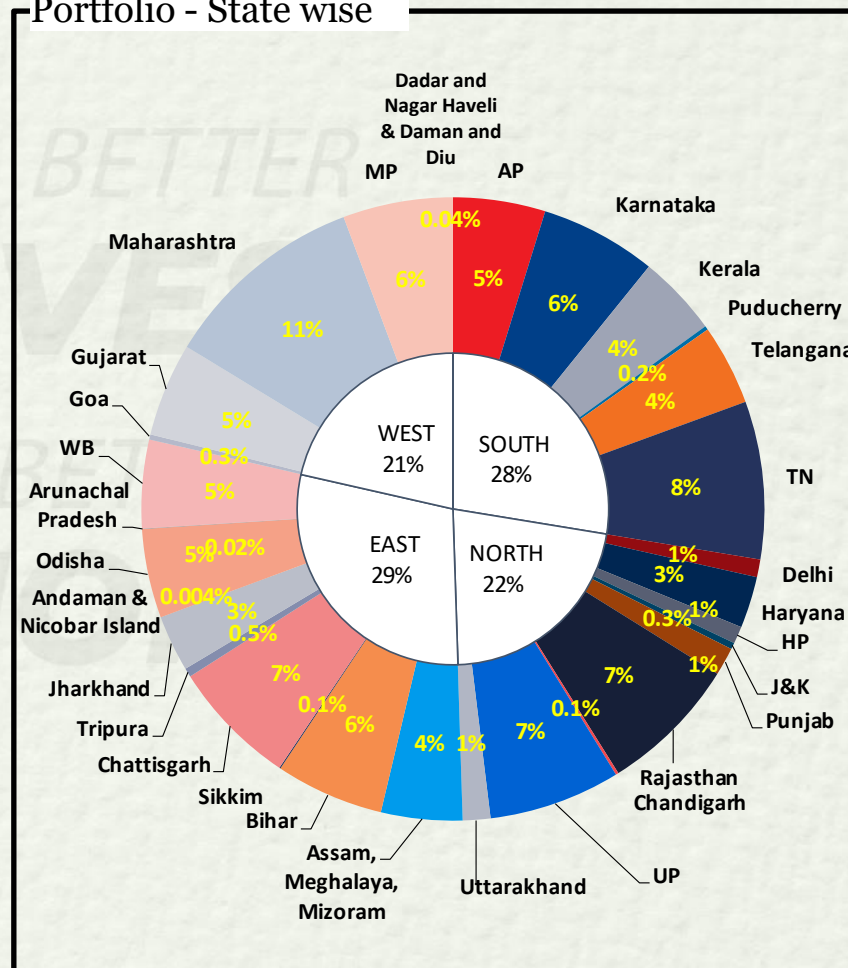
murugappa

Well diversified across geography

Disbursements - State wise

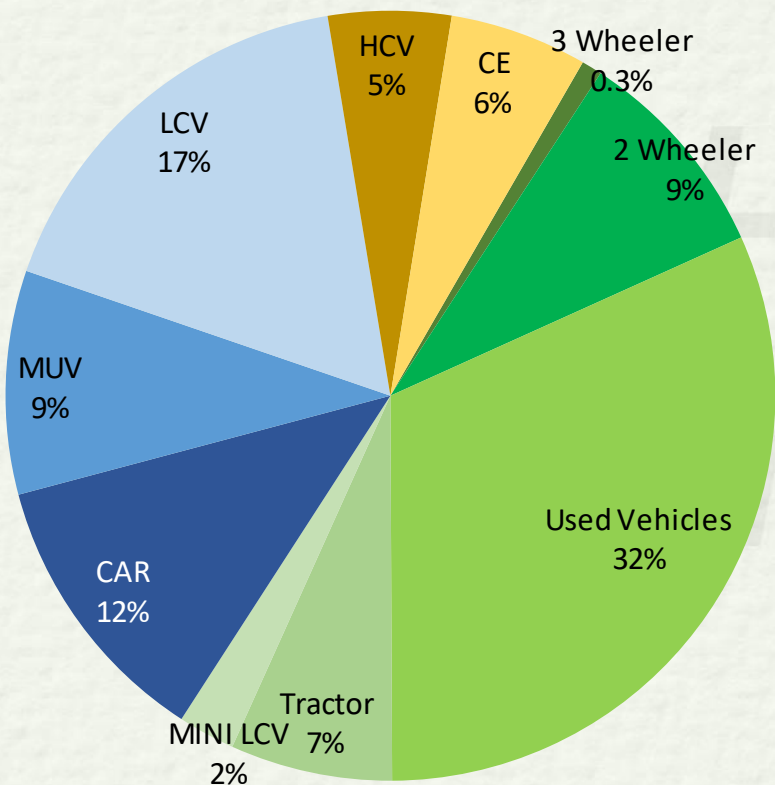


Portfolio - State wise

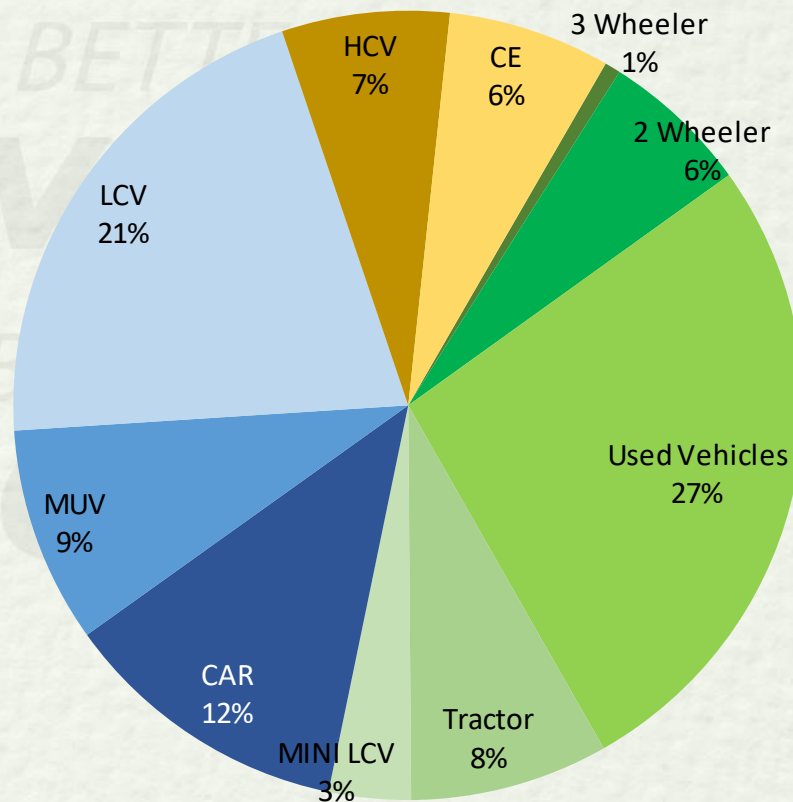


Well diversified product segments

Disbursements (%) - Product wise

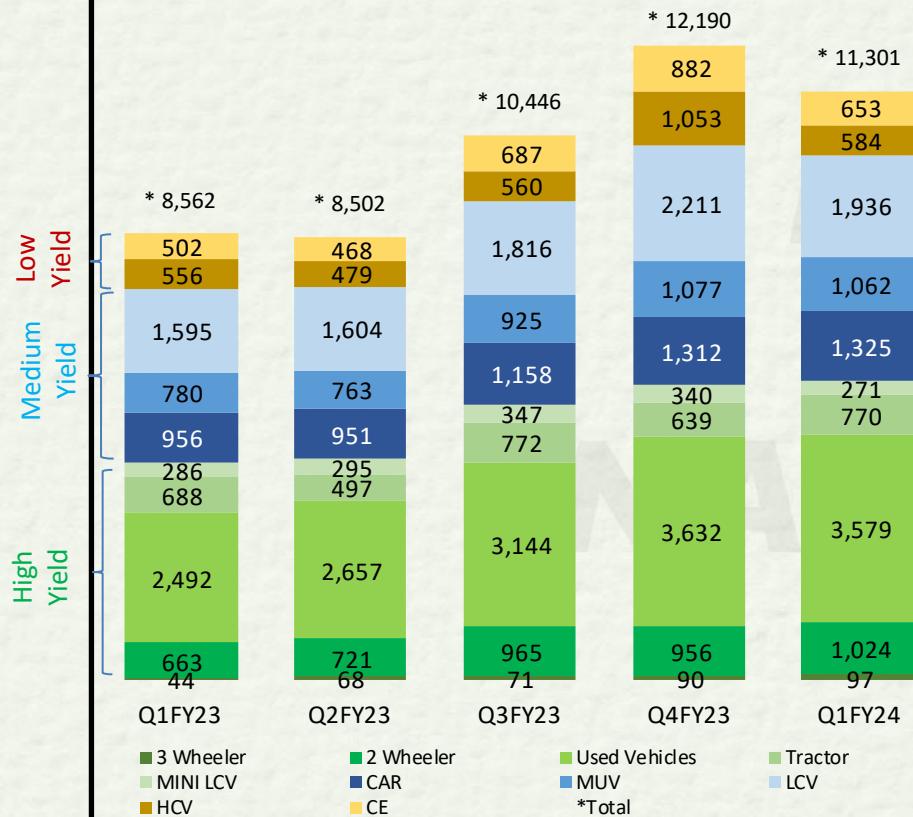


Portfolio (%) - Product wise

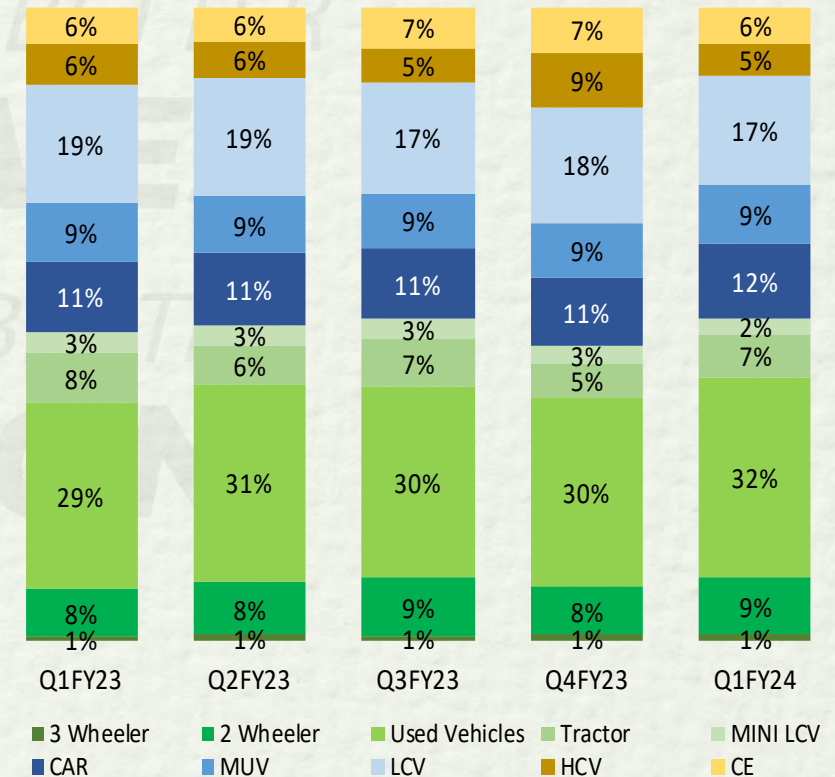


Vehicle Finance - Disbursement Mix – Quarter-wise

Disbursement (₹Cr) - Product wise

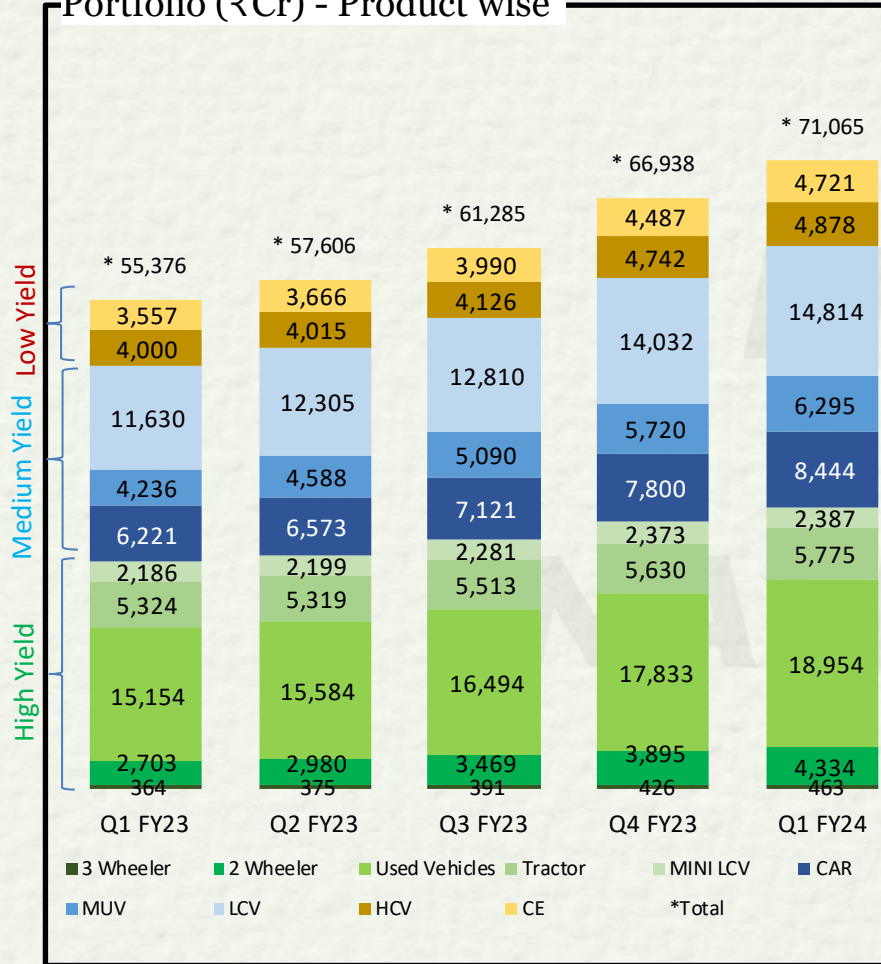


Disbursement (%) – Product wise

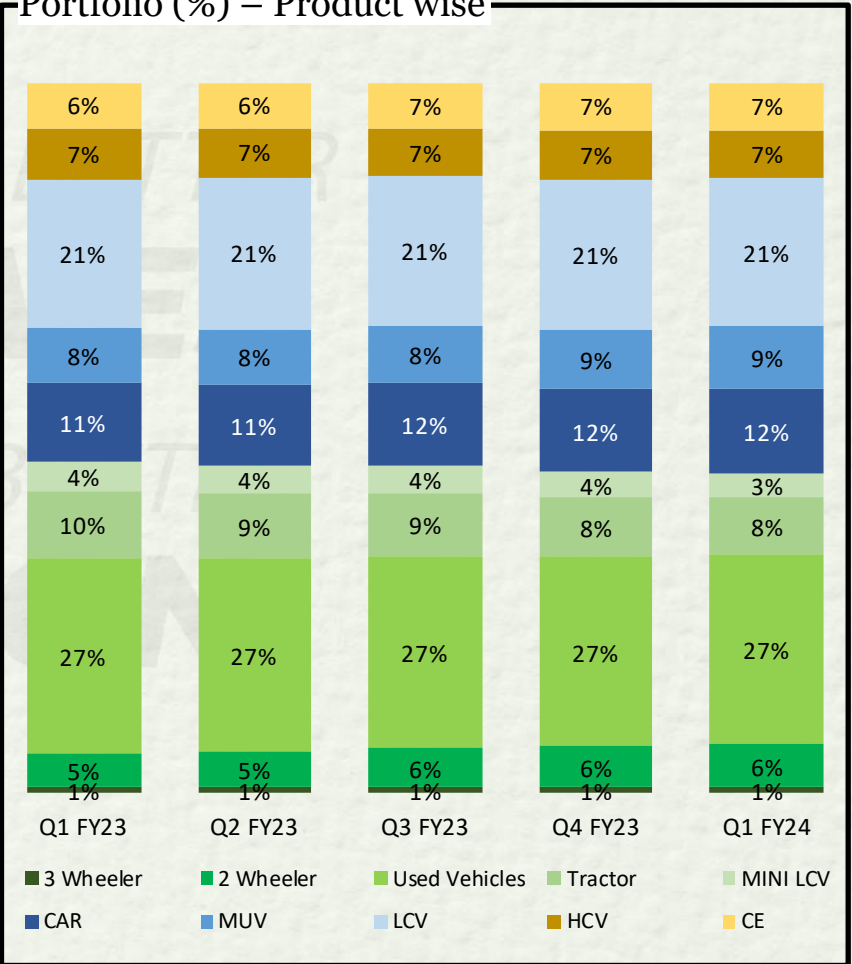


Vehicle Finance - Portfolio Mix – Quarter-wise

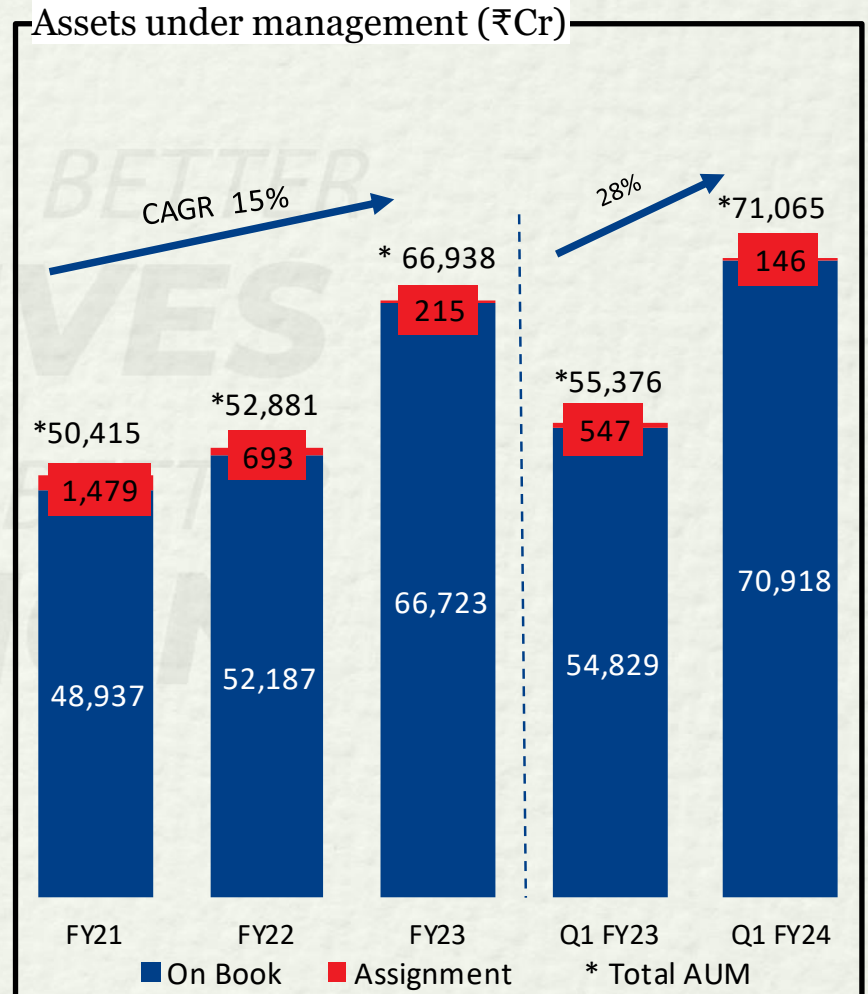
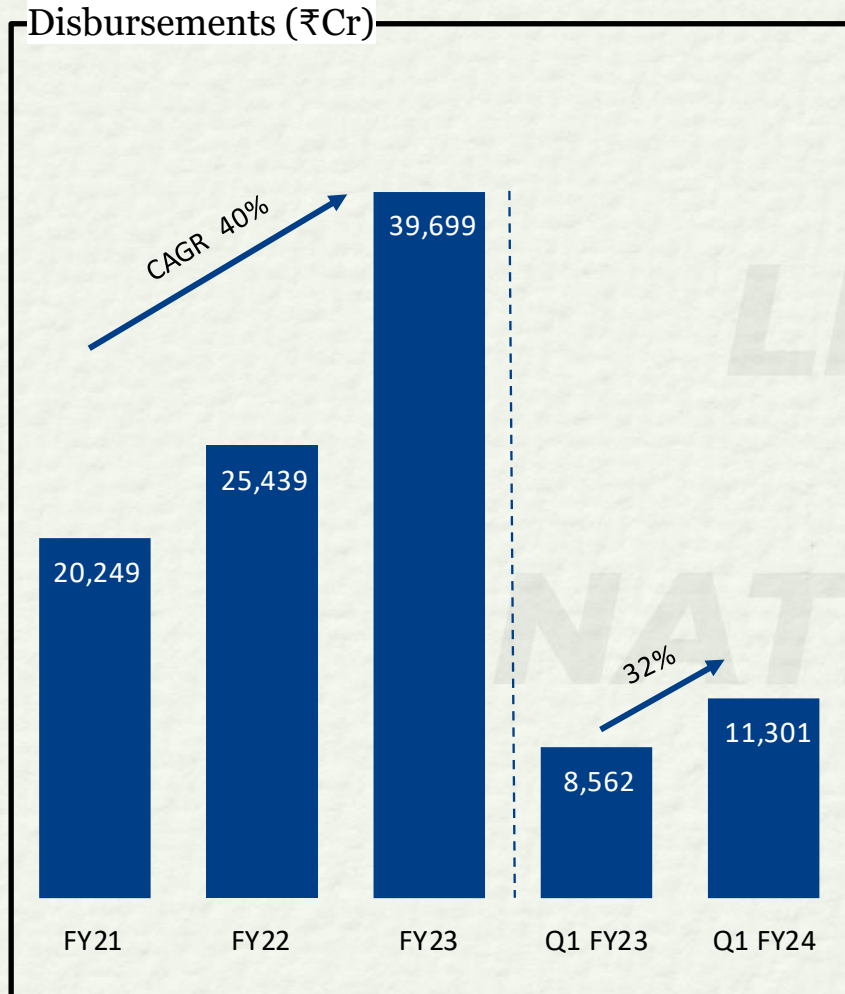
Portfolio (₹Cr) - Product wise



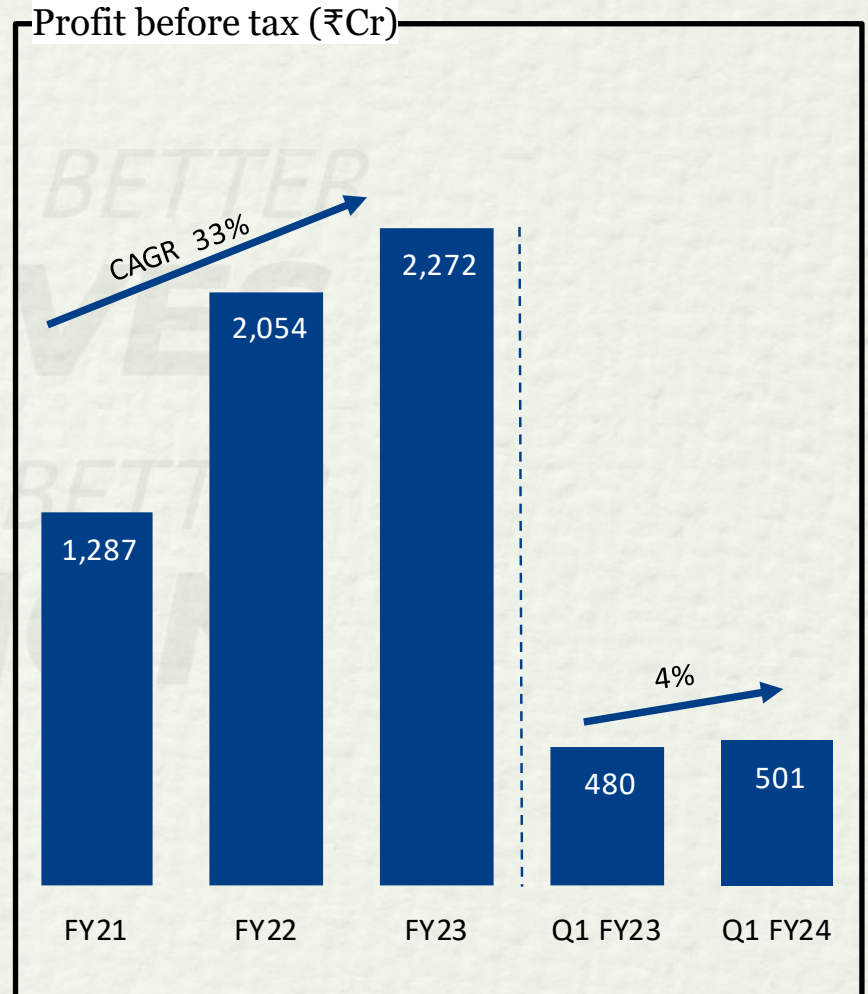
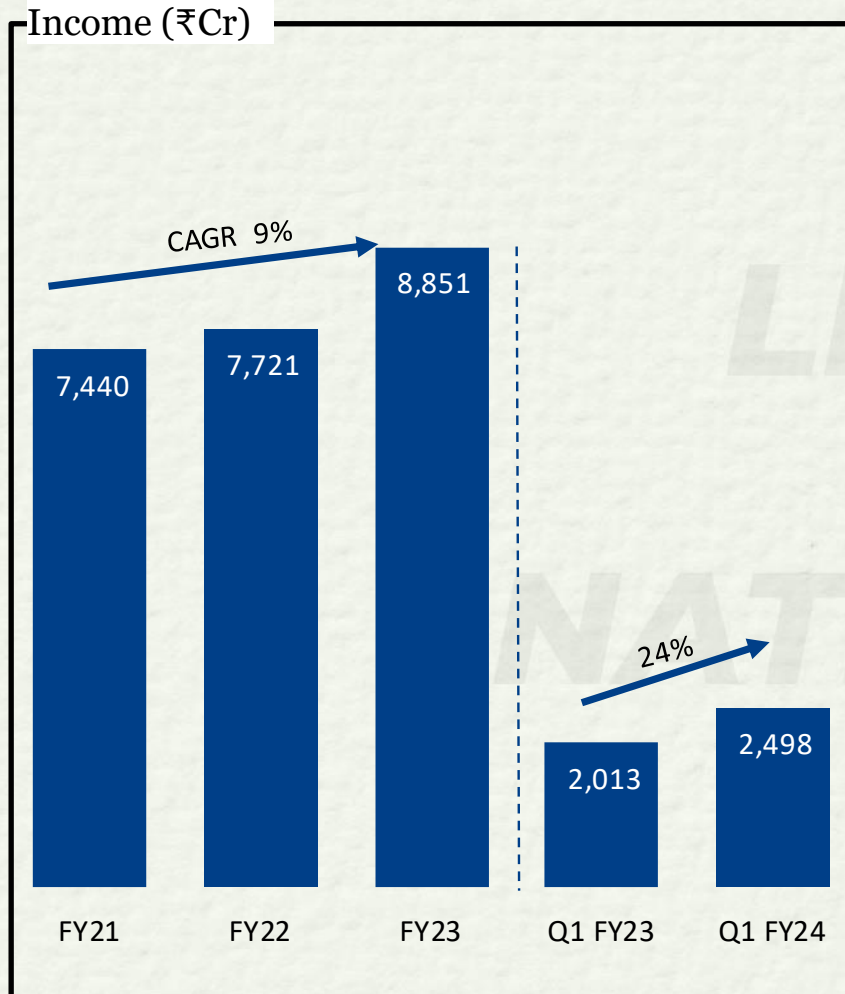
Portfolio (%) – Product wise



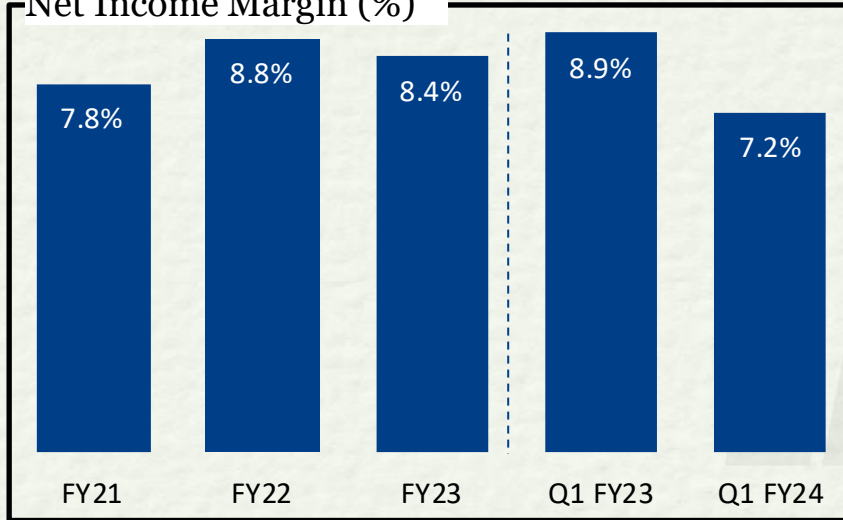
Vehicle Finance - Disbursements and Asset Under Management



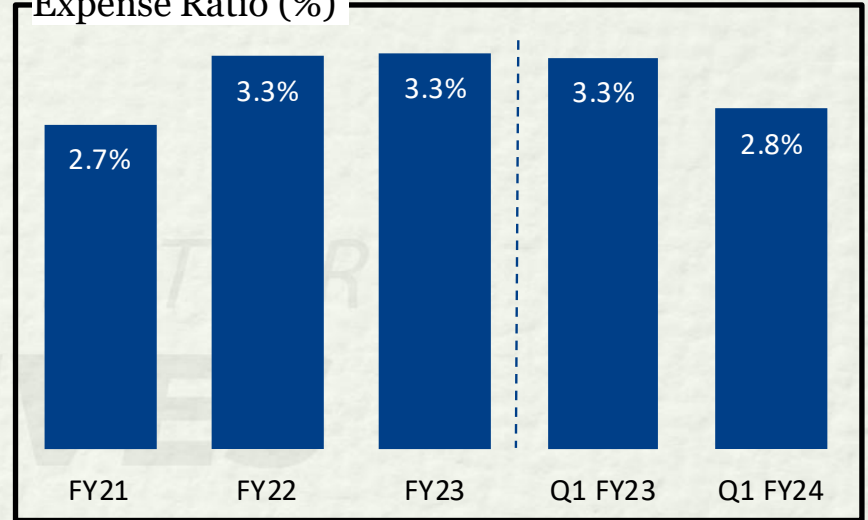
Vehicle Finance - Income and Profit before tax



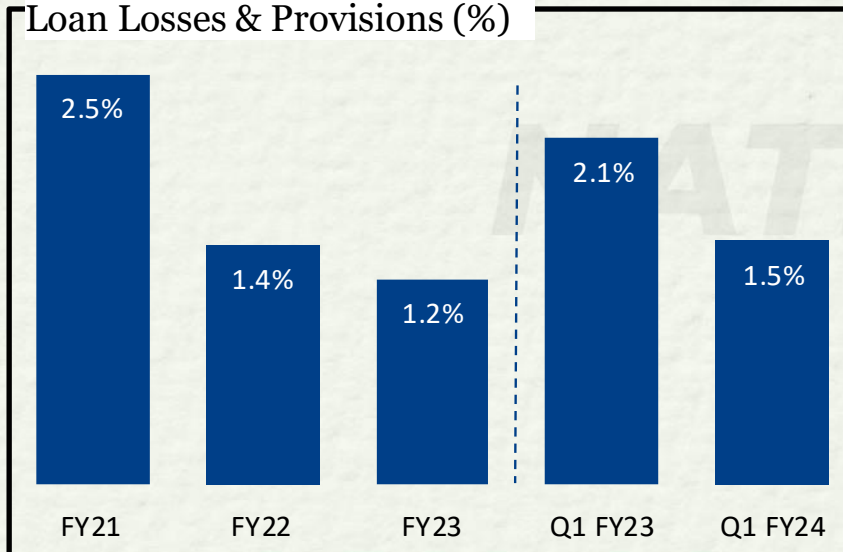
Net Income Margin (%)



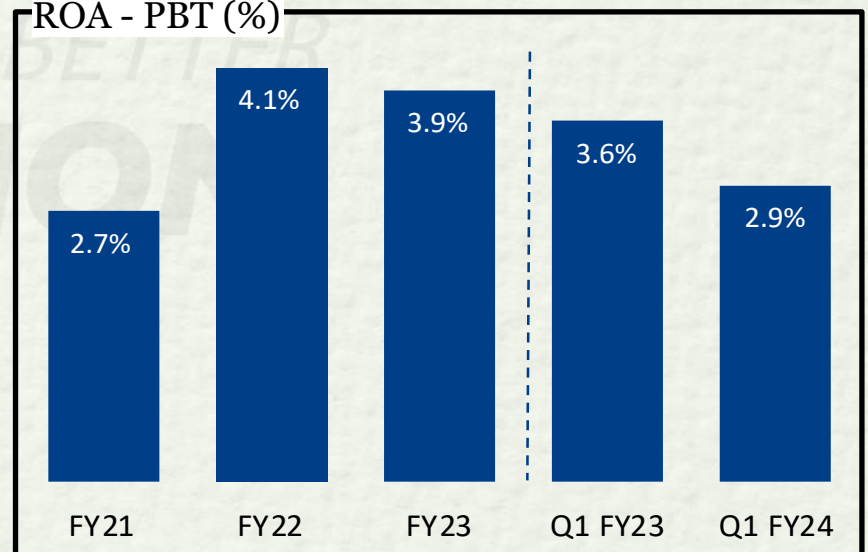
Expense Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Vehicle Finance (Managed)

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Growth % Q1o-Q1	FY23
Disbursements	8,562	11,301	32%	39,699
Closing Assets - Managed	55,376	71,065	28%	66,938
Operating Income	2,013	2,498	24%	8,851
Finance Charges	811	1,258	55%	3,906
Net Income	1,202	1,239	3%	4,945
Expenses	442	489	10%	1,950
Net Credit Losses	280	250	-11%	723
PBT	480	501	4%	2,272
Asset Ratios				
Income	14.9%	14.6%		15.0%
Cost of Funds	6.0%	7.3%		6.6%
Net Income Margin	8.9%	7.2%		8.4%
Expense	3.3%	2.8%		3.3%
Losses & Provisions	2.1%	1.5%		1.2%
ROA-PBT	3.6%	2.9%		3.9%
Cost to Net Income	36.8%	39.4%		39.4%

Profit and Loss Statement - Vehicle Finance (On Book)

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Growth % Q1-o-Q1	FY23
Disbursements	8,562	11,301	32%	39,699
Closing Assets (On B/S)	54,829	70,918	29%	66,723
Operating Income	1,992	2,491	25%	8,786
Finance Charges	798	1,254	57%	3,870
Net Income	1,194	1,237	4%	4,916
Expenses	442	489	10%	1,950
Net Credit Losses	280	250	-11%	723
PBT	472	499	6%	2,243
Asset Ratios				
Income	14.9%	14.6%		15.0%
Cost of Funds	6.0%	7.3%		6.6%
Net Income Margin	8.9%	7.2%		8.4%
Expense	3.3%	2.9%		3.3%
Losses & Provisions	2.1%	1.5%		1.2%
ROA-PBT	3.5%	2.9%		3.8%
Cost to Net Income	37.1%	39.5%		39.7%

Loan Against Property



Loan Against Property – Q1 FY24 Performance

Disbursements

- Disbursements grew by 32% in Q1 FY24 to Rs.2,679 Cr as compared to Rs.2,036 Cr in Q1 FY23.

Asset under management

- AUM grew by 29% YoY.

Loss and provisions

- Loan losses dropped to -0.14% in Q1 FY24 from -0.09% in Q1 FY23.

Profit before tax

- PBT grew by 12% in Q1 FY24 to Rs.224 Cr as compared to at Rs.200 Cr in Q1 FY23.

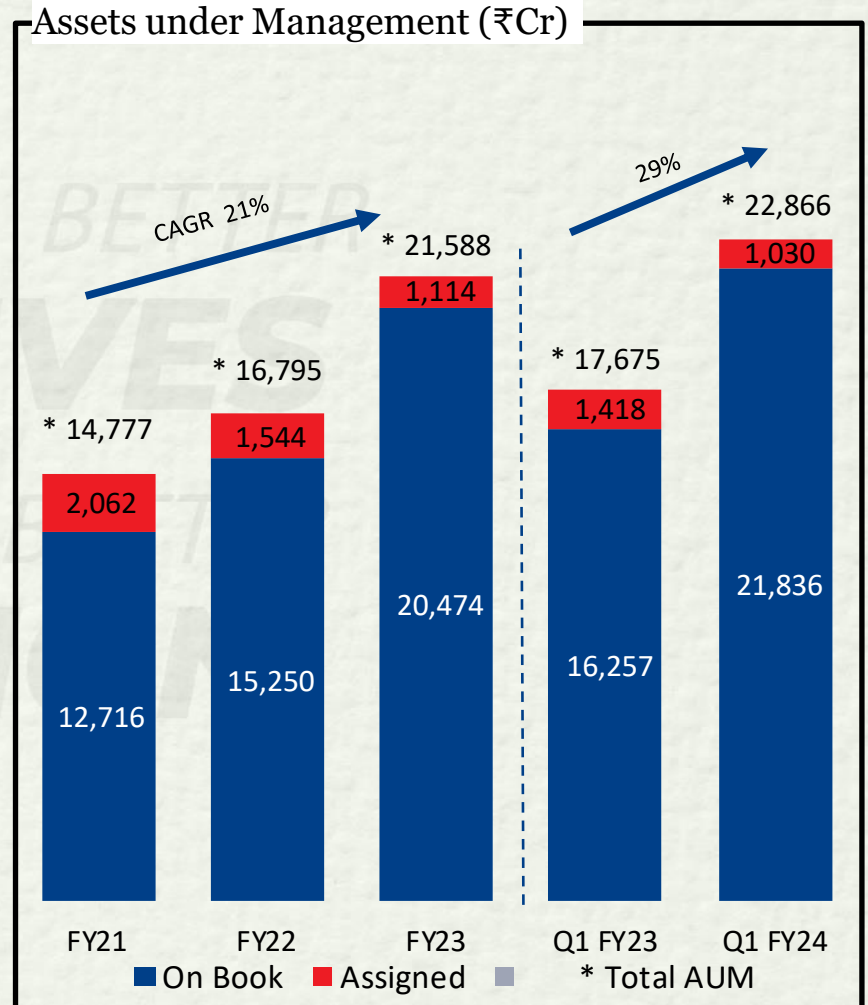
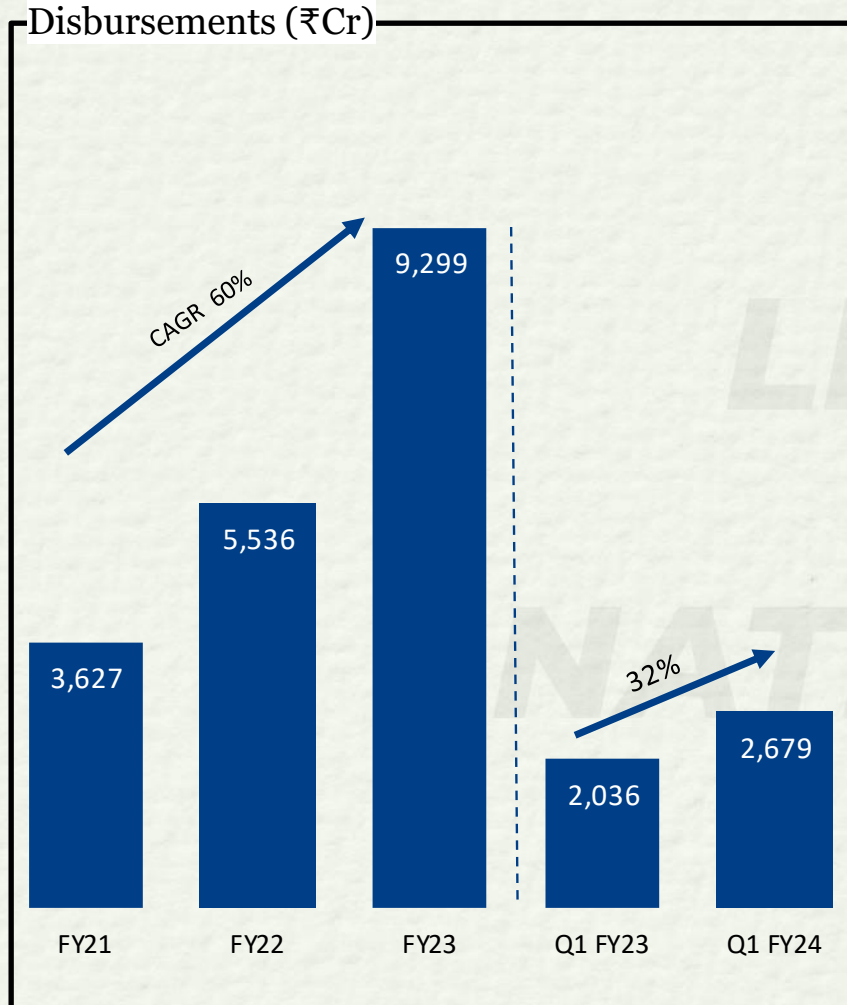
Sector Outlook

- CRISIL estimates the LAP segment to experience growth at a rate of 10-12% for FY24, on back of favorable economic conditions and gradual restoration of business activities to pre-pandemic levels. This anticipated acceleration is attributed to the overall economy recovery and a more stable business environment
- The LAP portfolio of NBFCs LAP witnessed higher growth than non-LAP as non-banks preferred mortgage-based lending over cash-flow-based lending in the short run given the potential risks in other segments. This trend is expected to continue and NBFC LAP is expected to outpace banks with 10-12% growth in fiscal 2024
- With the continued improvement in economic activity, better collection efficiency alongside faster credit growth CRISIL MI&A Research estimates the asset quality to be at 3.5-4% during fiscal 2024

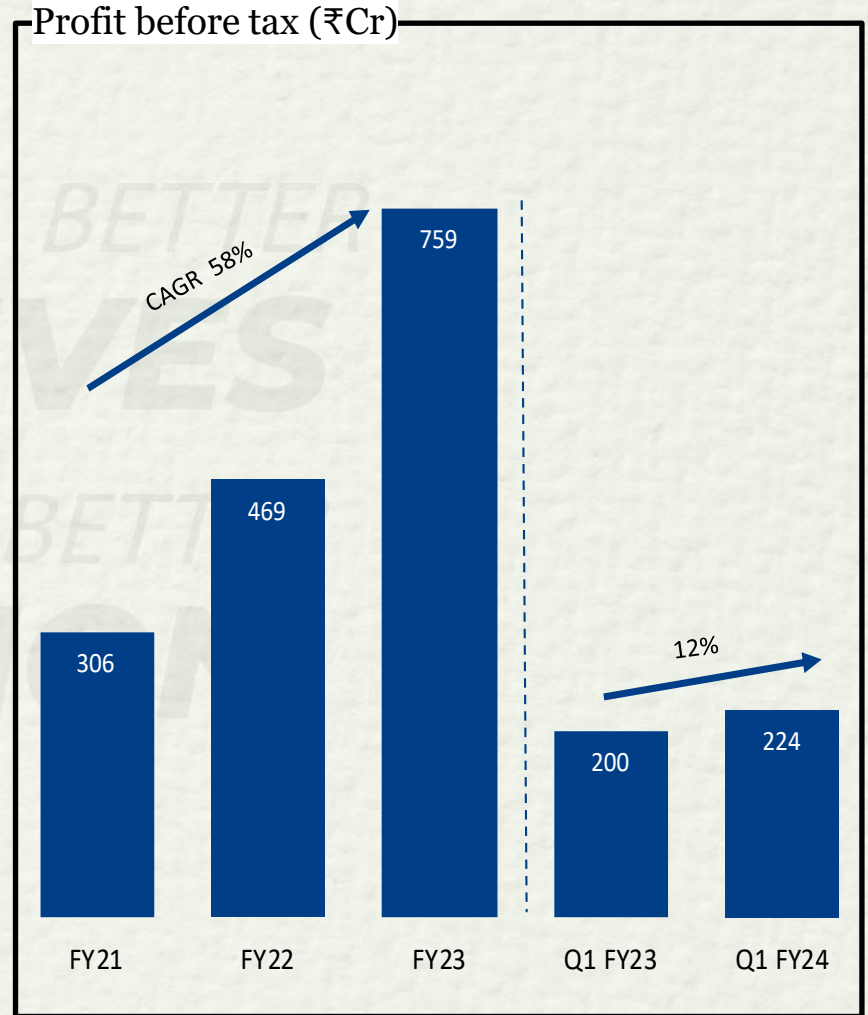
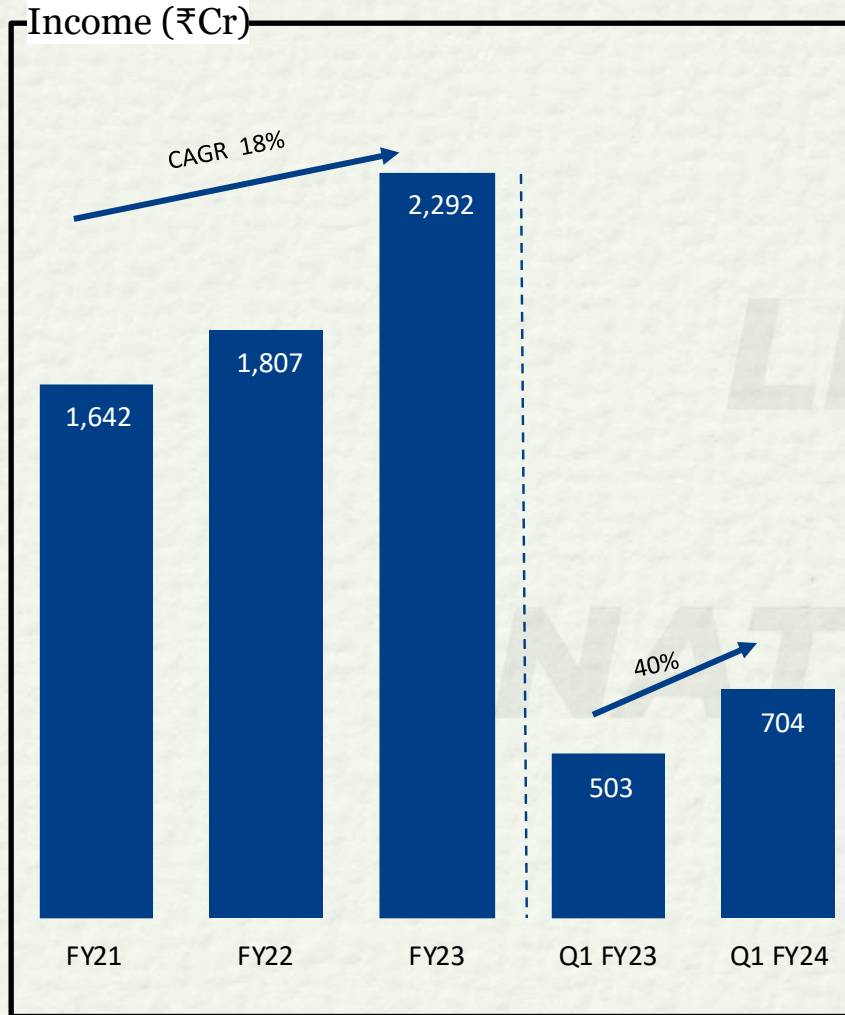
Chola's Position

- Chola's LAP team is currently focusing on increasing its 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.
- While the business continues to focus on Tier 1 and Tier II markets, LAP team is capitalizing on Chola's pan India geographical presence by going wide in Tier III and Tier IV markets.
- Chola LAP team has strengthened collection & legal process. The asset quality of the LAP has shown steady improvement and stage 3 book has come down with consistent improvement in collection efficiency.

Loan Against Property - Disbursements and Asset Under Management

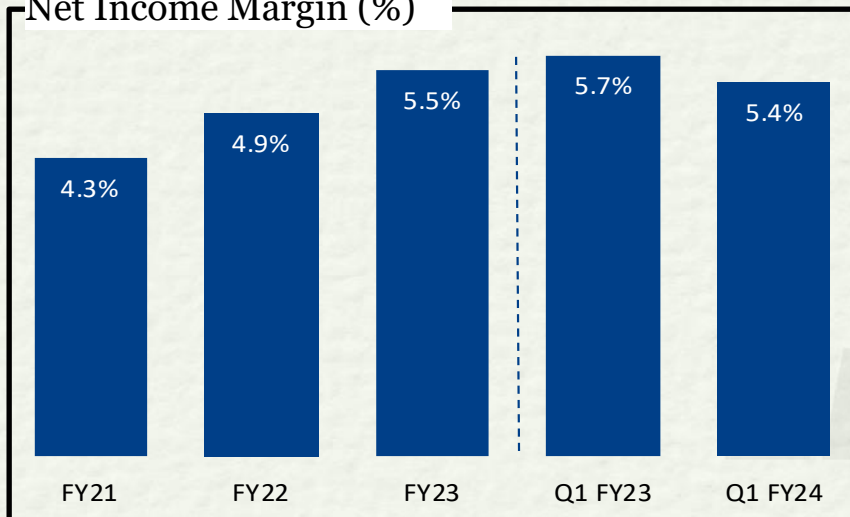


Loan Against Property – Income and Profit before tax

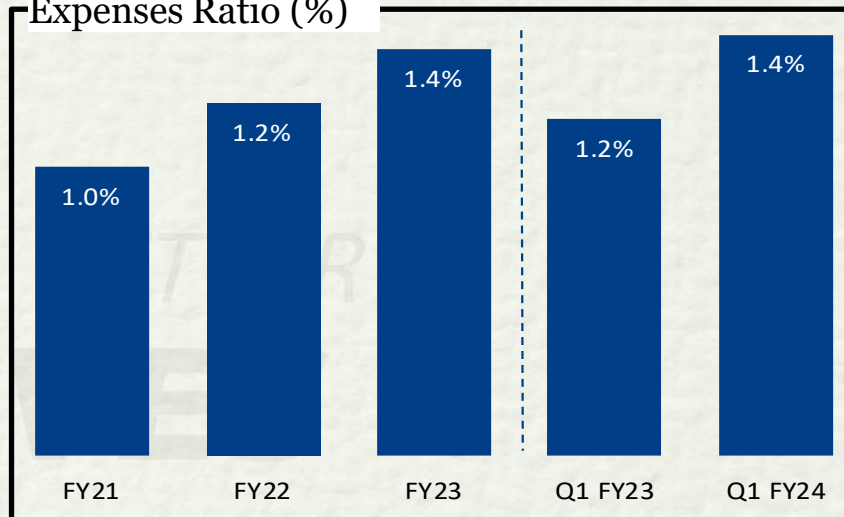


Loan Against Property – Asset Ratios

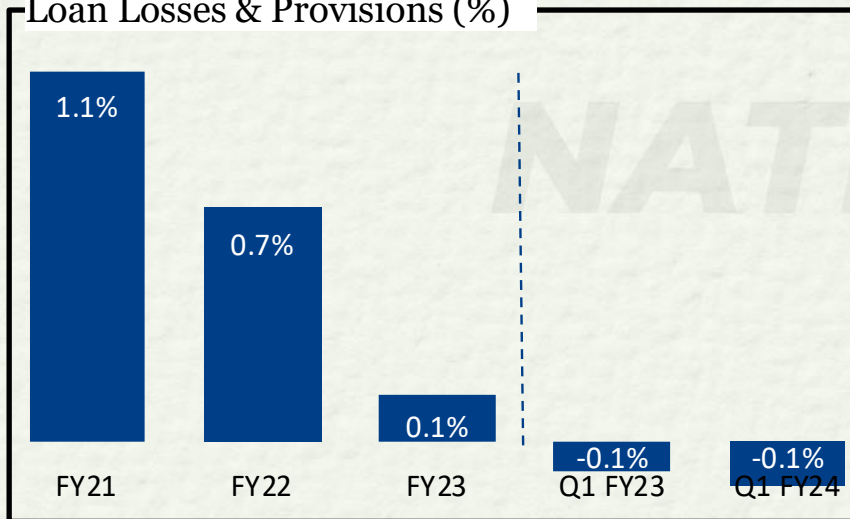
Net Income Margin (%)



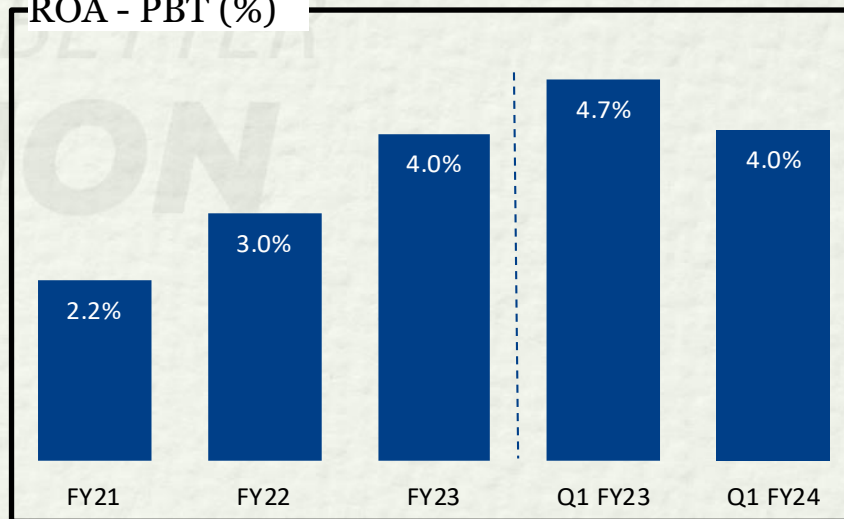
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Loan Against Property (Managed)

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Growth % Q1o-Q1	FY23
Disbursements	2,036	2,679	32%	9,299
Closing Assets - Managed	17,675	22,866	29%	21,588
Operating Income	503	704	40%	2,292
Finance Charges	257	408	59%	1,243
Net Income	246	296	20%	1,048
Expenses	49	80	61%	264
Net Credit Losses	-4	-7	101%	25
PBT	200	224	12%	759
Asset Ratios				
Income	11.7%	12.7%		12.1%
Cost of Funds	6.0%	7.4%		6.6%
Net Income Margin	5.7%	5.4%		5.5%
Expense	1.2%	1.4%		1.4%
Losses & Provisions	-0.1%	-0.1%		0.1%
ROA-PBT	4.7%	4.0%		4.0%
Cost to Net Income	20.1%	26.9%		25.2%

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

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Growth % Q1-o-Q1	FY23
Disbursements	2,036	2,679	32%	9,299
Closing Assets (On B/S)	16,257	21,836	34%	20,474
Operating Income	453	672	48%	2,152
Finance Charges	227	384	69%	1,134
Net Income	226	288	27%	1,018
Expenses	49	80	61%	264
Net Credit Losses	-4	-7	101%	25
PBT	180	215	19%	729
Asset Ratios				
Income	11.5%	12.8%		12.2%
Cost of Funds	5.8%	7.3%		6.4%
Net Income Margin	5.8%	5.5%		5.8%
Expense	1.3%	1.5%		1.5%
Losses & Provisions	-0.1%	-0.1%		0.1%
ROA-PBT	4.6%	4.1%		4.1%
Cost to Net Income	21.9%	27.7%		25.9%

Home Loans



Home Loans – Q1 FY24 Performance

Disbursements

- Disbursements grew by 138% in Q1 FY24 to Rs.1,454 Cr as compared to Rs.611 Cr in Q1 FY23.

Asset under management

- AUM have grown by 60% YoY.

Loss and provisions

- Loan losses dropped to -0.1% in Q1 FY24 from 0.4% of Q1 FY23.

Profit before tax

- PBT grew by 3% to Rs.87 Cr in Q1 FY24 as compared to Rs.85 Cr in Q1 FY23.

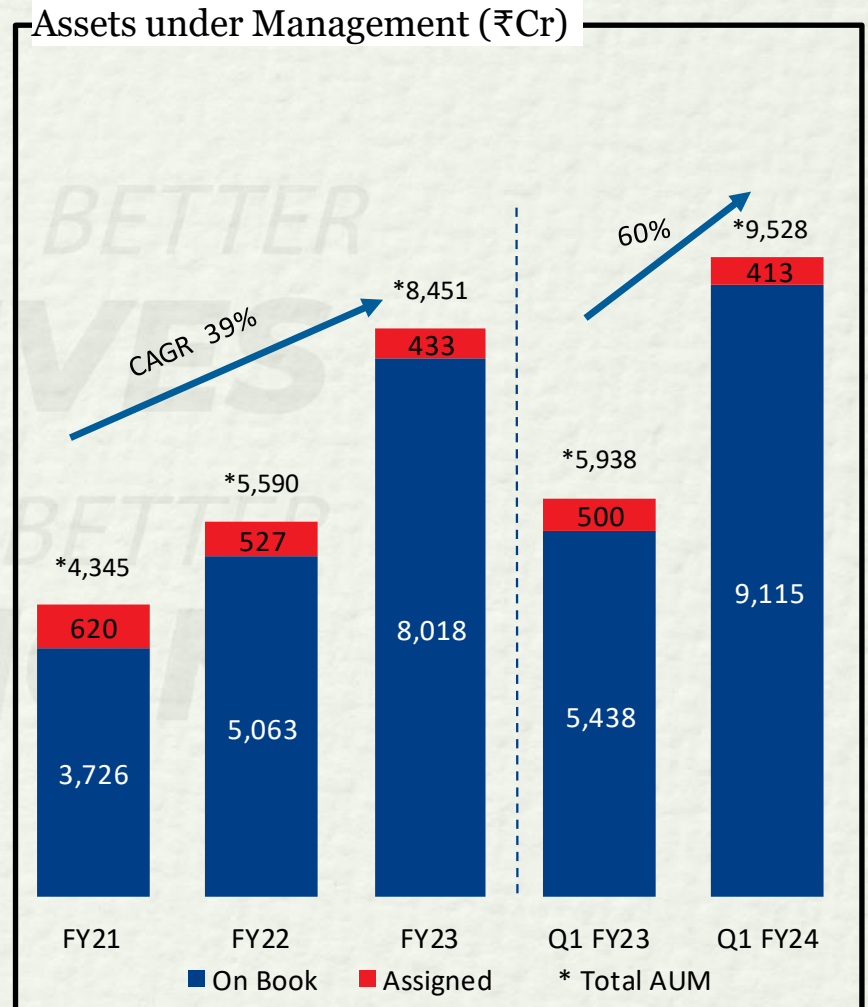
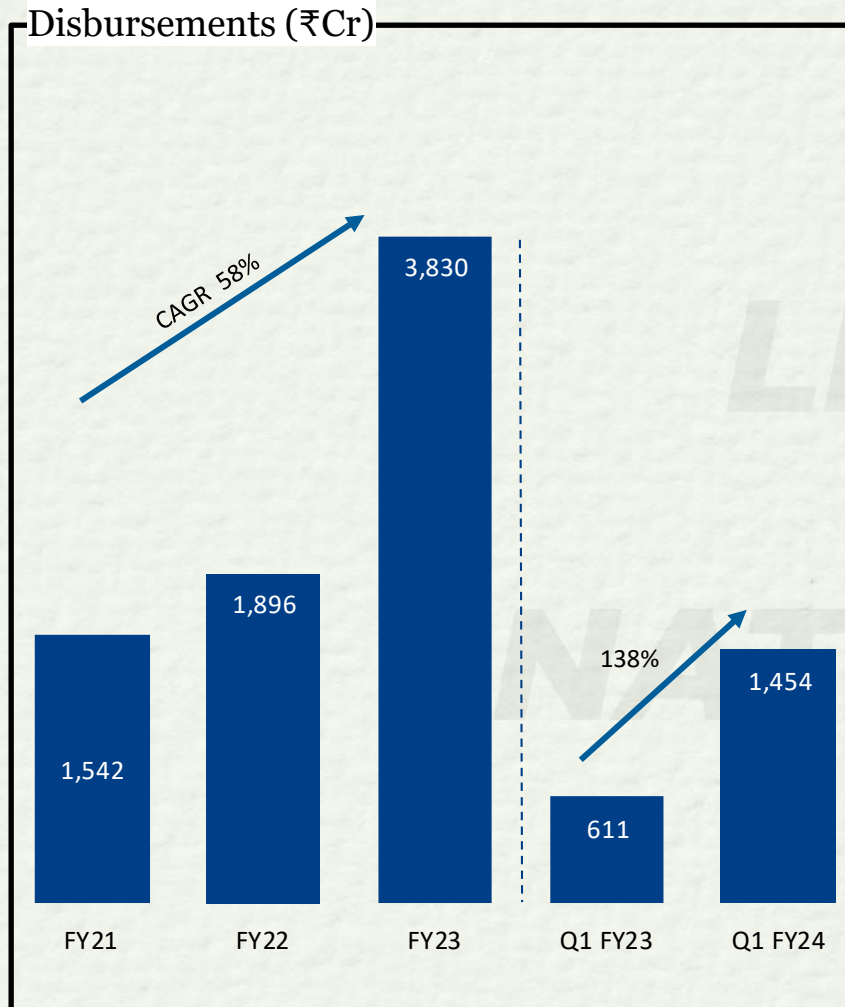
Sector Outlook

- The overall growth in HFCs is expected to remain at 12-14% in FY24; Impact of excess rainfall in parts of the country could impact pace of construction activity in Q2 FY24
- GNPA's of HFCs are likely to be between 2.2% – 2.5% while GNPA's in Affordable Housing are expected to be around 2.9% – 3.2% in FY24
- Increasing cost of funds is expected to impact spreads in FY24. Further, operating expenses are expected to witness an uptick with more growth-related expenditure

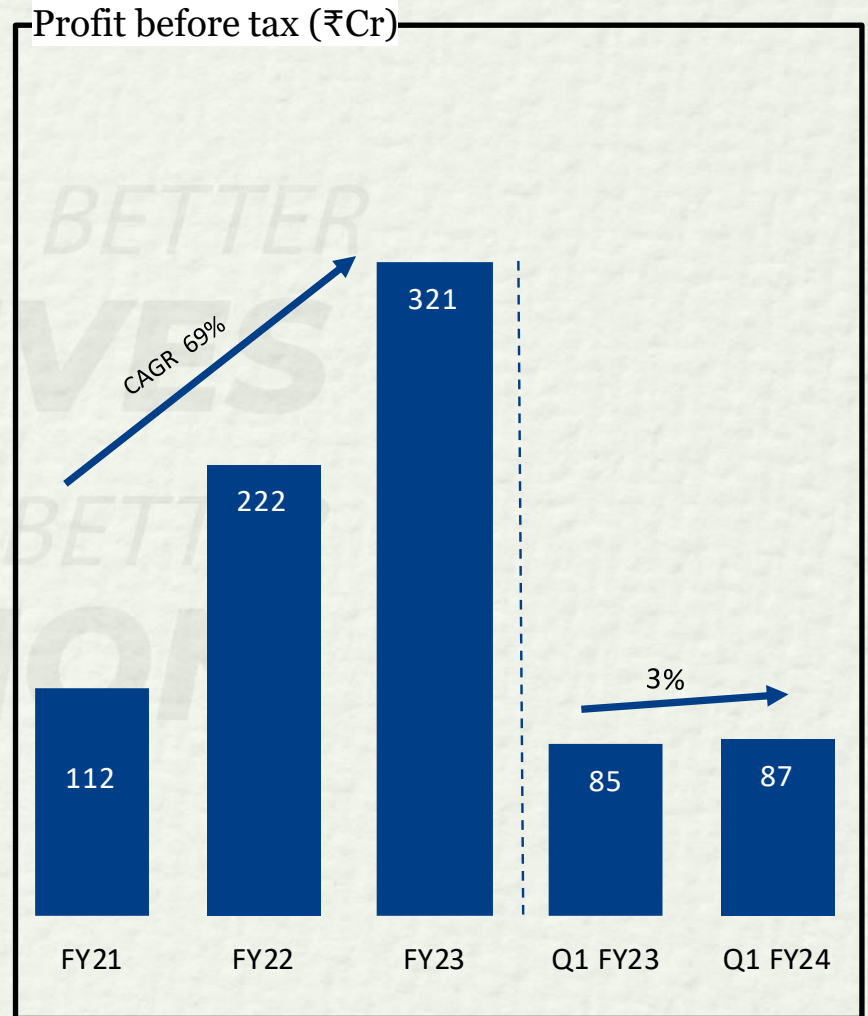
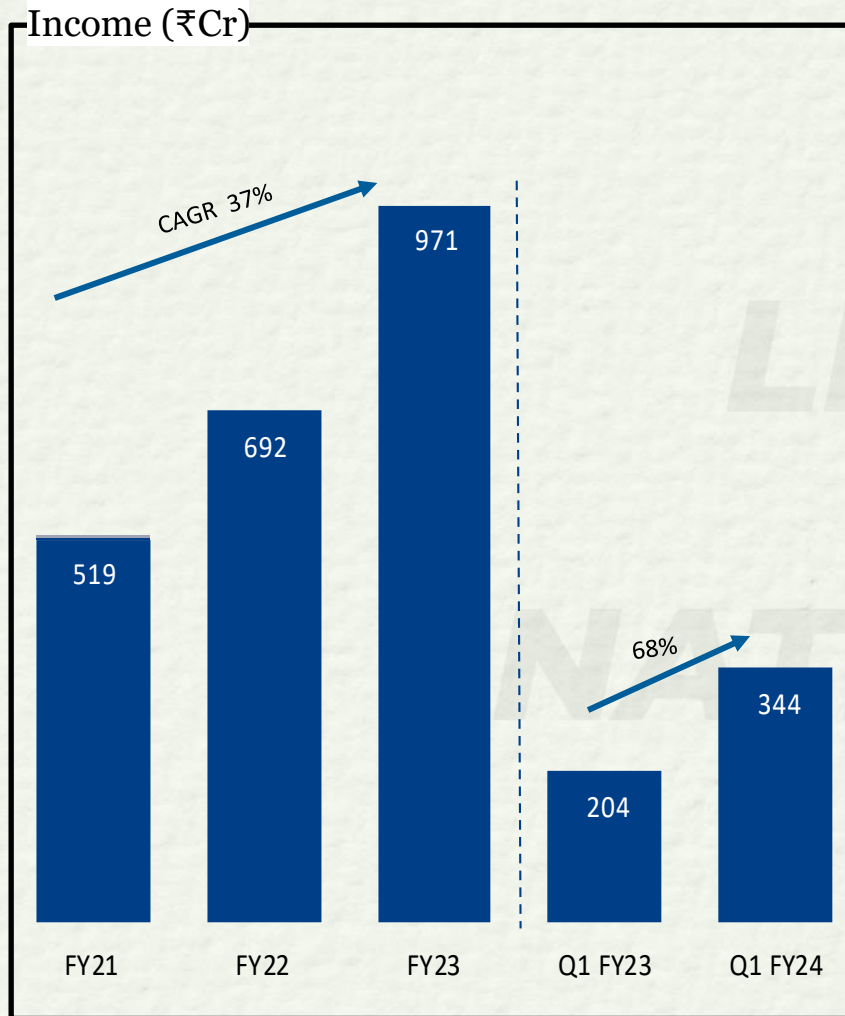
Chola's Position

- Chola continues to diversify its geographical mix through expanding presence in the North, East & West Zones while deepening its footprint in the South.
- Chola continues to pursue legal recovery for the higher bucket portfolio while improving fresh efficiency through emphasis on digital collections as well as adequate feet on street manpower.
- Chola is focusing on optimizing processes and improving efficiencies across all functions in order to protect margins.

Home Loans - Disbursements and Asset Under Management

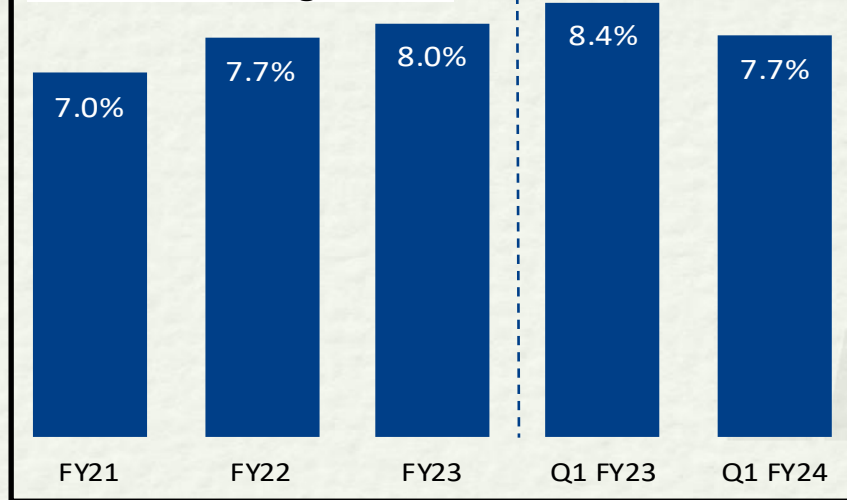


Home Loans - Income and Profit before tax

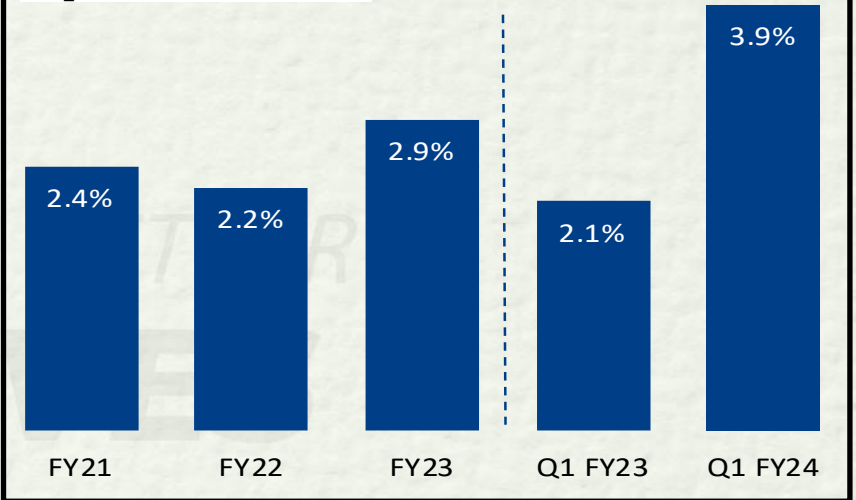


Home Loans – Asset Ratios

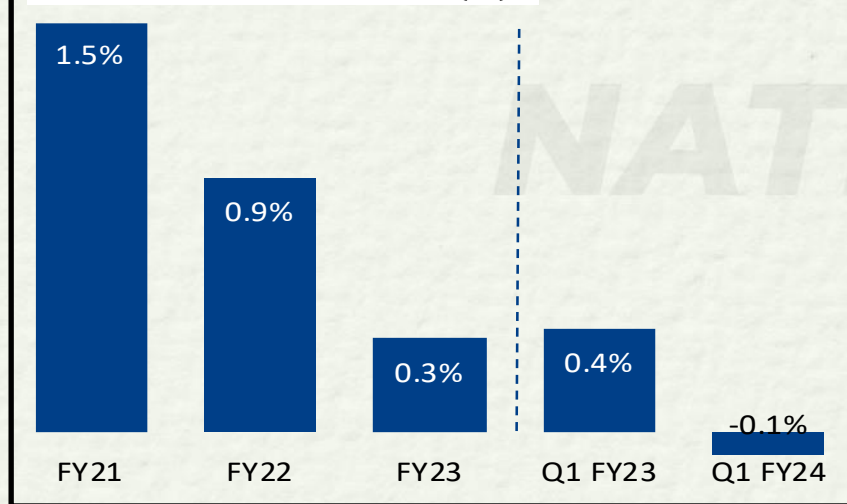
Net Income Margin (%)



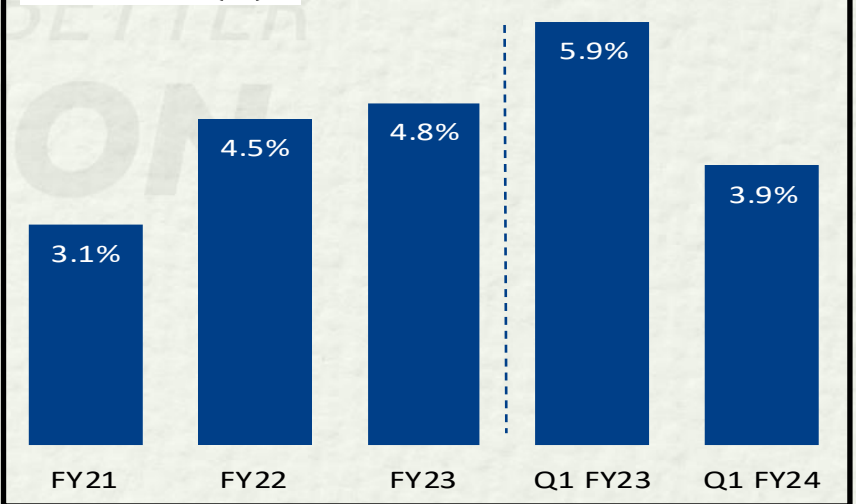
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Home Loans (Managed)

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Growth % Q1o-Q1	FY23
Disbursements	611	1,454	138%	3,830
Closing Assets - Managed	5,938	9,528	60%	8,451
Operating Income	204	344	68%	971
Finance Charges	84	171	104%	433
Net Income	120	173	44%	537
Expenses	30	88	189%	193
Net Credit Losses	5	-2	-134%	23
PBT	85	87	3%	321
Asset Ratios				
Income	14.2%	15.4%		14.4%
Cost of Funds	5.9%	7.7%		6.4%
Net Income Margin	8.4%	7.7%		8.0%
Expense	2.1%	3.9%		2.9%
Losses & Provisions	0.4%	-0.1%		0.3%
ROA-PBT	5.9%	3.9%		4.8%
Cost to Net Income	25.2%	50.8%		36.0%

Profit and Loss Statement - Home Loans (On Book)

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Growth % Q1-o-Q1	FY23
Disbursements	611	1,454	138%	3,830
Closing Assets (On B/S)	5,438	9,115	68%	8,018
Operating Income	185	331	79%	907
Finance Charges	74	162	119%	395
Net Income	111	169	53%	512
Expenses	30	88	189%	193
Net Credit Losses	5	(2)	-134%	23
PBT	75	83	11%	296
Asset Ratios				
Income	14.1%	15.6%		14.5%
Cost of Funds	5.7%	7.6%		6.3%
Net Income Margin	8.5%	7.9%		8.2%
Expense	2.3%	4.1%		3.1%
Losses & Provisions	0.4%	-0.1%		0.4%
ROA-PBT	5.7%	3.9%		4.7%
Cost to Net Income	27.4%	51.9%		37.7%

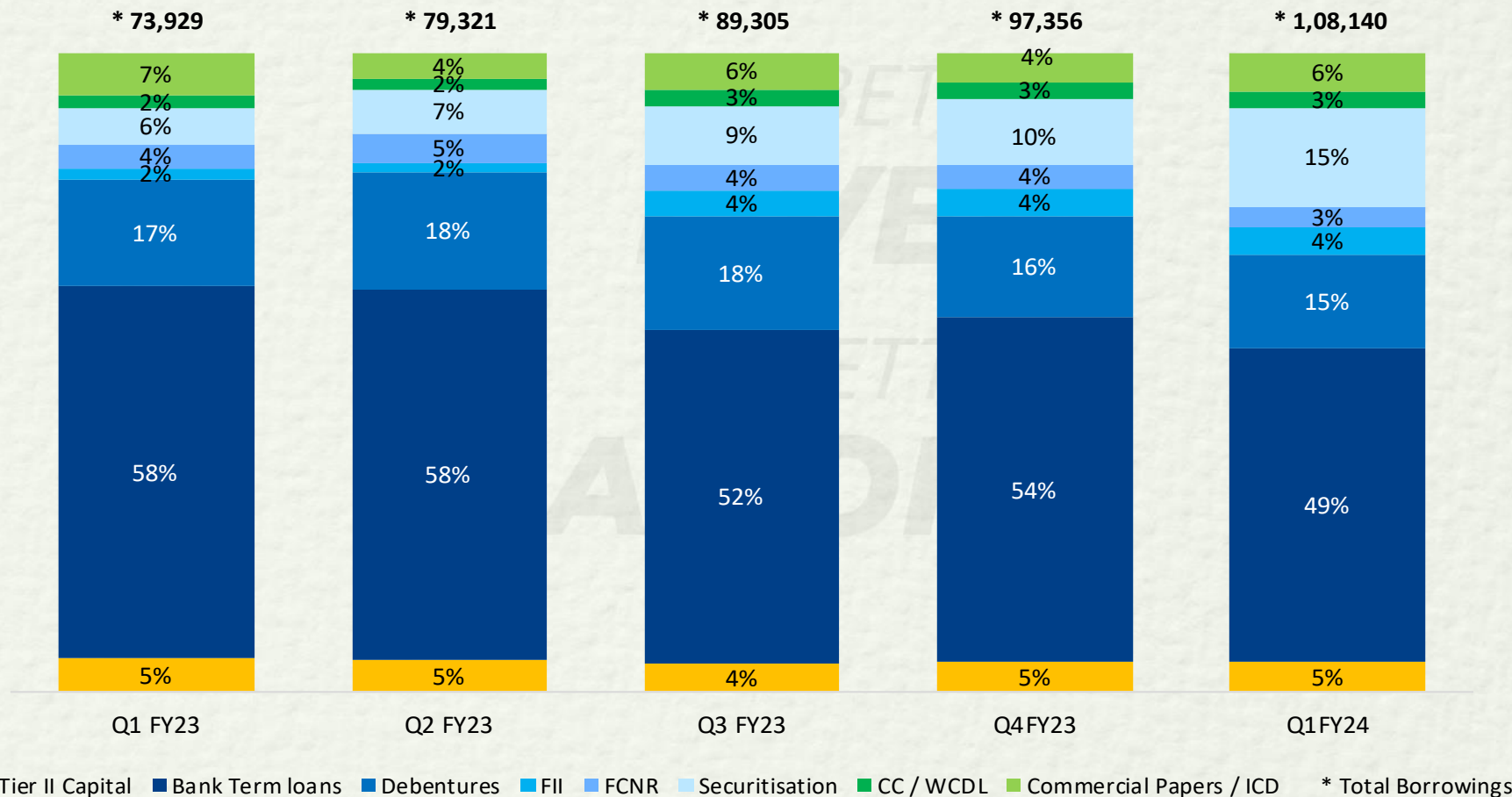
Funding Profile



Diversified Borrowings Profile (I/II)

(₹Cr)

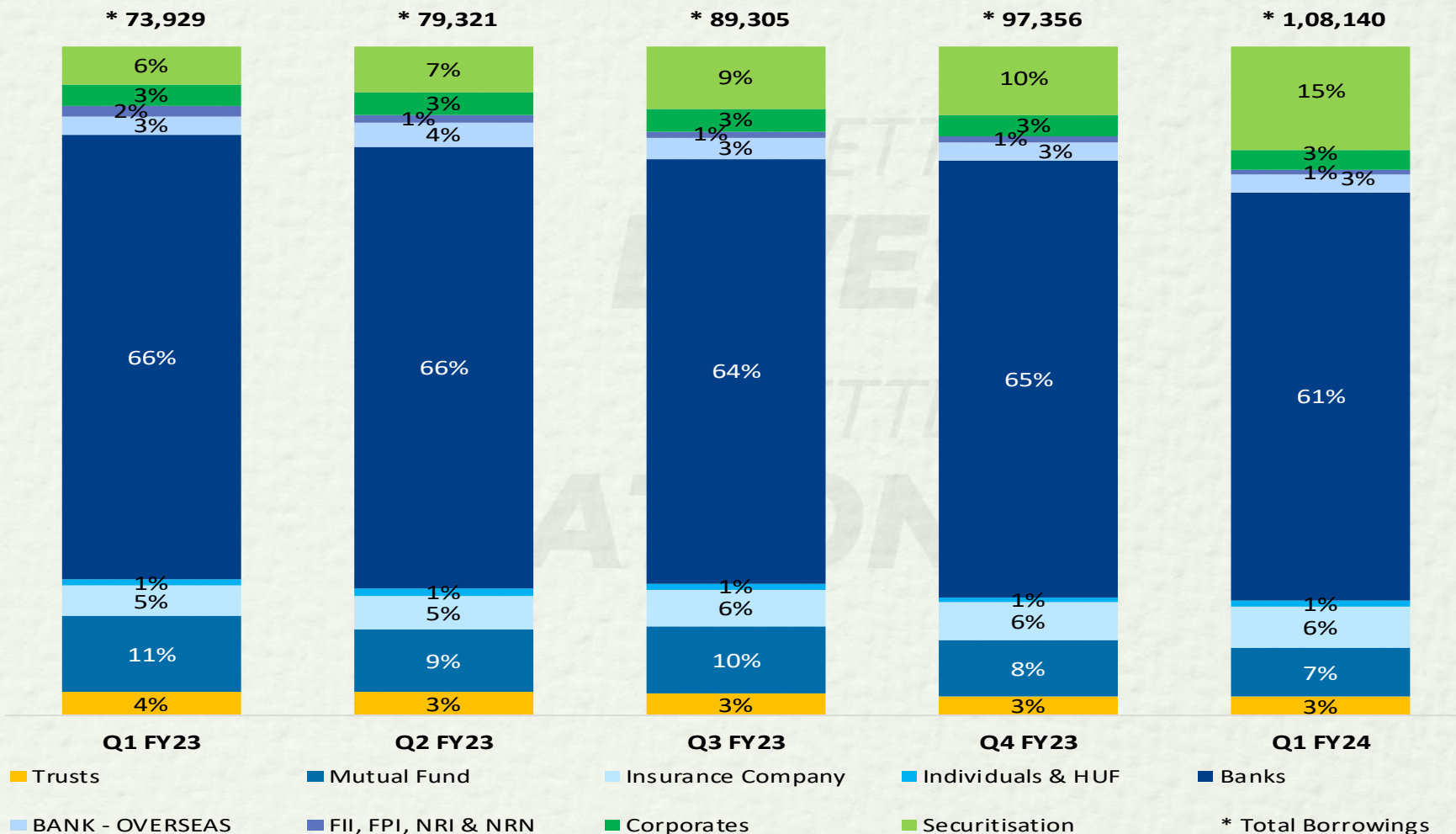
Borrowing mix by instrument type



Diversified Borrowings Profile (I/II)

Borrowing mix by investor type

(₹Cr)



ALM Statement as of 30th Jun 2023 (As per IND AS)

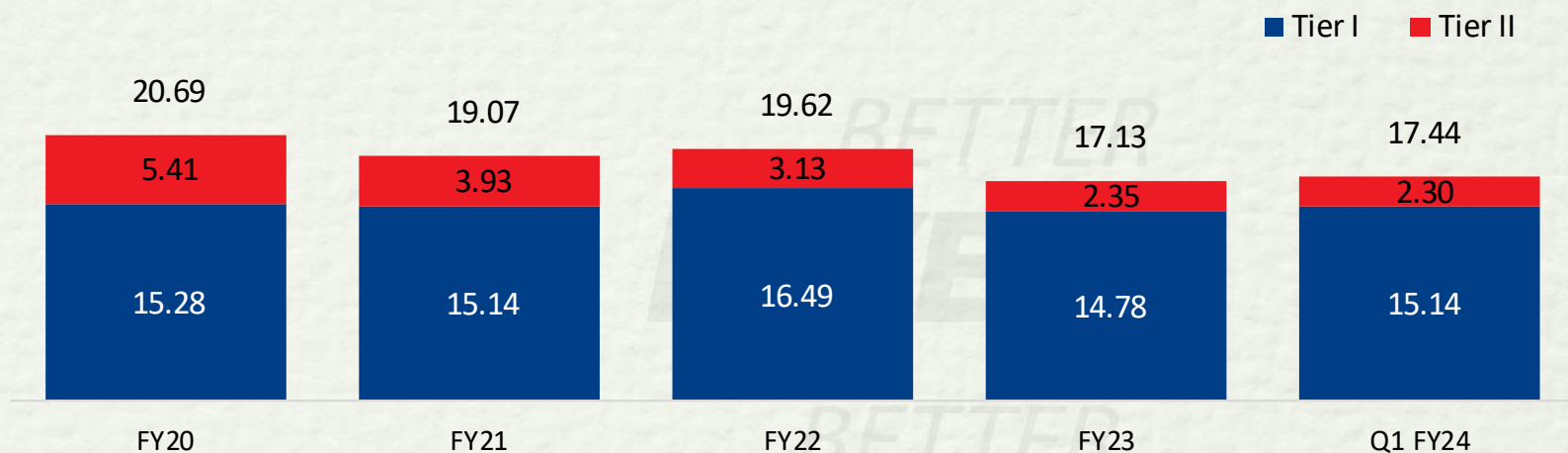
(₹Cr)

ALM snapshot as on 30th Jun 2023									
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	4,792.32	0.13	2,274.97	0.02	-	-	-	1.24	7,068.68
Advances	3,922.79	3,642.08	2,768.83	10,532.27	17,093.76	46,442.77	14,356.40	16,333.63	1,15,092.52
Trade Receivable & Others	128.48	144.75	20.93	49.37	155.45	1,149.94	838.79	1,910.72	4,398.41
Total Inflows (A)	8,843.58	3,786.95	5,064.73	10,581.65	17,249.21	47,592.70	15,195.19	18,245.59	1,26,559.61
Cumulative Total Inflows (B)	8,843.58	12,630.54	17,695.27	28,276.93	45,526.13	93,118.83	1,08,314.03	1,26,559.61	
Borrowin Repayment-Bank & Others	5,175.86	1,581.12	4,375.44	5,830.16	12,962.44	38,353.19	12,030.02	279.21	80,587.44
Borrowin Repayment- Market	1,320.56	360.96	642.69	3,758.91	5,177.85	10,279.73	2,494.30	3,267.77	27,302.77
Capital Reserves and Surplus	-	-	-	-	-	-	-	15,276.65	15,276.65
Other Outflows	2,255.41	100.25	41.91	216.09	294.00	279.83	138.74	66.51	3,392.75
Total Outflows (C)	8,751.84	2,042.34	5,060.03	9,805.16	18,434.29	48,912.75	14,663.06	18,890.14	1,26,559.61
Cumulative Total Outflows (D)	8,751.84	10,794.17	15,854.21	25,659.37	44,093.66	93,006.41	1,07,669.47	1,26,559.61	
E. GAP (A - C)	91.75	1,744.62	4.70	776.49	(1,185.08)	(1,320.05)	532.13	(644.55)	
F.Cumulative GAP (B - D)	91.75	1,836.37	1,841.07	2,617.56	1,432.47	112.42	644.55	0.00	
Cumulative GAP as % (F/D)	1.05%	17.01%	11.61%	10.20%	3.25%	0.12%	0.60%	0.00%	

a)Borrowing Repayments-Bank & Others includes Rs.2262.22 Cr of Cheques Issued & Not Presented

b)Other Outflows in 1st bucket includes Rs.1414.24 Cr of Undrawn disbursements out of total Rs.1860.30 Cr of (Contingent Liabilities)

Capital Adequacy Ratio (CAR) – As per RBI guideline



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

Credit Rating

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

Consolidated Financials



Consolidated Profit & Loss

(₹Cr)

Particulars	Q1 FY23	Q1 FY24	Growth % Q1-o-Q1	FY23
Income	2,796	4,171	49%	13,106
Expenses	2,032	3,215	58%	9,491
PBT	764	956	25%	3,615
PAT	562	710	26%	2,665

A person in a dark suit and tie is holding a transparent globe with their right hand. The letters 'ESG' are prominently displayed in white on the globe. A red diagonal line runs from the top left towards the bottom right, separating the text on the left from the image on the right. In the background, there are faint, semi-transparent icons and text: a leaf icon in a circle, the word 'ENVIROMENT' (misspelled), 'SOCIAL', and 'GOVERNANCE'.

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.

FY 23

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

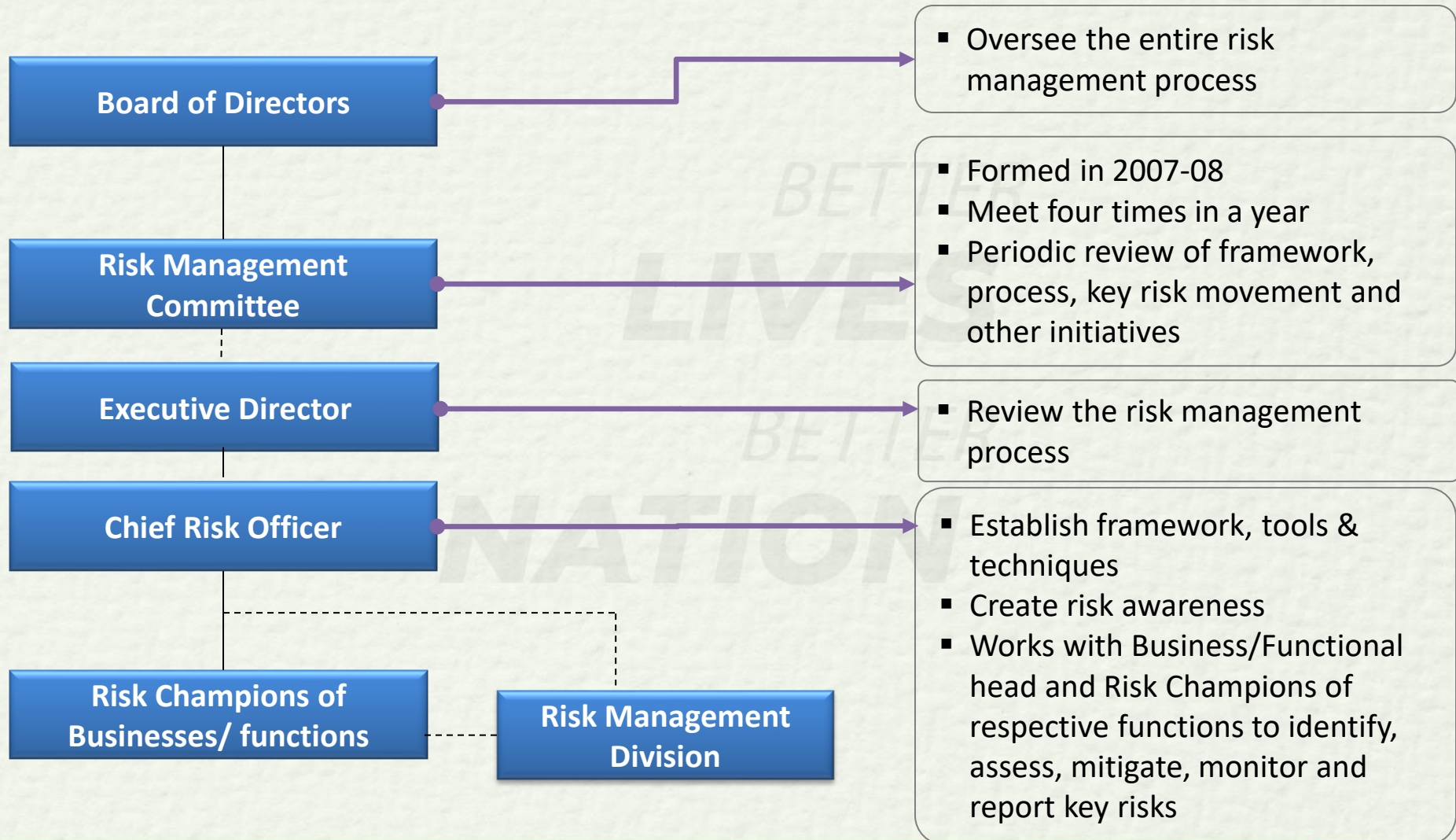
FY 24

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

Risk Management



Risk Governance Structure

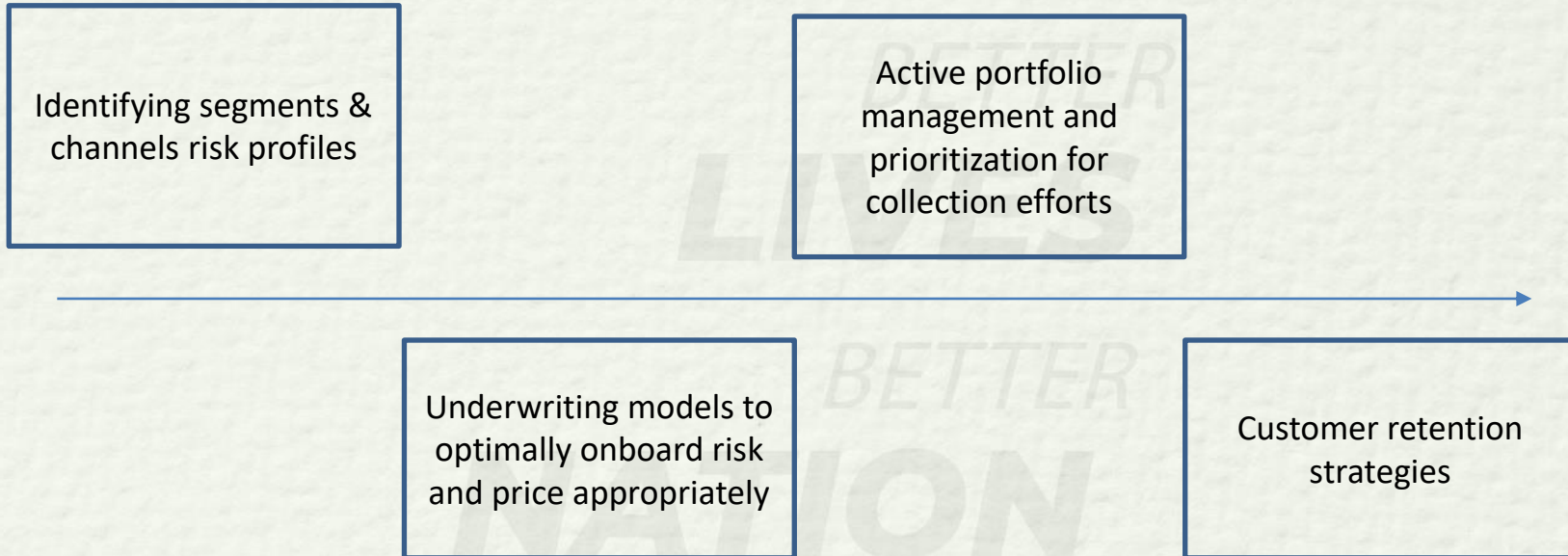


Key Functions of Risk Management Division

- Identify key risks in each function/business
- Assess the risks in terms of probability of occurrence and their impact
- Identify mitigation/ risk controls put in place by respective process champions
- Identify key risk indicators to measure and monitor residual risk. Breach in key risks against thresholds are highlighted to risk champions to take appropriate mitigation strategies
- For each function/business, the Risk Index monitors the level and direction of risk. Composite Risk Index tracks the level and direction of risks at an enterprise level.

ERM as Value Centre in Business Processes

- ERM works with business teams on the overall customer life cycle management



- ERM team actively engages with the product teams for assessing risk reward trade-offs and other initiatives

ERM as Value Centre in Corporate Processes

- Periodic engagement with internal audit team to incorporate key observations on process failures identified by IA team which will be considered as part of risk review process. ERM also gives risk-based inputs to internal audit team to plan and prioritize their audits
- Actively participates and provides inputs to Asset Liability support group which monitors company's liquidity position
- Actively involved in risk assessment of IT and Cyber Security and its mitigation strategies
- Developing a framework for ESG implementation in the organization
- Develop and manage business continuity plan for all critical corporate functions across the organization

Information Technology



Technology Infrastructure

Provide resilient & scalable environment

- Drive increased adoption of hybrid cloud solutions and adopt cloud-native design for new business solutions
- Transition to revamped network infrastructure to support diverse application and collaboration workload
- Establish FinOps for optimal infrastructure utilization along with improved performance management
- Augmented asset and service management solution to handle all lifecycle events of technology assets

Digital Engagement & Application Platform

Deliver seamless digital experience for all

- Expand features in the cloud-native design customer App for 100% digital personal loan disbursement & online servicing
- Consolidation of core Loan Management System platform for the SME business
- Launch of new scalable and configurable Originations solution for Home Loan business
- Increased robotic automation for processes spanning banking, payments, & payouts in the Finance & Operations functions.

Security & Governance

Embed cyber security & technology governance

- Engage with domain experts for Cyber Security assessment across IT environment
- Drive cyber security and data handling awareness across organization's employee and customer base
- Deployment of tools for operational visibility to drive digital activities for move to paperless / less-paper process
- Establish cadence and governance process for review of third-party partners & service providers
- Develop and manage a clear electronic asset disposal policy and appropriate handling of e-waste

People & Innovation

Drive innovation & build new capabilities

- Ensure ongoing compliance with RBI master directions, across infrastructure, applications, network, service management and security
- Improve employee engagement & productivity through deployment of collaboration tools and automated reports
- Deploy enhanced bots and engagement of customers using online, voice, WhatsApp, and marketing automation channels
- Focus on technical, functional, behavioral, and leadership skill development for improved readiness within Digital Technology function

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