

EXPANDING HORIZONS

Exploring, Engaging & Empowering



CORPORATE PRESENTATION - JUNE 2022

Cholamandalam Investment and Finance Company Limited

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overview



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performance



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performance



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management

Murugappa Group Overview



Murugappa Group in a Nutshell



Years of
Existence



Consolidated
Turnover
(FY22)



Group Market
cap (as on
30th Jun 2022)



Sectors



Businesses



Listed
Companies



Geographical
Presence



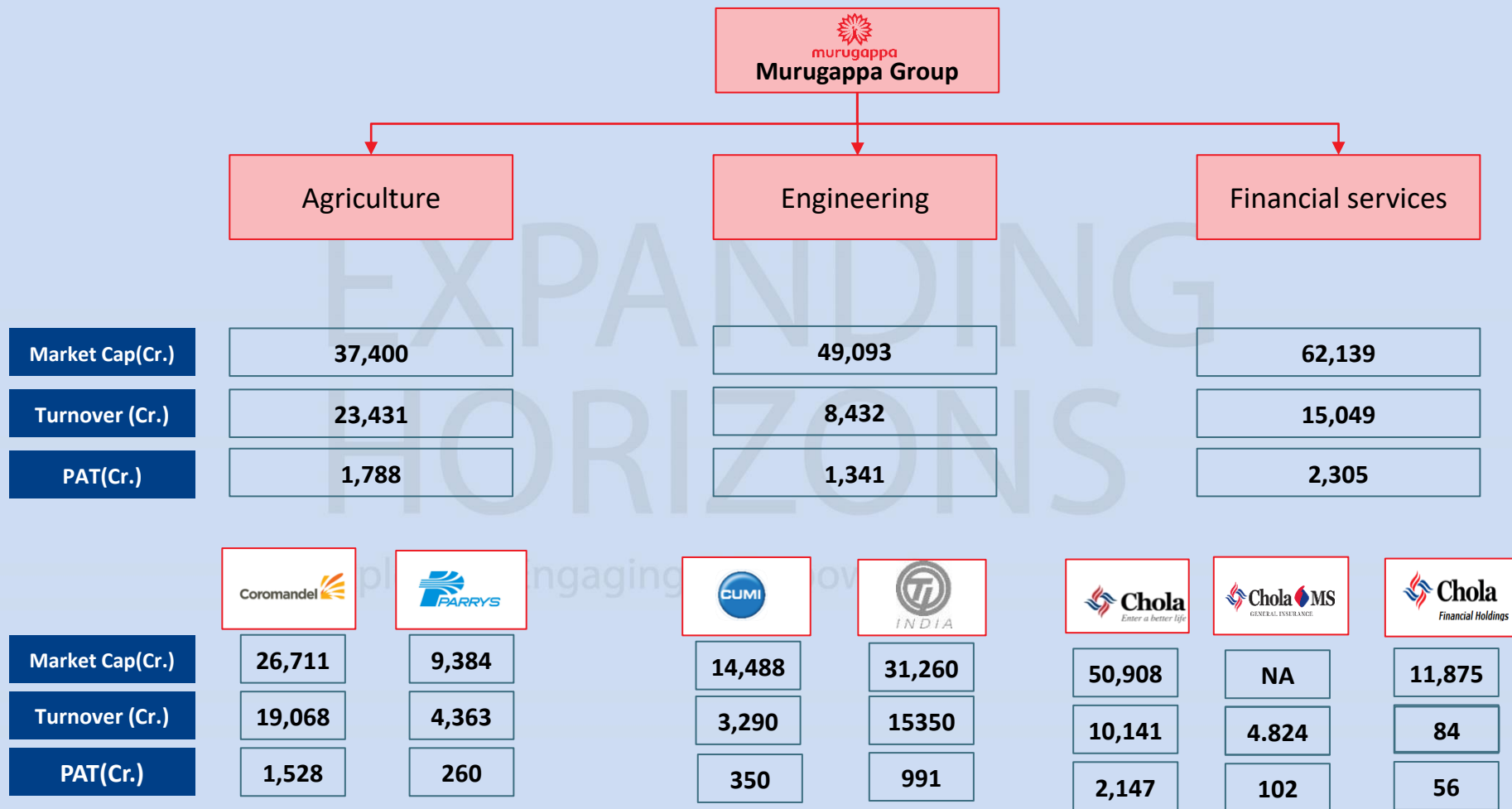
Manufacturing
Locations



Work force

Exploring, Engaging & Empowering

Murugappa Group Overview



Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings.
 Financial Performance are of FY 21-22.
 Market data as on 30th Jun 2022. 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



19.8 lakh + customers

Helping customers enter better life

2 lakh customers in year 2000 to 19.8 lakh plus customers till date



35,841 employees

Experienced team to serve more customers

200 plus employees in year 2000 to 35,000+ employees today



Rs. 86+k Cr. AUM

Healthy ROA of 3.7%

PAT - CAGR of 24% from
FY18 to FY22



Rs. 51+k Cr. market cap

Rapid market cap growth

From Rs. 840 Cr. in year 2008 to Rs. 51K Cr. in
2022



1148 branches

Strong geographical presence

Across 29 states/Union Territories 80% presence
across tier III—VI towns



Diversified product portfolio

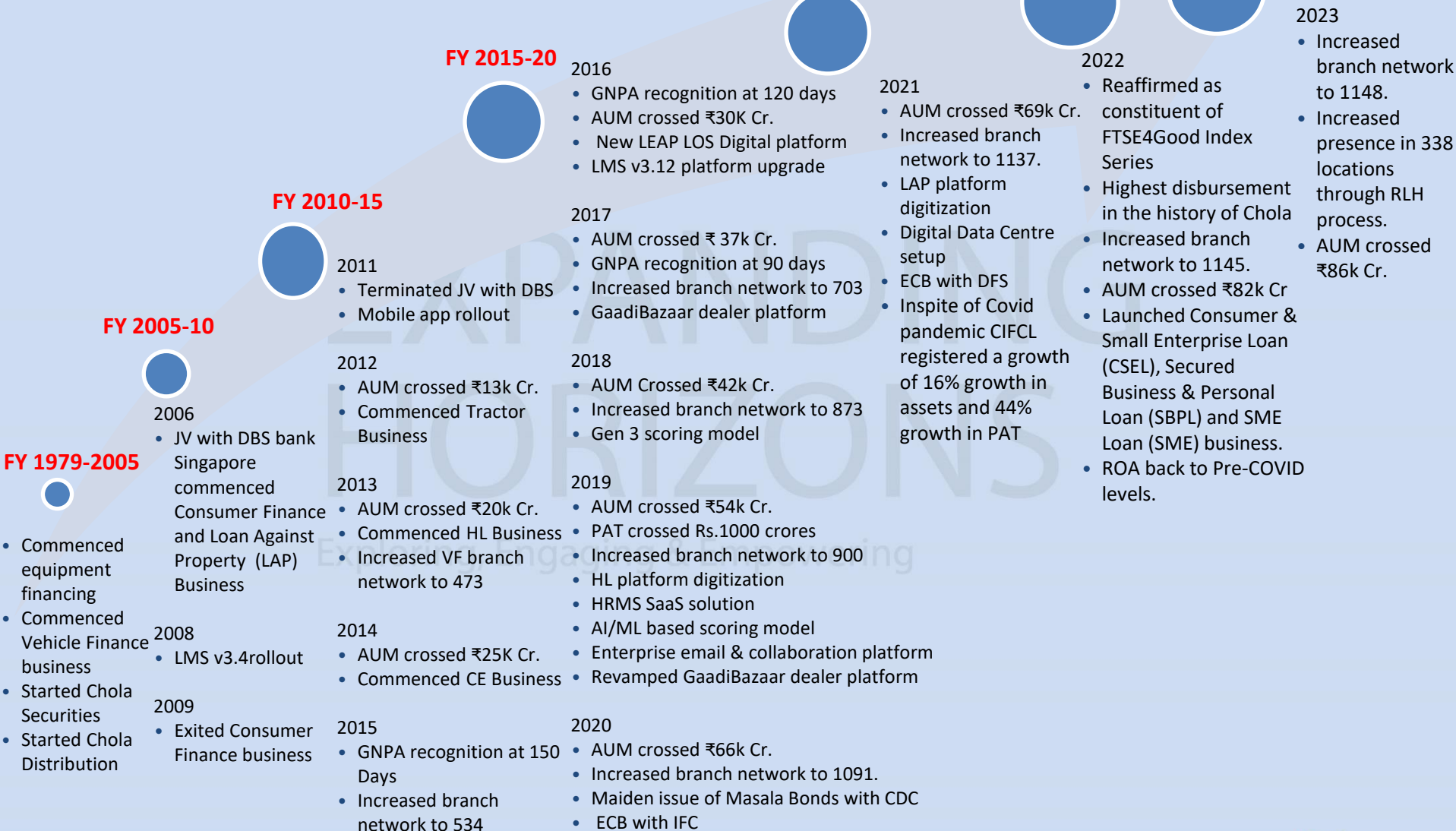
- Presence across Vehicle Finance loans, Loan Against Property, Home Loans, Consumer loans, Personal loans, SME Loans, Stock broking & distribution of financial products.



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



Overview

- Highest quarterly disbursement in the history of Chola at Rs.13,329 crores which is a growth of 267% as compared to Q1FY22.
- Business AUM growth of 21% YoY at Rs.81,925 crores.
- PBT at Rs.762 crores which is a growth of 73% as compared to Q1FY22.
- PBT - ROTA stood at 3.7% as compared to 2.5% in the corresponding quarter of last year.
- Return on Equity at 18.9% for Q1FY23 as compared to 13.5% in Q1FY22.

VF

- Well-diversified Product Portfolio spread across 1093 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 of Rs.8562 Cr in Q1 of FY 23 (201% Growth) as compared to Q1FY22.
- PBT Stood at Rs.480 Cr in Q1 of FY 23 (86% Growth) as compared to Q1FY22.

LAP

- Focused on financing of Loans against Property to SME customers for their business needs and operates out of 408 branches PAN India.
- Over 80% of the book is financed against Self-Occupied residential property as collateral
- Delivered Disbursements of Rs.2169 Cr in Q1 FY 23 (462% Growth) as compared to Q1FY22
- PBT stood at Rs.207 Cr in Q1 FY 23 (220% Growth) as compared to Q1FY22.

Click the
respective link
for business
performance

HL

- Focused on providing Home Loans under affordable segment with presence across 244 branches PAN India.
- 89% of assets are in tier 2,3,4 cities and suburbs of tier 1 cities
- Delivered disbursements of Rs.478 Cr in Q1 of FY 23 (140% growth) as compared to Q1FY22.
- PBT stood at Rs.77 Cr for Q1 of FY 23 (87% growth) as compared to Q1FY22.

New Businesses

- **CSEL** - Offers Personal Loans, Professional Loans & Business Loans to salaried, self-employed professionals and micro & small businesses – present in 127 locations (co-located) and have acquired over 2.1 lakh+ customers as on Q1 FY23. The business growth is both through traditional and partnerships with Fin-techs.
- **SBPL** - Offer secured business loan with self-occupied residential property or commercial-cum-residential property as collateral – present in 95 locations (co-located) as on Q1 FY23 with initial focus on South and West markets.
- **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 24 (co-located) locations with business growth both through traditional and Fintech partnerships.

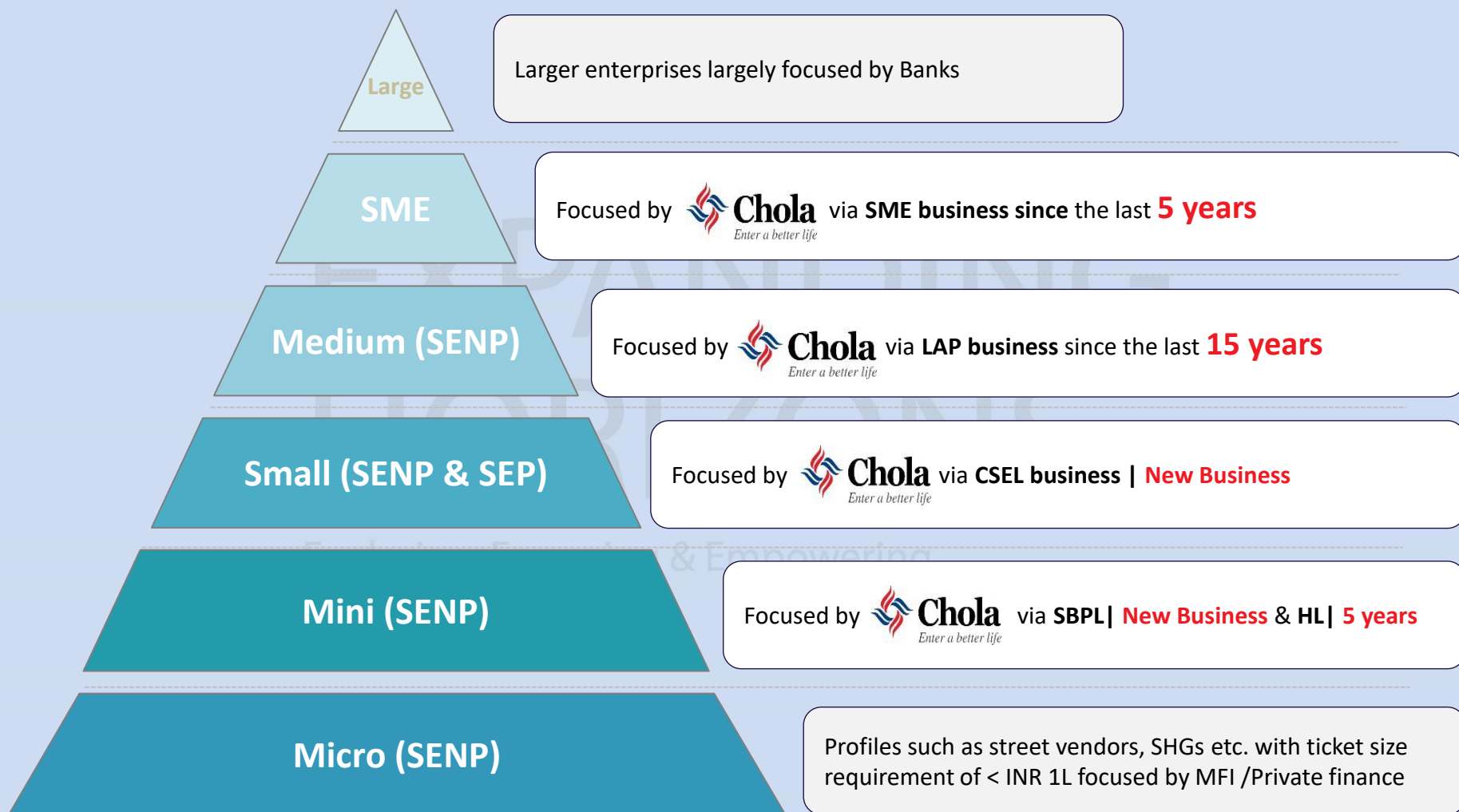
Credit Quality

- Strong collections resulted Stage 3 down to 4.16% in Jun'22 from 4.37% in Mar'22.
- GNPA as per RBI at 6.31% in Jun'22 as against 6.82% in Mar'22 and NNPA at 4.43% in Jun'22.
- Management overlay held at Rs.528 Cr as of Jun'22

Treasury

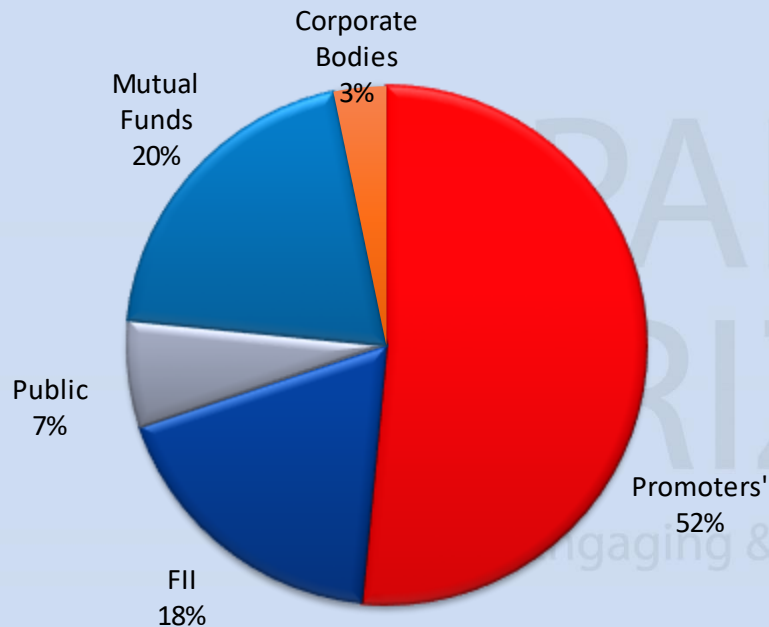
- Cost of funds to borrowings is at 6.3%
- Well diversified borrowing profile cut across banks and market borrowings
- Capital adequacy ratio stood at 19.15%. Tier I at 16.25%.

Ecosystem Play in the MSME Sector



Shareholding

Shareholding Pattern



- Promoters' share holding of 51.55% includes
 - Cholamandalam Financial Holdings Limited – 45.39%,
 - Ambadi Investments Limited – 4.10%
 - Others - 2.02%

Institutional Holders (More than 1%)

Top Domestic Institutional Holding

- Axis Mutual Fund
- HDFC Mutual Fund
- SBI Mutual Fund
- Birla Sun Life Mutual Fund
- DSP Mutual Fund
- UTI Mutual Fund
- HDFC Life Insurance

Top Foreign Institutional Holding

- Capital World
- Vanguard
- Blackrock
- WhiteOak Capital

Note: As on 22nd Jul 2022

Business AUM
Rs. 81,925Cr

Vehicle Finance
Rs. 55,376Cr

69%

LAP
Rs. 18,116Cr

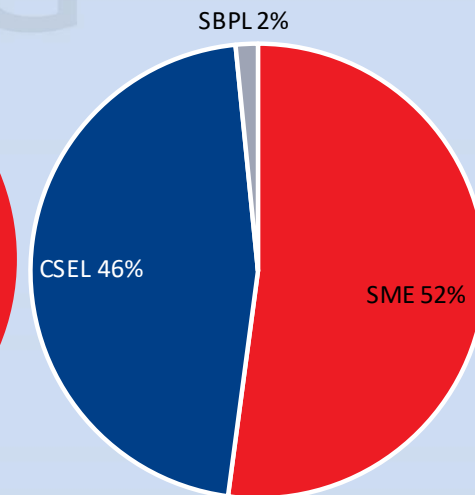
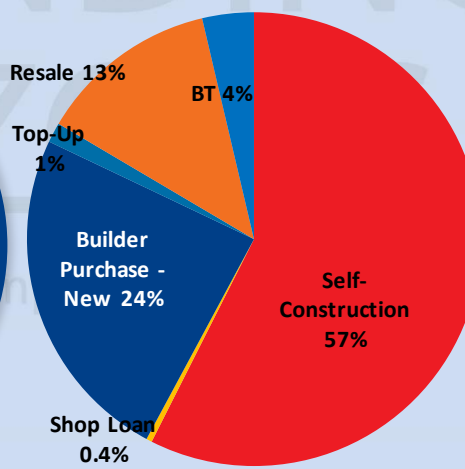
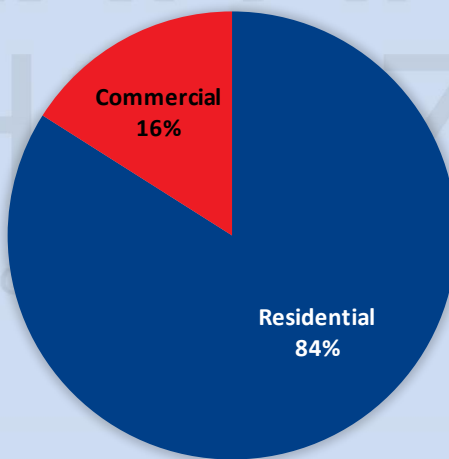
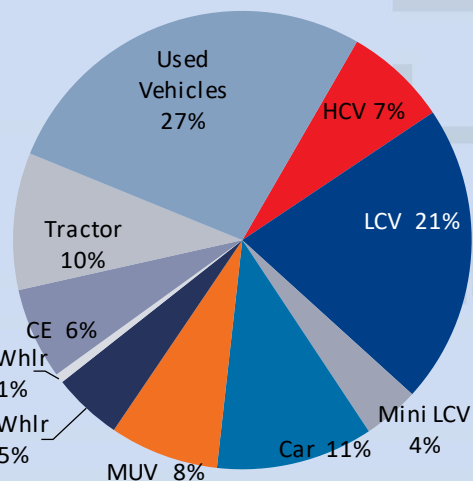
22%

Home Loan
Rs. 5,497Cr

7%

New Business
Rs. 2,937Cr

2%



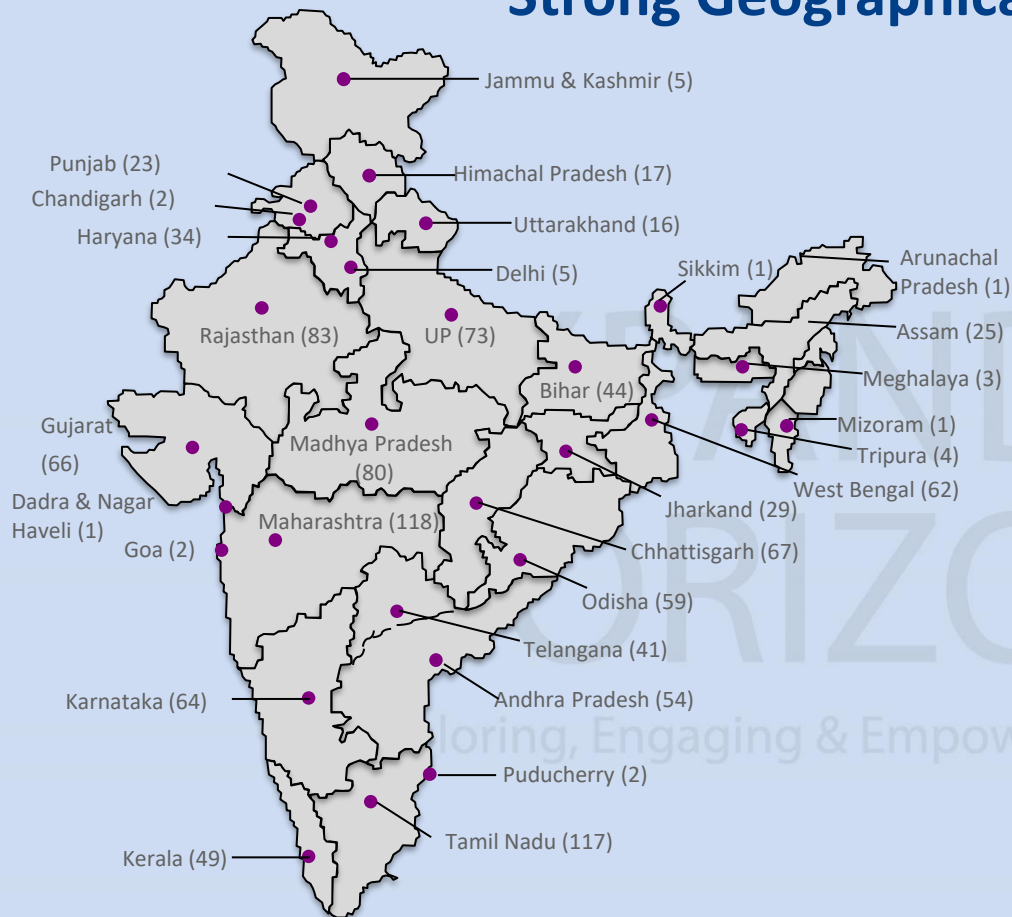
HCV: Heavy Commercial Vehicle
BT: Balance Transfer
3 Whlr: Three Wheeler

2 Whlr: Two Wheeler
MUV: Multi Utility Vehicle
PL: Personal Loan

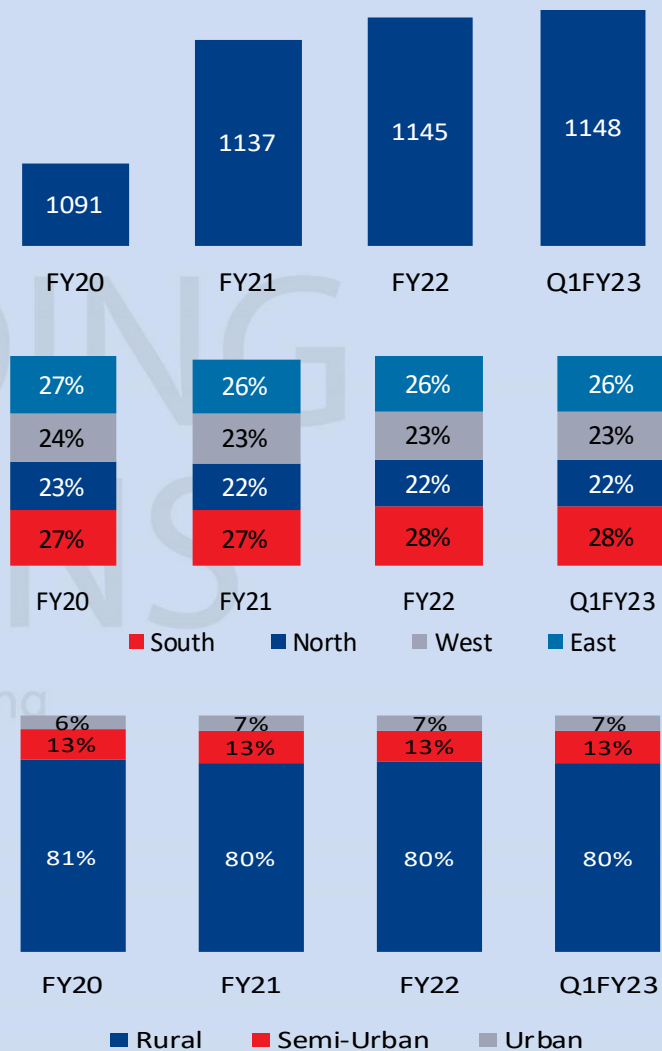
LAP: Loan Against Property
SME: Small & Medium Enterprise
CE: Construction Equipment

LCV: Light Commercial Vehicle
CSEL: Consumer and Small Enterprise Loan
SBPL: Secured business and Personal Loan

Strong Geographical Presence



- **1148 branches** across **29 states/Union territories**: 1093 VF, 408 LAP (399 co-located with VF), 244 HL (202 co-located with VF), 127 CSEL, 95 SBPL, 24 SME (all co-located with VF) & 4 locations for Head office Functions and Operations in Tamil Nadu
- **80% locations** are in Tier-III, Tier-IV, Tier V and Tier-VI towns



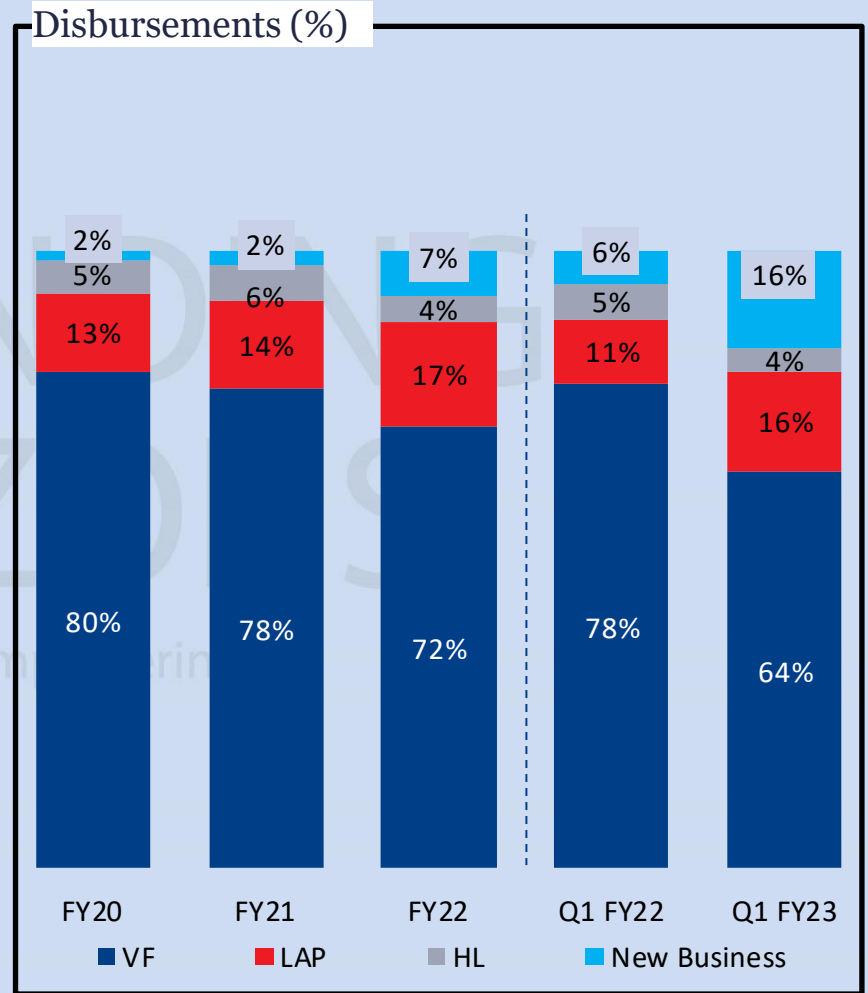
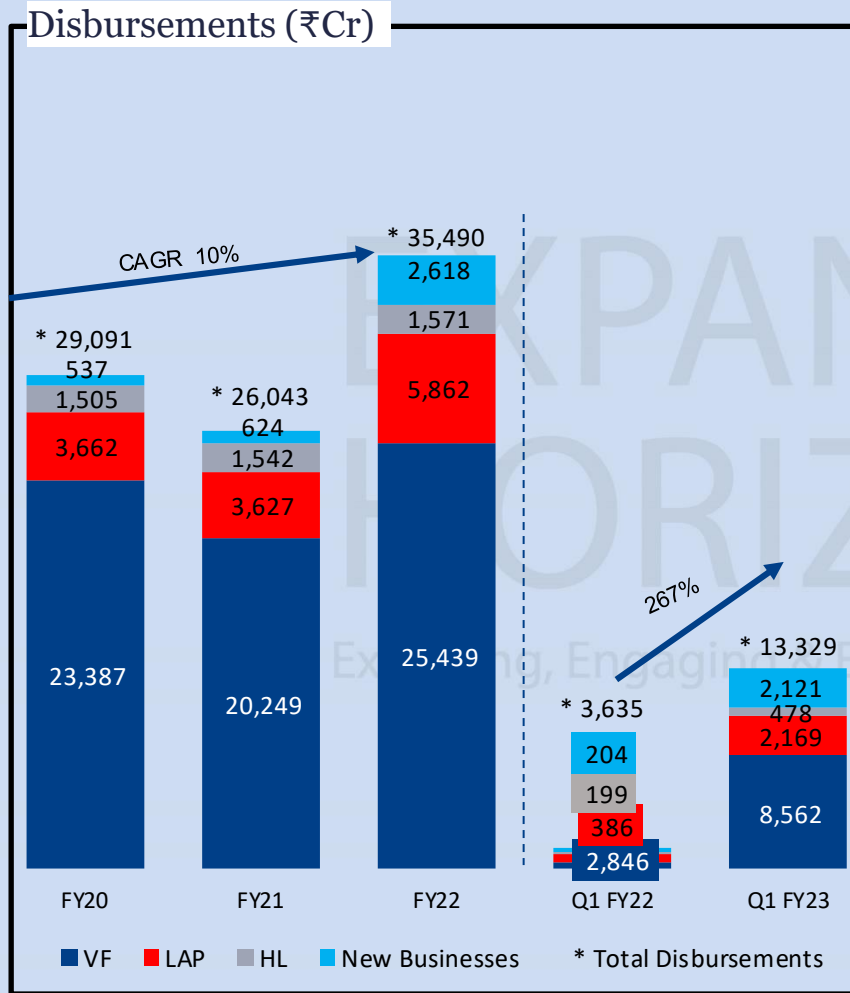
Financial Performance



Financial Snapshot — 10 Years

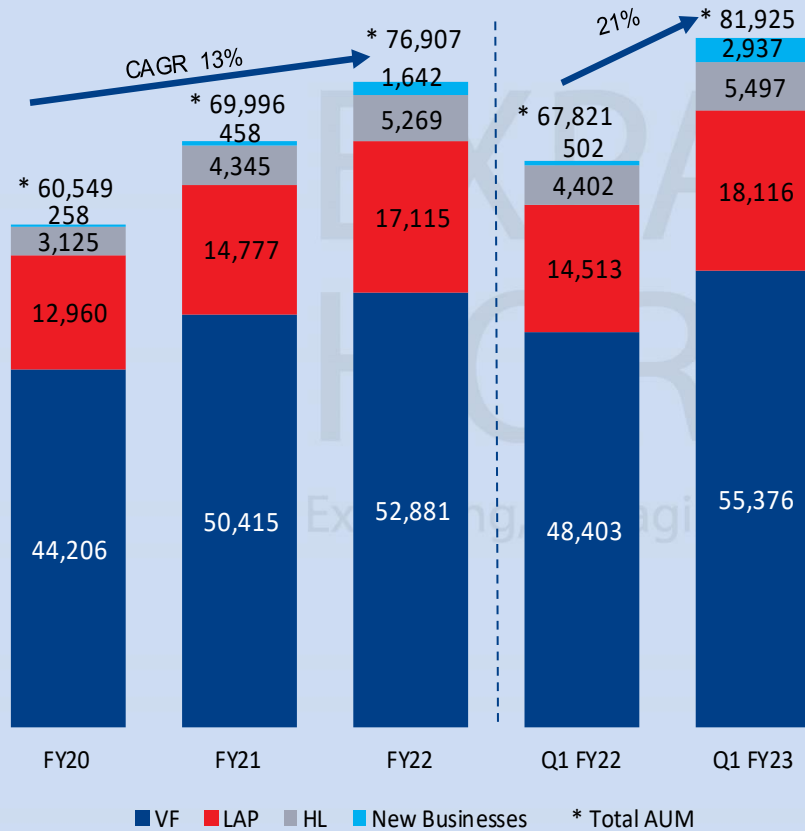
Financials Snapshot	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	YoY	CAGR (5 years)	CAGR (10 years)
	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	INDAS	INDAS	INDAS	INDAS	INDAS			
Disbursements	12,118	13,114	12,808	16,380	18,591	25,114	30,451	29,091	26,043	35,490	36%	9%	13%
Assets under management	18,998	23,253	25,452	29,650	34,167	42,924	54,279	60,549	69,996	76,907	10%	16%	17%
Total Income	2,556	3,263	3,691	4,194	4,660	5,529	7,049	8,715	9,576	10,139	6%	16%	17%
Interest expenses	1,411	1,771	1,960	2,051	2,231	2,659	3,589	4,592	4,576	4,299	-6%	13%	13%
Net Income	1,145	1,492	1,731	2,143	2,430	2,870	3,460	4,123	5,000	5,840	17%	19%	20%
Operating Expenses	570	658	749	845	1,013	1,115	1,270	1,578	1,583	2,069	30.6%	17%	15%
Operating Profit Before Loan Losses	575	834	982	1,298	1,416	1,754	2,190	2,545	3,416	3,771	10%	21%	23%
Loan Losses & Provision	124	283	325	427	311	353	367	959	1,378	880	-36%	26%	24%
Profit before tax	451	550	657	871	1,106	1,401	1,823	1,586	2,038	2,891	42%	20%	23%
Profit after tax	307	364	435	568	719	918	1,186	1,052	1,515	2,147	42%	24%	24%
Ratios													
Net Income to assets (%)	7.6	7.7	6.9	7.7	7.5	7.7	7.0	6.9	7.3	7.9			
Expense to assets (%)	3.8	3.4	3.0	3.0	3.1	3.0	2.6	2.6	2.3	2.8			
Losses and provisions (%)	0.8	1.5	1.3	1.5	1.0	0.9	0.7	1.6	2.0	1.2			
Return on assets (PBT) (%)	3.0	2.8	2.6	3.1	3.4	3.7	3.7	2.7	3.0	3.9			
Networth	*1965	2295	*3173	3657	4285	5098	6176	*8172	9560	11708			
Tier I	11.1	10.5	13.0	13.3	13.6	13.2	12.6	15.3	15.1	16.5			
CAR (%)	*19.0	17.2	*21.2	19.7	18.6	18.4	17.4	*20.68	19.1	19.6			
Return on equity (%)	18.1	17.1	15.8	16.7	18.1	19.6	20.9	15.2	16.9	20.4			
Earnings per share (Basic)	4.6	5.1	6.0	7.5	9.2	11.8	15.2	13.4	18.5	26.2			
Dividend	35%	35%	35%	45%	55%	65%	65%	85%	100%	100%			
Market Capitalisation	3883	4125	8423	11140	15072	22667	22624	12535	45824	58978			
GNPA (%)	1.0	1.9	3.1	3.5	4.7	3.4	2.7	3.8	4.0	6.8			
NNPA (%)	0.2	0.7	2.0	2.1	3.2	2.2	1.7	2.2	2.2	4.7			
NPA Recognition	6month	6month	5month	4month	3month	3month	3month	3month	3month	3month			
Branch Network	518	574	534	534	703	873	900	1091	1137	1145			

Disbursements

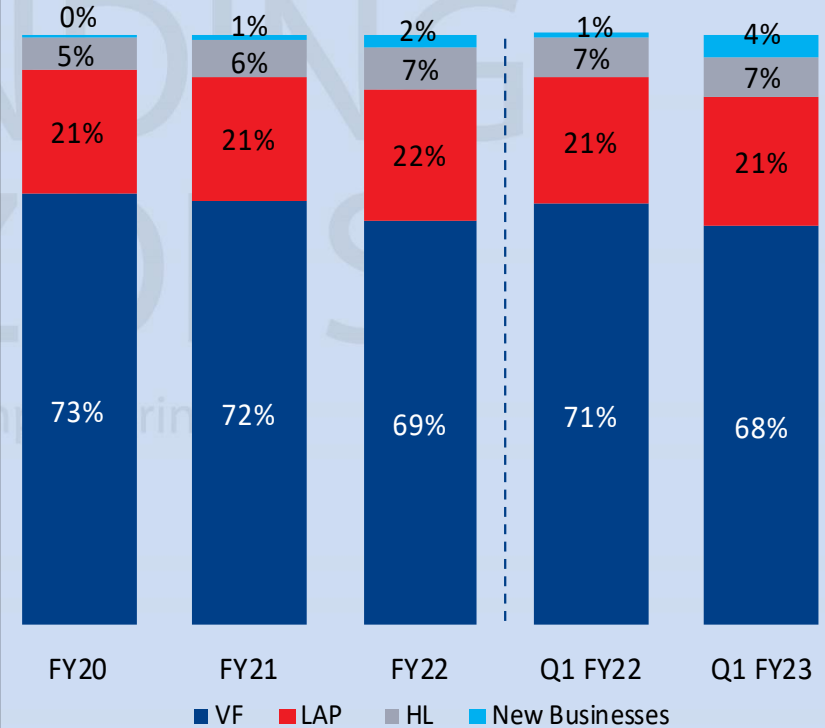


Assets Under Management

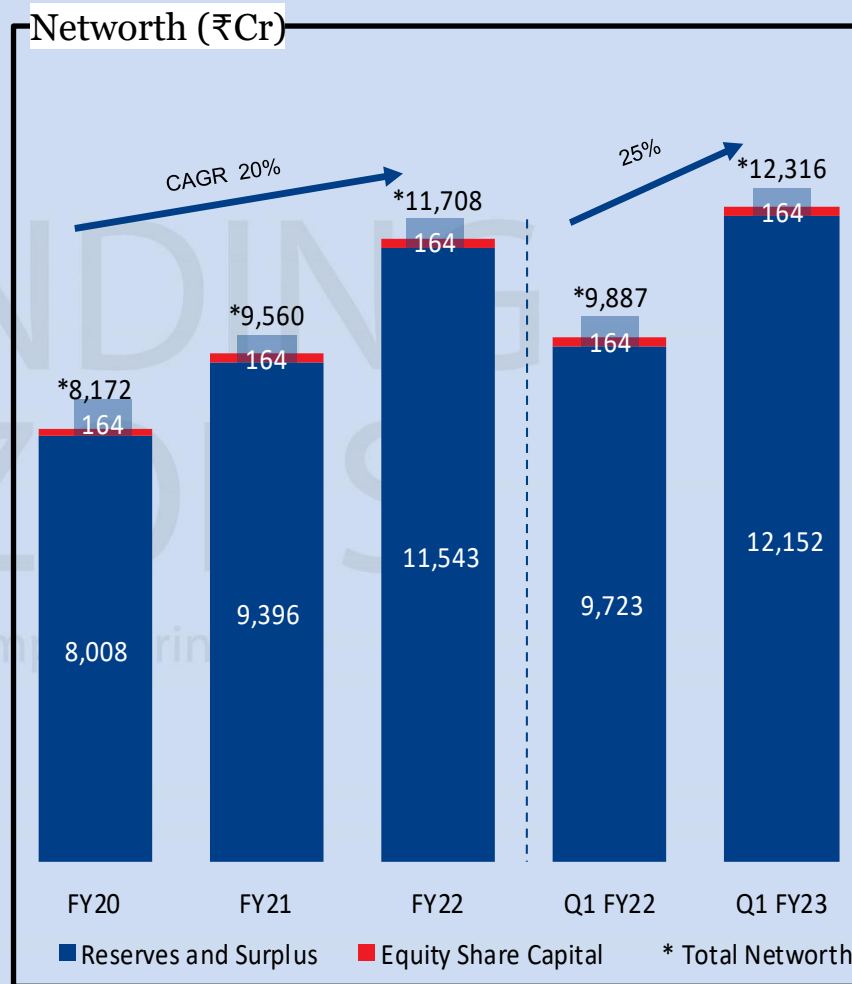
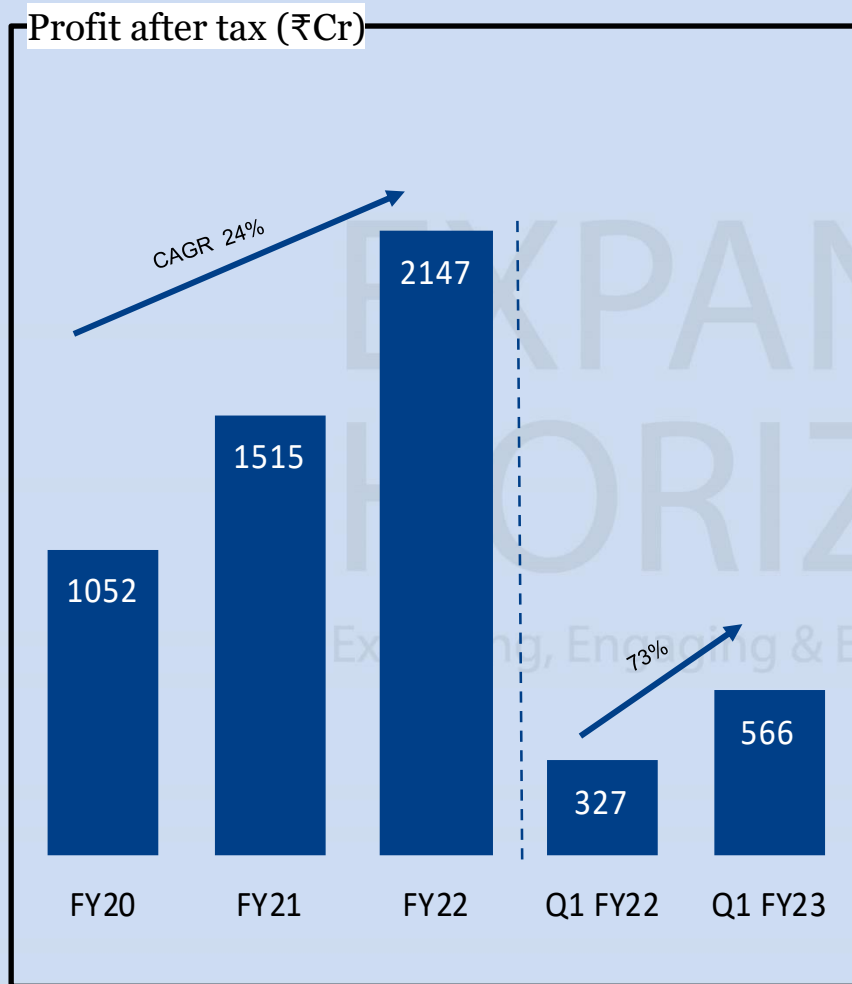
Business - Assets under Management (₹Cr)



Business - Assets under Management (%)

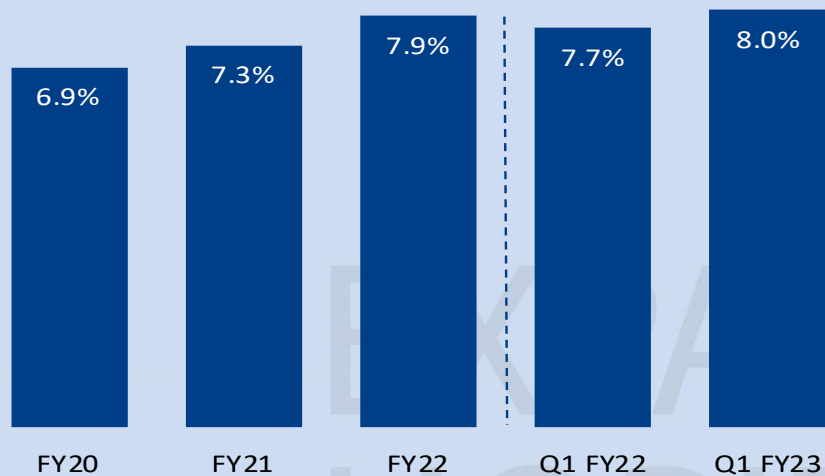


Profitability and Net worth

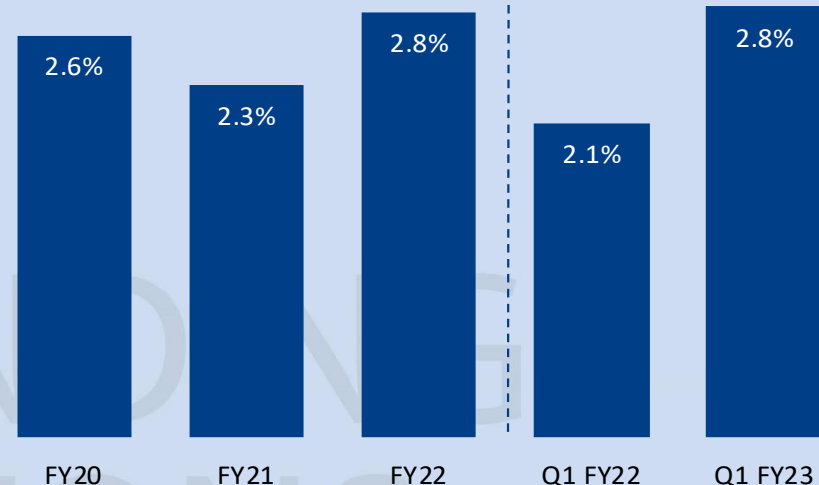


Asset Ratios

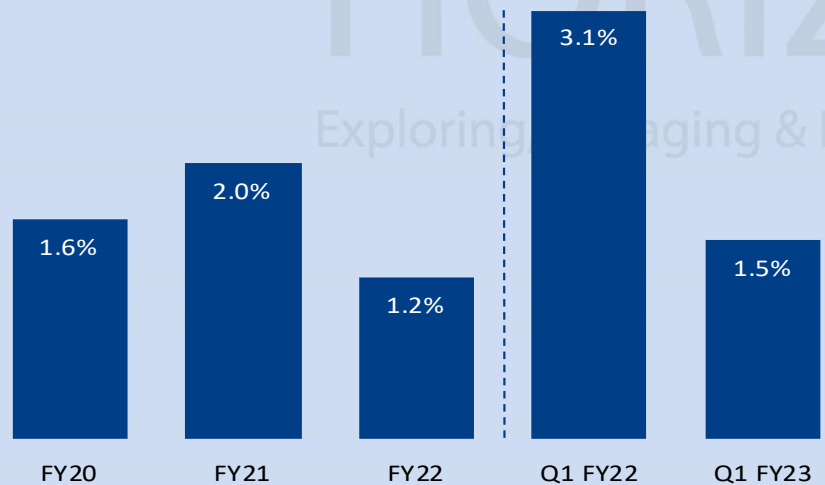
Net Income Margin (%)



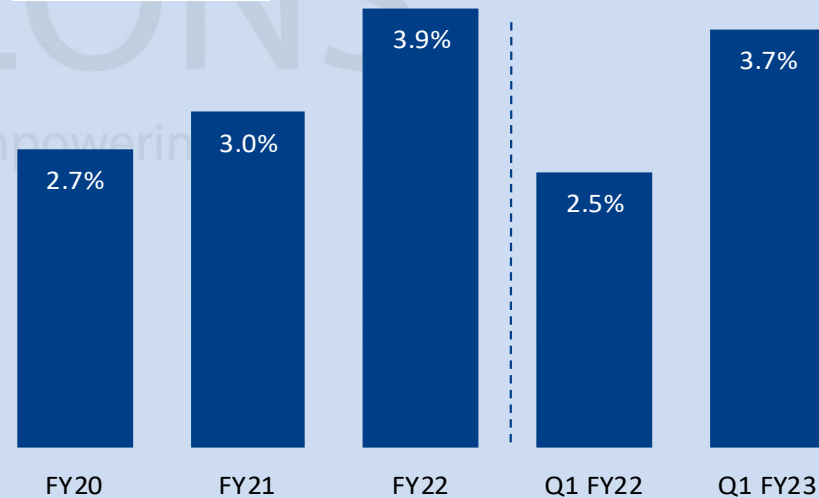
Expenses Ratio (%)



Loan Losses & Provisions (%)

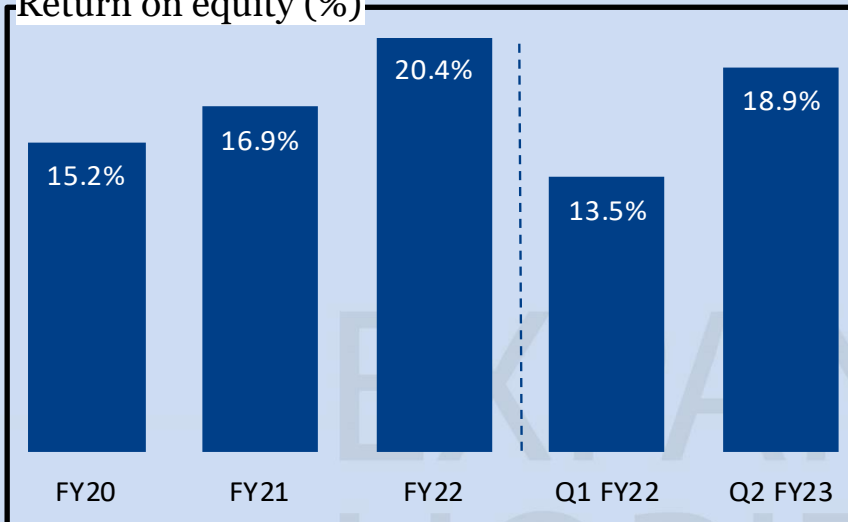


ROA - PBT (%)

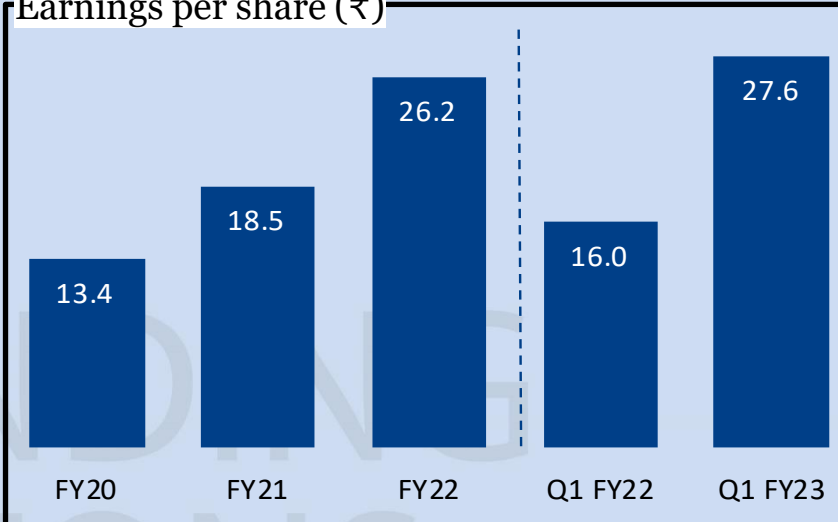


Shareholders' Returns Ratios

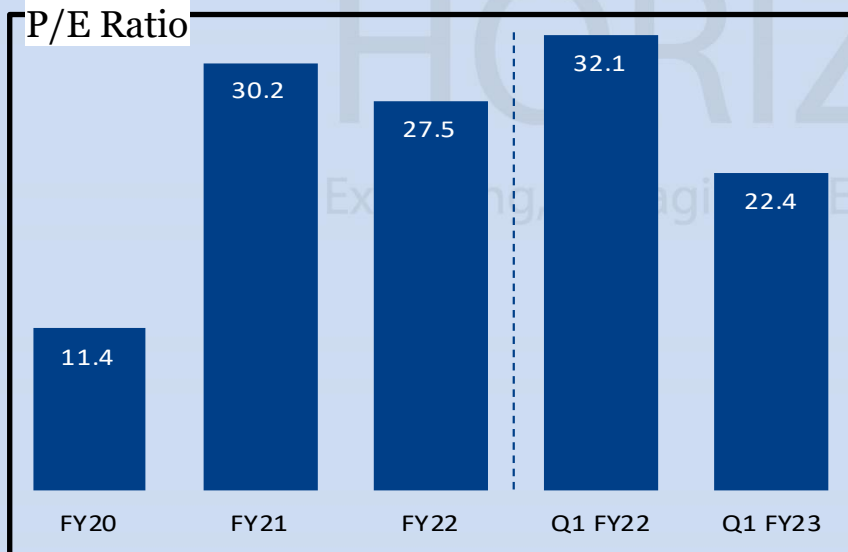
Return on equity (%)



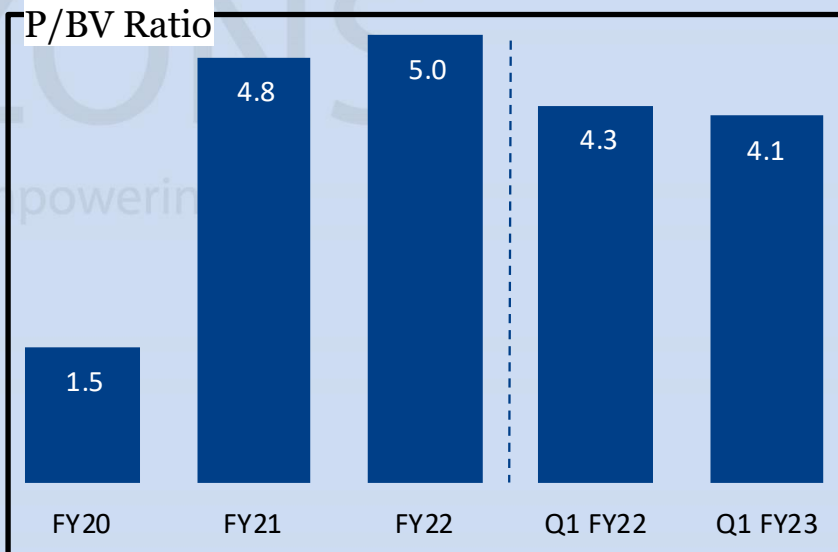
Earnings per share (₹)



P/E Ratio



P/BV Ratio



Profit and Loss Statement (As per IND AS)

₹ Cr

Particulars	Q1FY22	Q1FY23	Growth % Q1-o-Q1	FY22
Disbursements	3,635	13,329	267%	35,490
Closing Assets	75,763	86,703	14%	82,904
Operating Income	2,478	2,771	12%	10,139
Finance Charges	1,104	1,131	2%	4,299
Net Income	1,374	1,640	19%	5,840
Expenses	371	580	56%	2,069
Net Credit Losses	563	299	-47%	880
PBT	441	762	73%	2,891
PAT	327	566	73%	2,147
Asset Ratios				
Income	13.8%	13.5%		13.7%
Cost of Funds	6.1%	5.5%		5.8%
Net Income Margin	7.7%	8.0%		7.9%
Expense	2.1%	2.8%		2.8%
Losses & Provisions	3.1%	1.5%		1.2%
ROA-PBT	2.5%	3.7%		3.9%
ROA-PAT	1.8%	2.8%		2.9%
Gross - Stage 3	4,545	3,408		3,343
ECL Provisions - Stage 3	1,614	1,387		1,326
Coverage Ratio - Stage 3	35.5%	40.7%		39.7%

Balance Sheet (As per IND AS)

₹ Cr

Particulars	Jun-21	Mar-22	Jun-22
ASSETS			
Financial Assets	72,981	81,081	86,235
Cash and Bank balance	6,696	4,220	3,850
Derivative financial instruments	89	187	206
Receivables	61	128	124
Loans	63,966	74,149	79,475
Investments	1,631	2,076	2,284
Other Financial Assets	538	321	296
Non- Financial Assets	1,275	1,282	1,289
Current tax assets (Net)	162	251	151
Deferred tax assets (Net)	814	671	711
Property, Plant and Equipment	205	240	268
Capital work in progress		23	23
Intangible assets	26	29	34
Other Non-Financial Assets	68	69	101
TOTAL	74,256	82,363	87,524
EQUITY AND LIABILITIES			
Financial Liabilities	64,080	70,479	75,010
Derivative financial instruments	116	170	134
Trade Payables - Others	230	81	52
Other Payables - Others	145	722	548
Borrowings	63,197	69,174	73,929
Other Financial Liabilities	391	333	346
Non-Financial Liabilities	290	176	198
Shareholder's fund	9,887	11,708	12,316
TOTAL	74,256	82,363	87,524

Stagewise Assets & Provision Summary

₹ Cr

Particulars	Mar-22	Mar-22	Mar-22	Jun-22	Jun-22	Jun-22	Mar-22	Mar-22	Mar-22	Jun-22	Jun-22	Jun-22
	Normal	Mgt Overlay	Total	Normal	Mgt Overlay	Total	Normal	Mgt Overlay	Total	Normal	Mgt Overlay	Total
	INR Cr	INR Cr	INR Cr	INR Cr	INR Cr	INR Cr	% to GA	% to GA	% to GA	% to GA	% to GA	% to GA
Gross Assets	76,478		76,478	81,869		81,869	100.0%		100.0%	100.0%		100.0%
Stage 1	67,318		67,318	72,707		72,707	88.02%		88.02%	88.81%		88.81%
Stage 2	5,817		5,817	5,754		5,754	7.61%		7.61%	7.03%		7.03%
Stage 3	3,343		3,343	3,408		3,408	4.37%		4.37%	4.16%		4.16%
Provision	1,829	500	2,329	1,866	528	2,394	2.39%	0.65%	3.04%	2.28%	0.64%	2.92%
Stage 1	343	-	343	381		381	0.51%	-	0.51%	0.52%	-	0.52%
Stage 2	615	45	660	606	20	626	10.57%	0.77%	11.34%	10.54%	0.35%	10.89%
Stage 3	871	455	1,326	879	507	1,387	26.05%	13.62%	39.67%	25.80%	14.89%	40.69%
Net Assets	74,649		74,149	80,003		79,475	97.61%		96.96%	97.72%		97.08%
Stage 1	66,975		66,975	72,326		72,326	87.57%		87.57%	88.34%		88.34%
Stage 2	5,202		5,158	5,148		5,128	6.80%		6.74%	6.29%		6.26%
Stage 3	2,472		2,017	2,529		2,021	3.23%		2.64%	3.09%		2.47%

Stagewise ECL Summary – Jun 22

Particulars		Asset	Normal	Mgmt Overlay	Total Provn	NNPA	Asset	Normal	Mgmt Overlay	Total Provn	NNPA
			Model					Model			
		Rs in Cr						%			
Stage 1A	(A)	72,463	369	-	369	72,094	88.51%	0.51%	-	0.51%	88.06%
Stage 1B	(B)	244	12	-	12	232	0.30%	4.99%	-	4.99%	0.28%
Total Stage 1	(C)	72,707	381	-	381	72,326	88.81%	0.52%	-	0.52%	88.34%
Stage 2A	(D)	4,237	415	-	415	3,823	5.18%	9.78%	-	9.78%	4.67%
Stage 2B	(E)	1,517	192	20	212	1,305	1.85%	12.64%	1.32%	13.97%	1.59%
Total Stage 2	(F)	5,754	606	20	626	5,128	7.03%	10.54%	0.35%	10.89%	6.26%
Total Stage 3	(G)	3,408	879	507	1,387	2,021	4.16%	25.80%	14.89%	40.69%	2.47%
Total	(C + F + G)	81,869	1,866	528	2,394	79,475	100.00%	2.28%	0.64%	2.92%	97.08%
NPA as per RBI (incl Sec)	(B + E + G)	5,169	1,083	528	1,611	3,558	6.31%	20.95%	10.21%	31.16%	4.35%
NNPA% - RBI: Net NPA /(Asset - provisions for GNPA)											4.43%

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.736 crores under INDAS over IRAC (new norm early adopted)

Asset Classification:

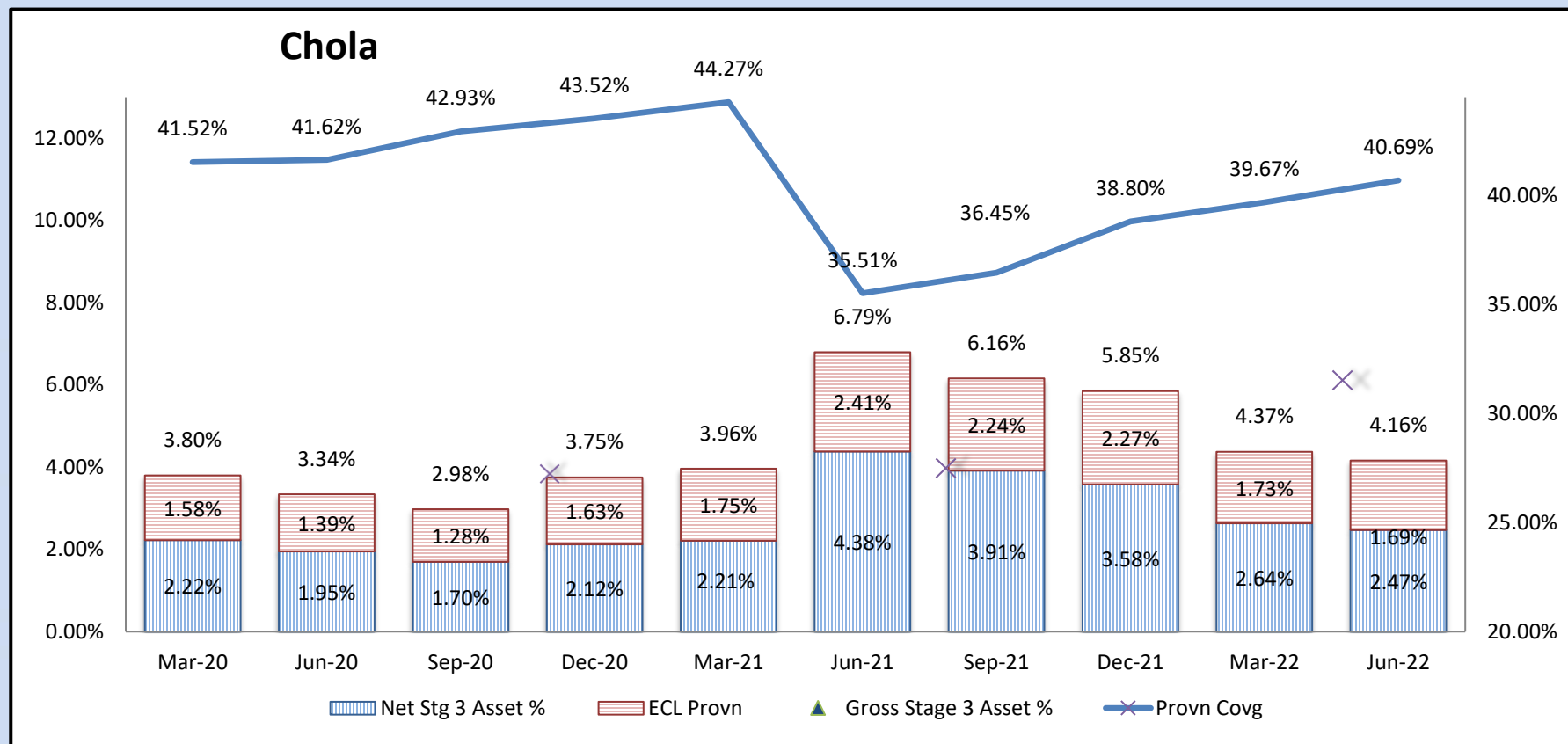
STAGE_1A	Represents assets (i) which had never touched NPA and (ii) which had been an NPA in the past but had been normalised and currently in the 0-30 days - Hence no more an NPA as per RBI norms
STAGE_1B	Represents assets which had been an NPA in the past but yet to be fully normalised though it has 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%
Jun'22	81,869	3,408	4.16%	1,387	40.69%	2,021	2.47%
VF	56,550	2,225	3.93%	951	42.73%	1,274	2.25%
LAP	16,746	987	5.90%	349	35.33%	638	3.81%
HL	5,574	154	2.77%	72	46.93%	82	1.47%
Others	2,999	41	1.38%	14	35.13%	27	0.89%
Mar'22	76,478	3,343	4.37%	1,326	39.67%	2,017	2.64%
VF	53,816	2,097	3.90%	851	40.60%	1,245	2.31%
LAP	15,768	1,041	6.60%	363	34.90%	677	4.30%
HL	5,196	155	2.98%	73	47.23%	82	1.57%
Others	1,697	51	2.98%	38	76.04%	12	0.71%

As per revised RBI norms GNPA% & NNPA% as of June'22 is at 6.31% and 4.43% respectively.

Chola –Stage 3 Assets Trend



As per revised RBI norms GNPA% & NNPA% as of June'22 is at 6.31% and 4.43% respectively.

Business Overview



Vehicle Finance



Vehicle Finance: Q1 FY23 Performance

Disbursements

- Disbursements grew by 201% in Q1FY23 at Rs.8,562 crores as compared to Rs.2,846 crores in Q1FY22.

Assets under management

- AUM have grown by 14% YoY

Loss and provisions

- Loan losses improved to 2.1% in Q1FY23 from 3.8% in Q1FY22.

Profit before tax

- PBT grew by 86% at Rs.480 crores in Q1FY23 as compared to Rs.258 crores in Q1FY22.

Sector Outlook

- The Light commercial vehicle segment had a growth of 104% in Q1 FY'23. This is due to low base effect of the corresponding quarter last year which was hit by the pandemic. This segment is witnessing healthy recovery supported by increased demand from agriculture and its allied sectors coupled with replacement demand.
- The Small commercial vehicle segment had a growth of 110% in Q1 FY'23. This segment is expected to grow in the coming quarters due to its nature of deployment in last mile connectivity and improvement in road infrastructure.
- The Heavy commercial vehicle segment had a growth of 143% in Q1 FY'23. This is due to the low base effect of previous corresponding quarter of last year which was severely hit by the pandemic. The recovery in macroeconomic environment and improved freight availability will aid growth in this segment during the coming quarters.

Chola's Position

- Increased demand for Light commercial vehicle will help us garner higher volumes, however we will be cautious since the rainfall has been uneven and there has been significant deficit of rainfall in some of the states and excess rainfall (flooding) in some parts.
- Uptick in demand for Small commercial vehicles will help us improve our disbursements combined with our vigilant approach to financing, based on vehicle viability and earning capacity. We are cautious in this segment due to significant increase in vehicle prices and lower EMI affordability (Operator viability).
- Our exposure in this segment is 7% at a portfolio level. We will continue to keep a close watch on this segment for further improvement in market conditions. We are trading cautiously in this segment due to uneven freight availability (capacity utilisation), freight charges and higher cost of operation.

Sector Outlook

- The Passenger vehicle (Car & MUV) segment had a growth of 41% in Q1 FY'23 due to improvement in semiconductor supplies and higher demand for utility vehicles due to positive market sentiments. This segment is expected to post healthy growth aided by improvement in semiconductor supplies and materialisation of pent-up demand.
- The Two-wheeler industry had a growth of 54% in Q1 FY'23. Timely monsoon, increase in rural cash flow, and easing of chip shortage issues will aid growth in this segment during the year.
- Used vehicle business has contributed to 29% of our disbursement volumes and this segment is expected to grow even further in the coming quarters.

Chola's Position

- Our focus continues to be on retail customers especially in smaller towns and rural areas. We will continue to focus on this segment in line with market trends.
- The company intends to maintain its focus on two-wheeler financing with a clear eye for credit underwriting to maintain portfolio performance.
- We are one of the key financiers in this segment and will continue to maintain a cautious approach along with a razor-sharp focus on collections.

Exploring, Engaging & Empowering

Sector Outlook

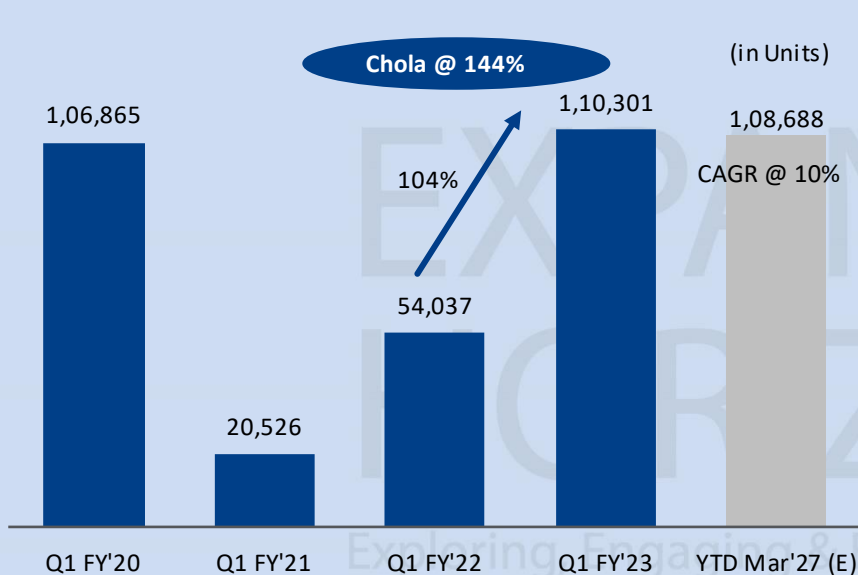
- The Construction Equipment segment had a growth of 61% in Q1 FY'23 due to a predominantly low base in Q1 of last year. However, the volumes are expected to pick up in H2 of FY'23 aided by increased spend on infrastructure and improvement in mining activities.
- The Tractor industry had a growth of 16% in Q1 FY'23. The segment is expected to have healthy growth supported by healthy monsoons, a strong kharif harvest and good water levels of reservoirs.

Chola's Position

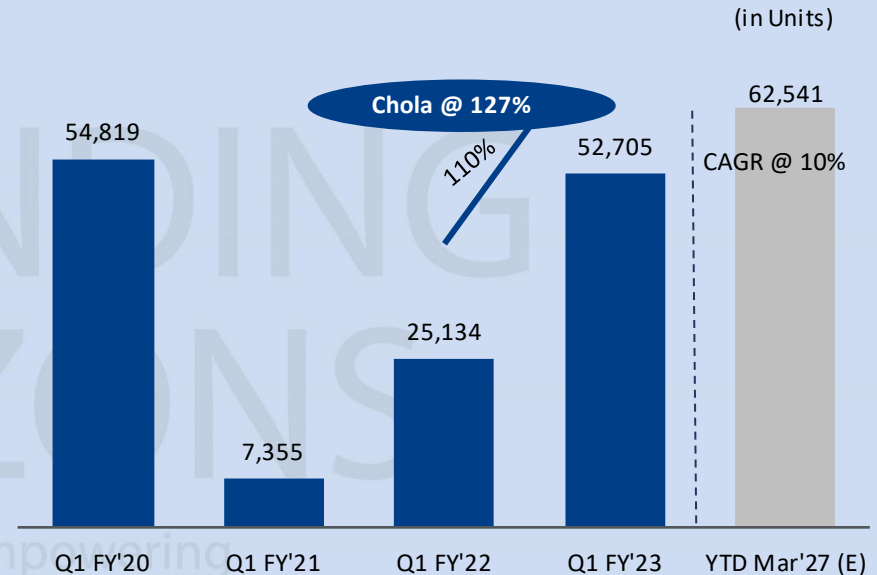
- Our exposure in this segment is around 6% at a portfolio level and our focus will be on building a quality book. We are cautious in this segment since the cost of operation and viability have been impacted during recent times due to increase in input cost and emission norm changes resulting in increased equipment prices.
- We will approach this segment with a close watch on portfolio considering various external factors like uneven rainfall, crop loss and irregular cash flows.

Auto Industry Outlook

Trend in Domestic LCV Sales



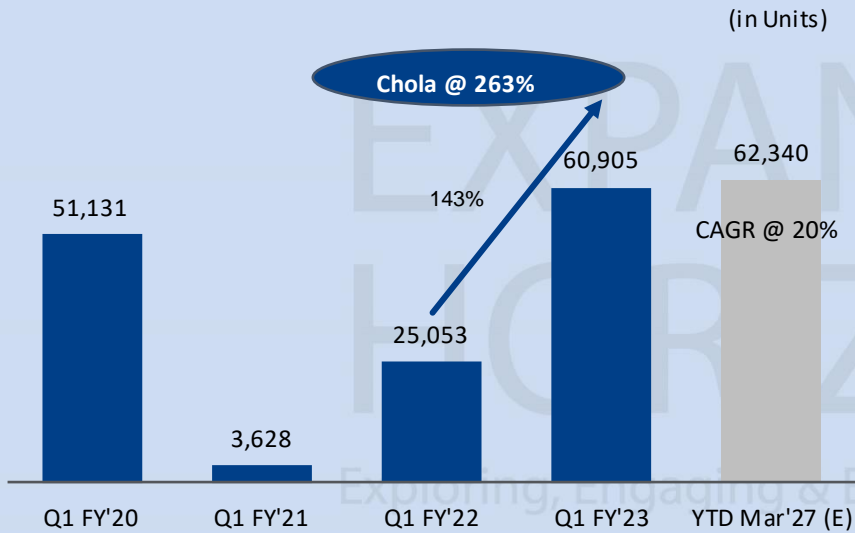
Trend in Domestic SCV Sales



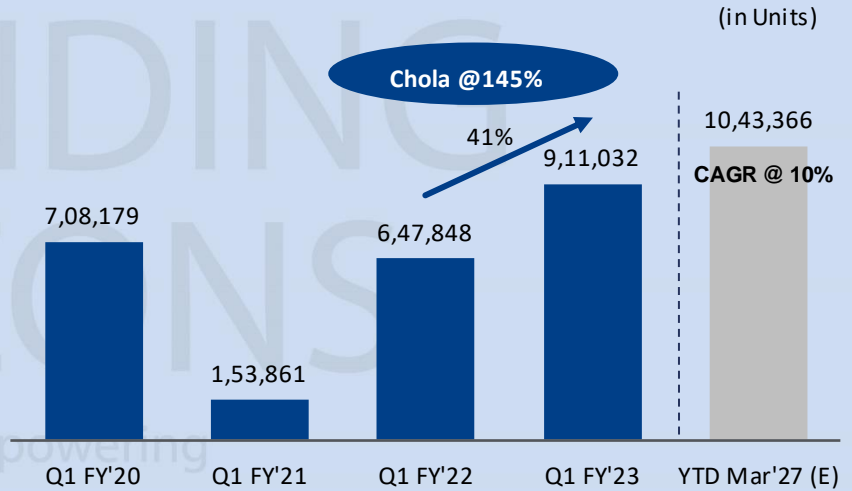
- Replacement demand, increasing last-mile transport requirements, and recovery in the macroeconomic environment.
- Stronger demand from Consumption-driven sectors and E-commerce focused logistic companies.
- Demand for Pickups will increase in the long term due to higher flexibility in usage of sub-one-tonne vehicles.
- Bus Sales to be supported by growing urban population, demand from schools/ corporates and increased inter-city travel due to higher vaccination coverage and reduced impact of COVID-19.

Auto Industry Outlook

Trend in Domestic HCV Sales



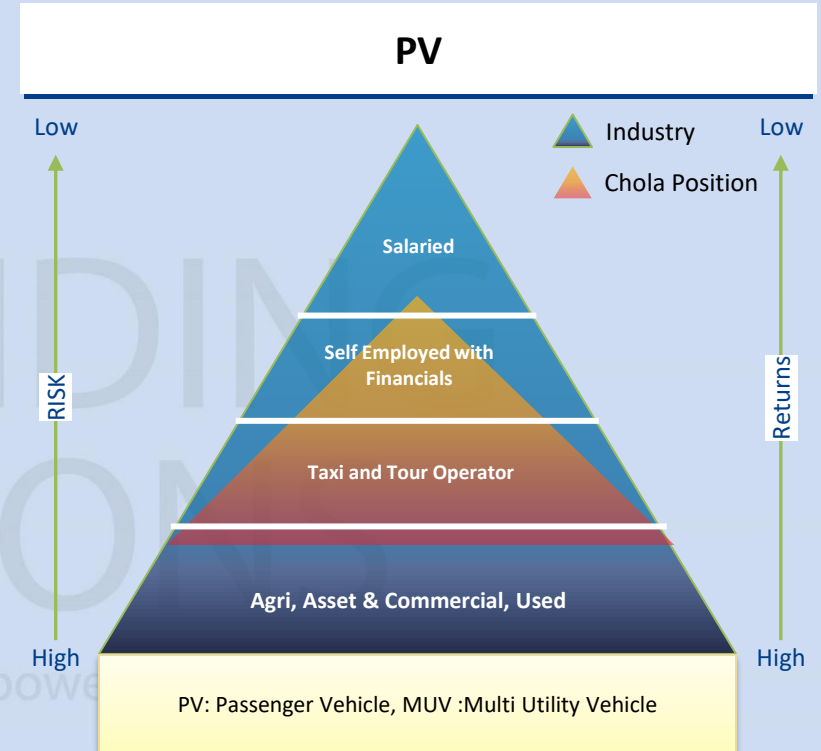
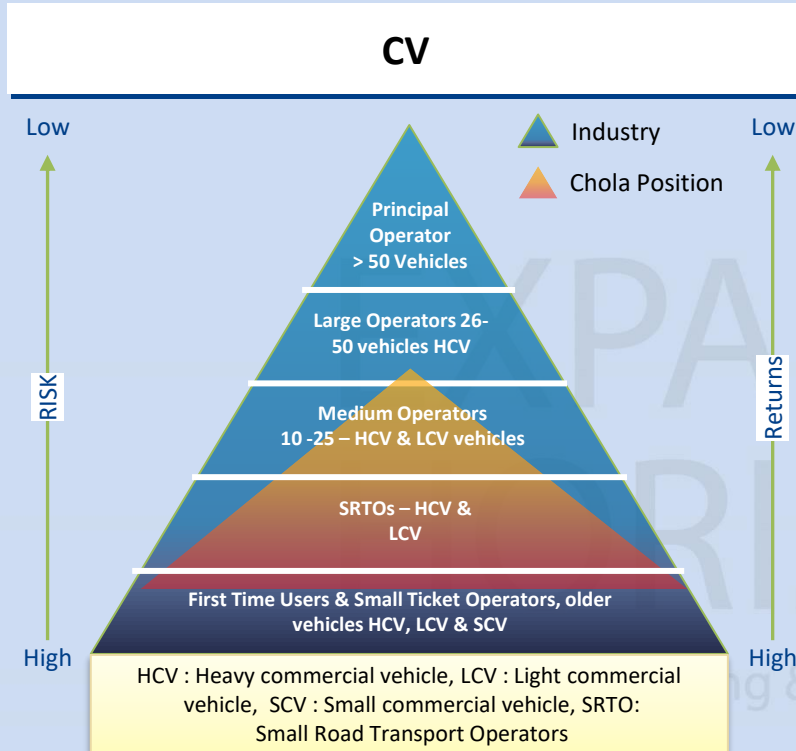
Trend in Domestic Car & MUV Sales



- Improved industrial activity, steady agricultural output, rebound of economic activity 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 Income, lower penetration and lower cost of capital to boost long term demand.
- Improvement in semiconductor supplies and materialisation of pent-up demand.

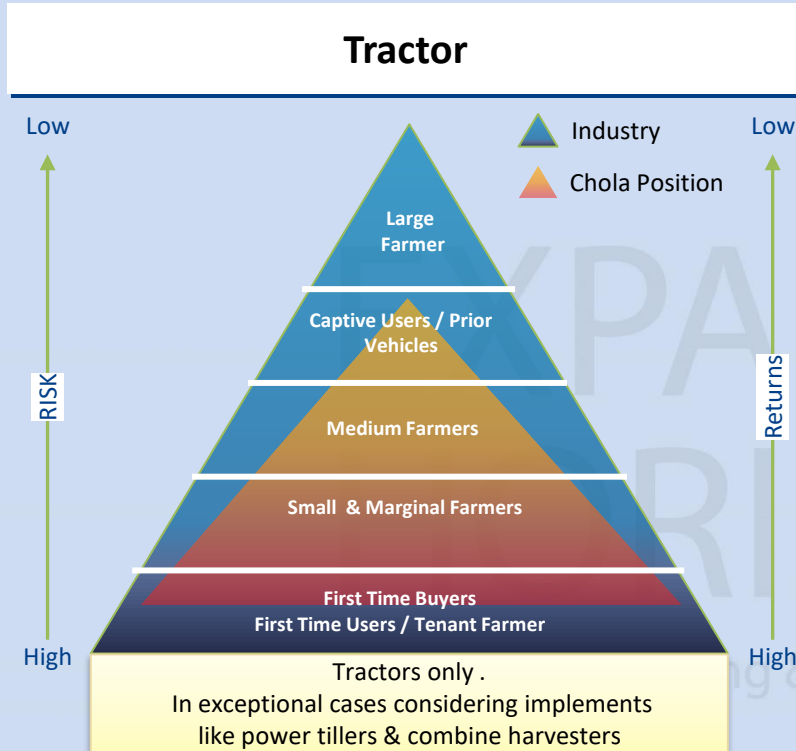
Vehicle Finance—Business Model & Positioning



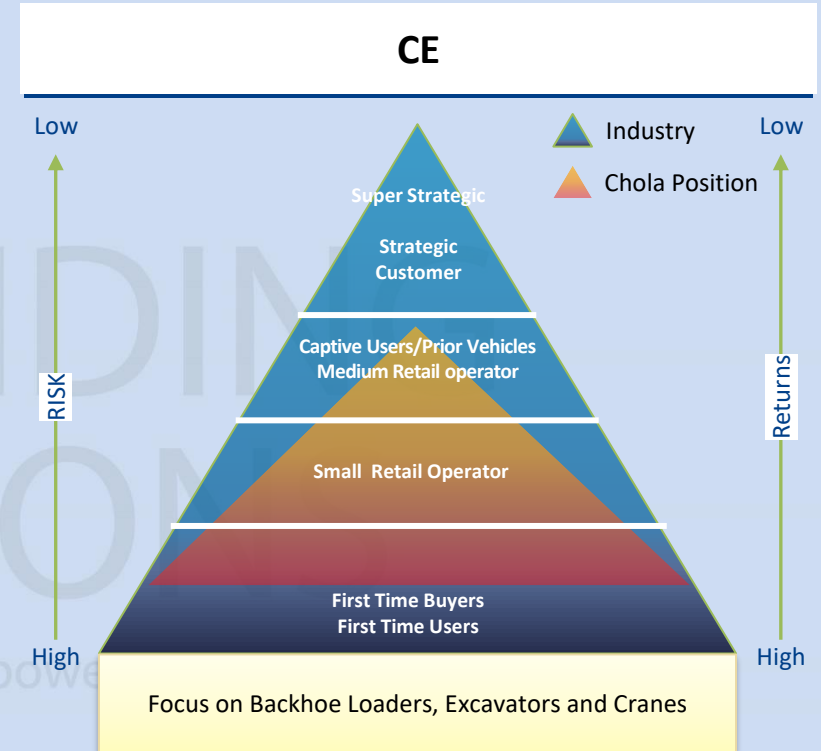
- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
 - Middle of the pyramid through New CVs, Used CVs
 - Top of the Bottom of the pyramid through SCV & older CVs Shubh

- ~ 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

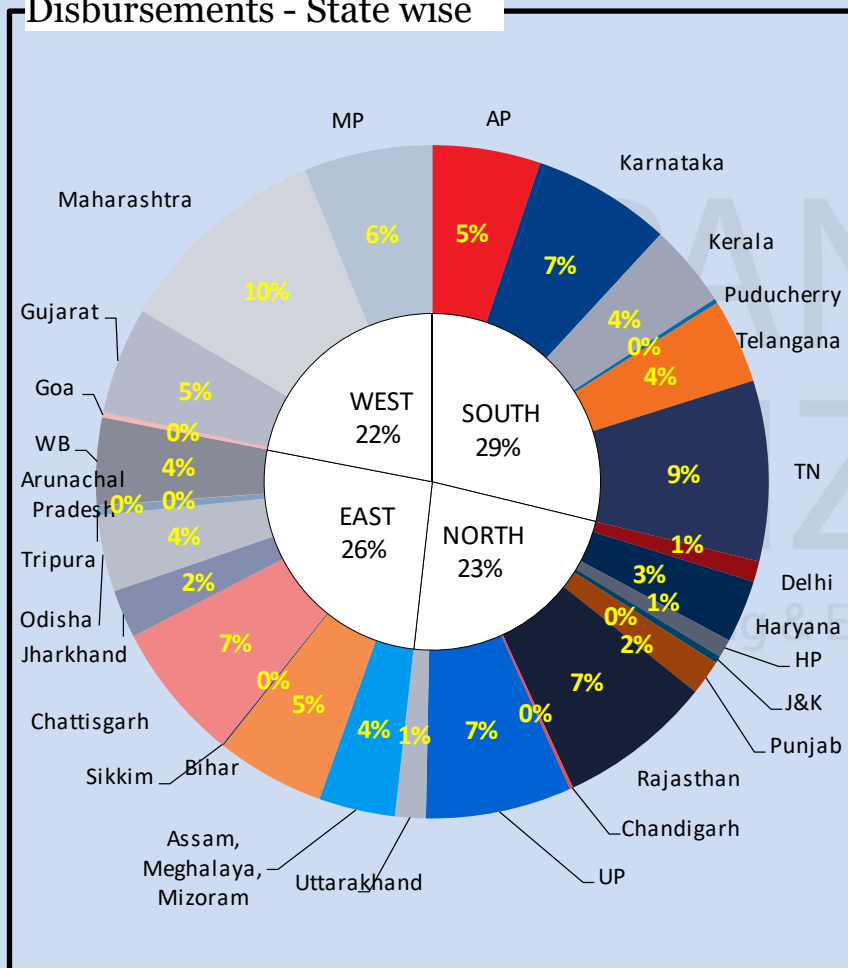


- ~ 69% of disbursements are to retail customer segment
- Application –
 - Captive
 - Hiring
- New & Used

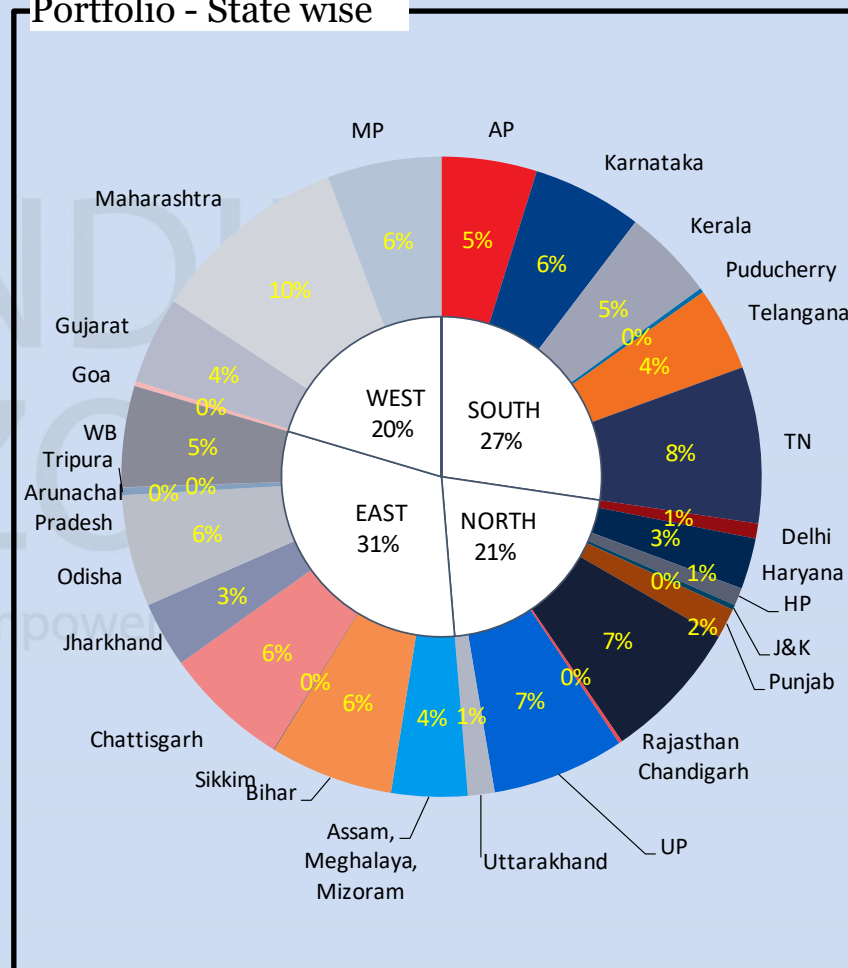
Vehicle Finance - Disbursement/Portfolio Mix – Q1FY23

Well diversified across geography

Disbursements - State wise

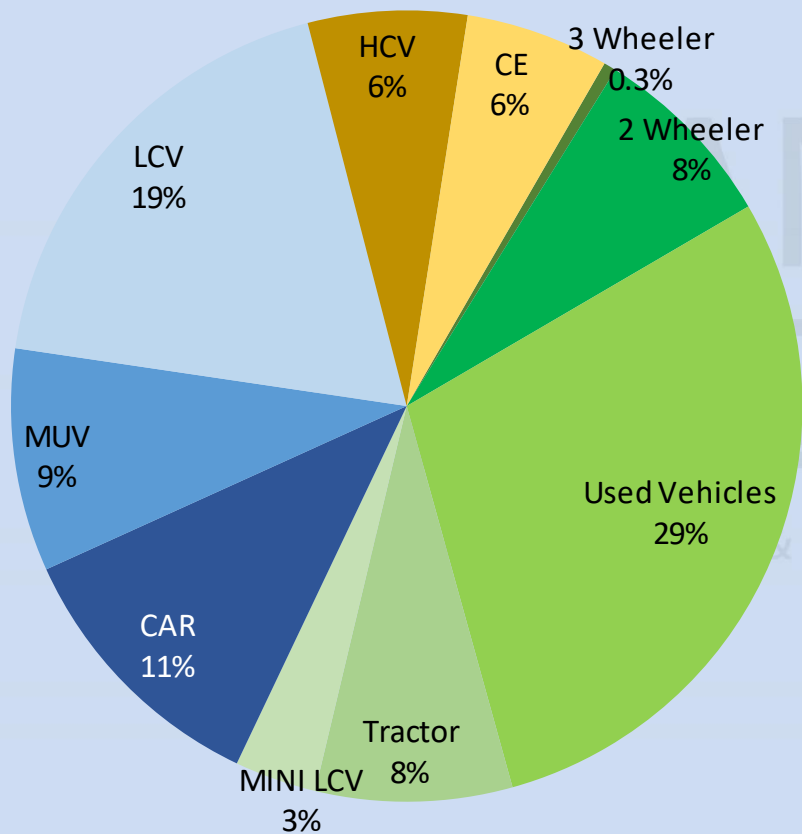


Portfolio - State wise

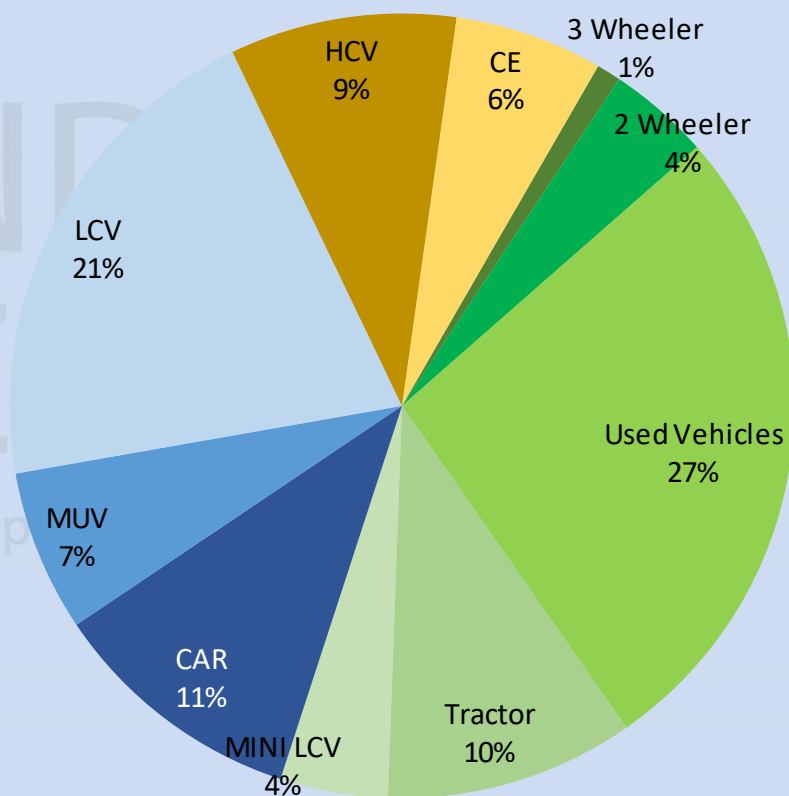


Well diversified product segments

Disbursements (₹Cr) - Product wise

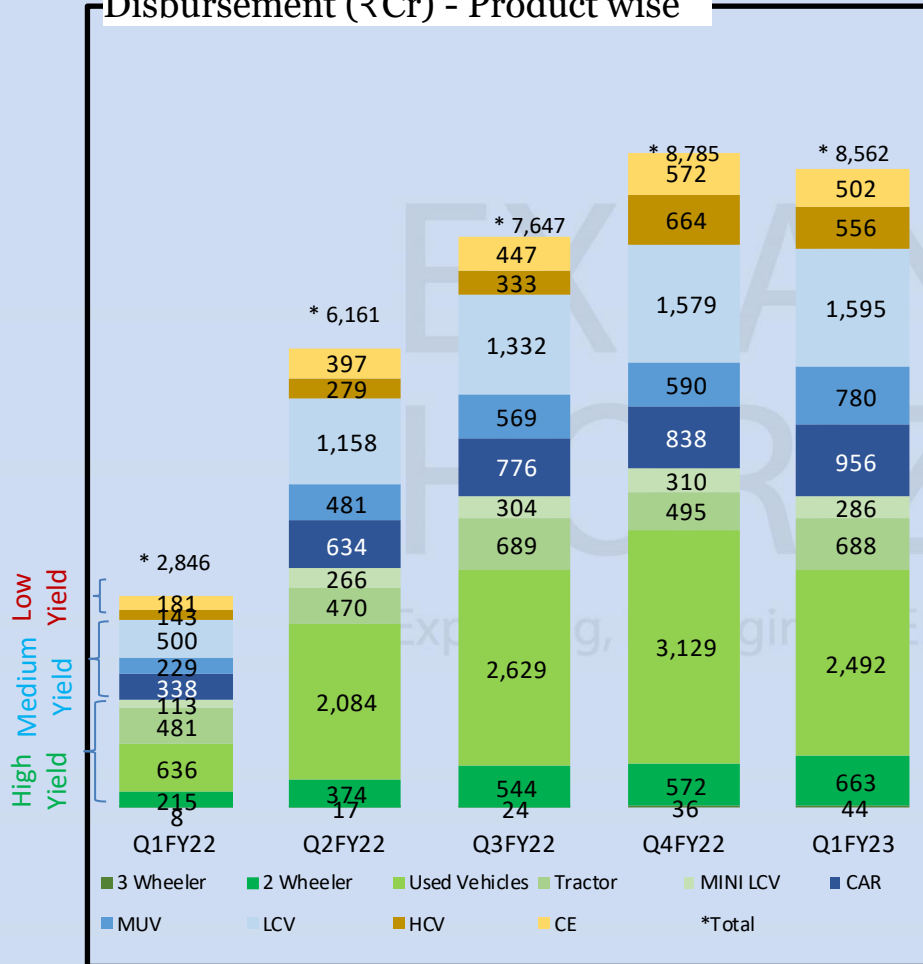


Portfolio (₹Cr) - Product wise

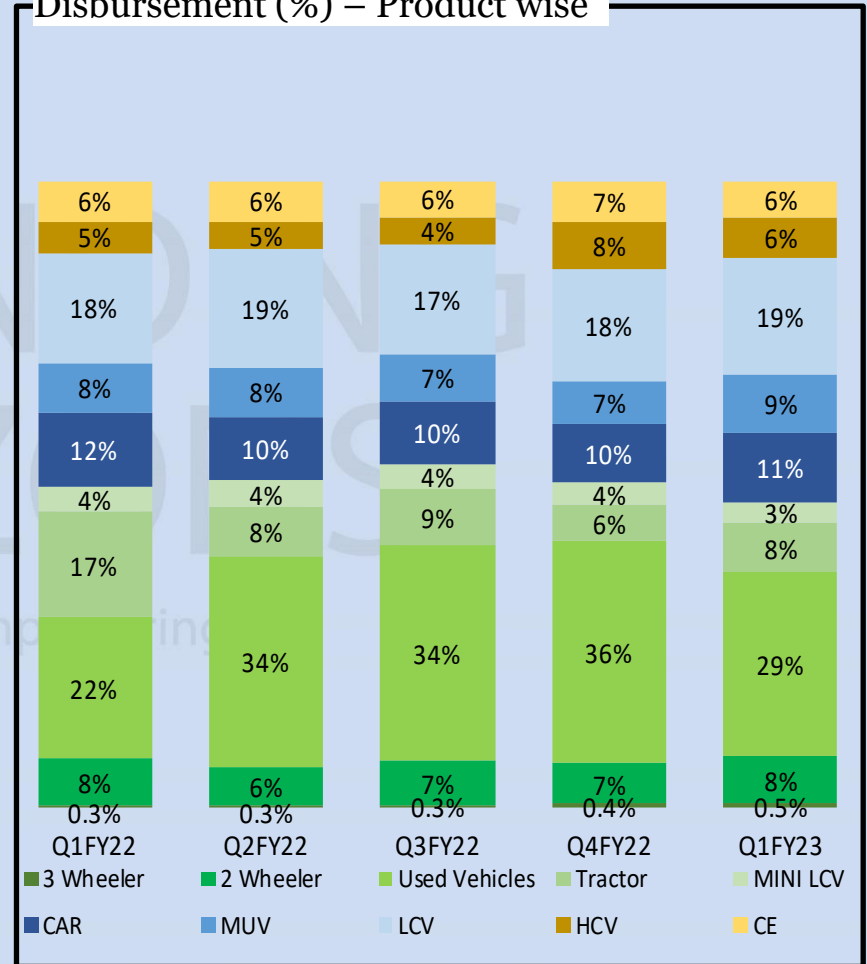


Vehicle Finance - Disbursement Mix – Quarter-wise

Disbursement (₹Cr) - Product wise

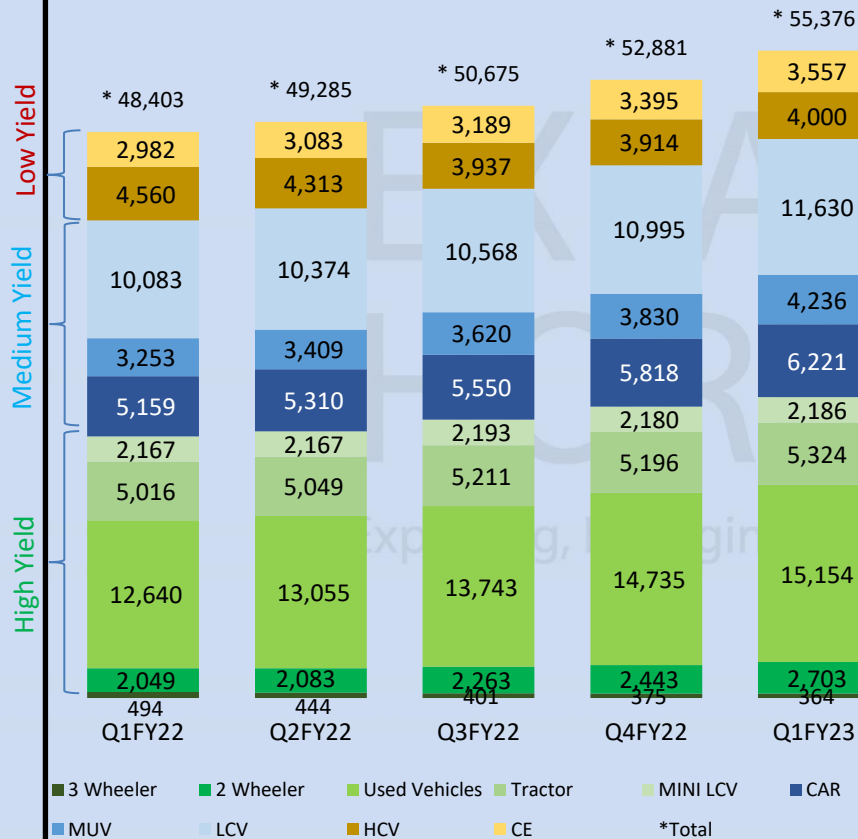


Disbursement (%) – Product wise

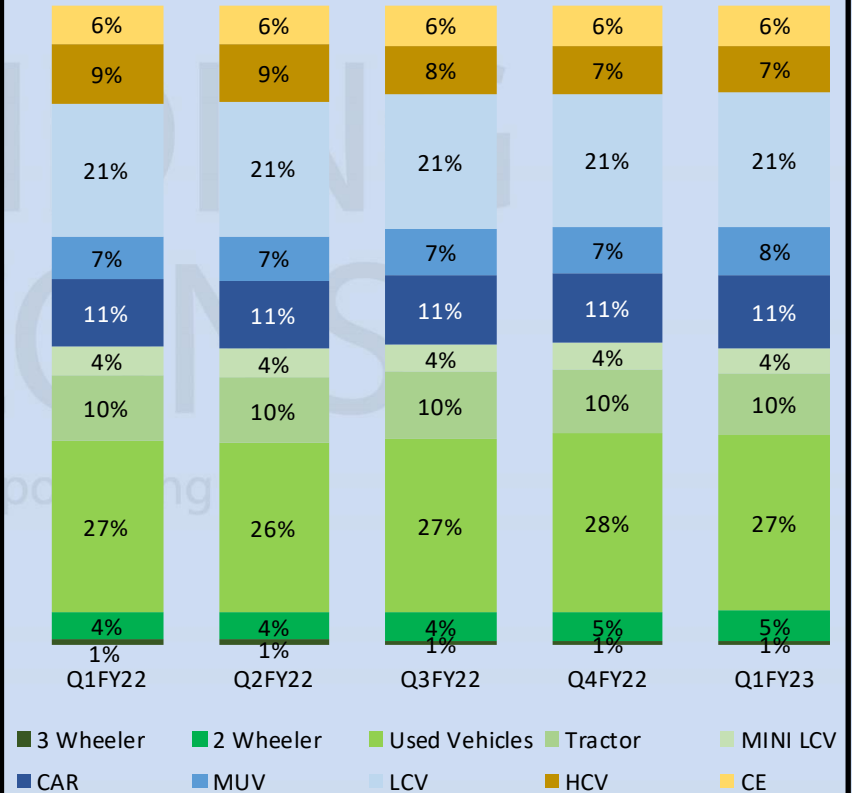


Vehicle Finance - Portfolio Mix – Quarter-wise

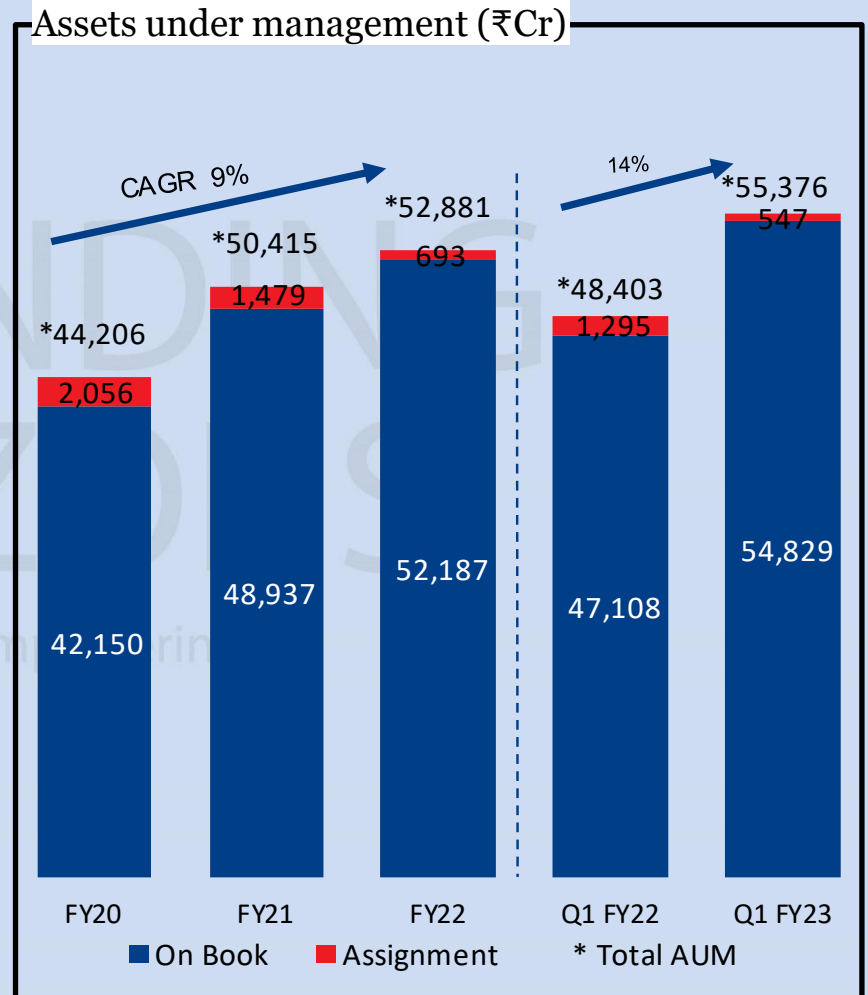
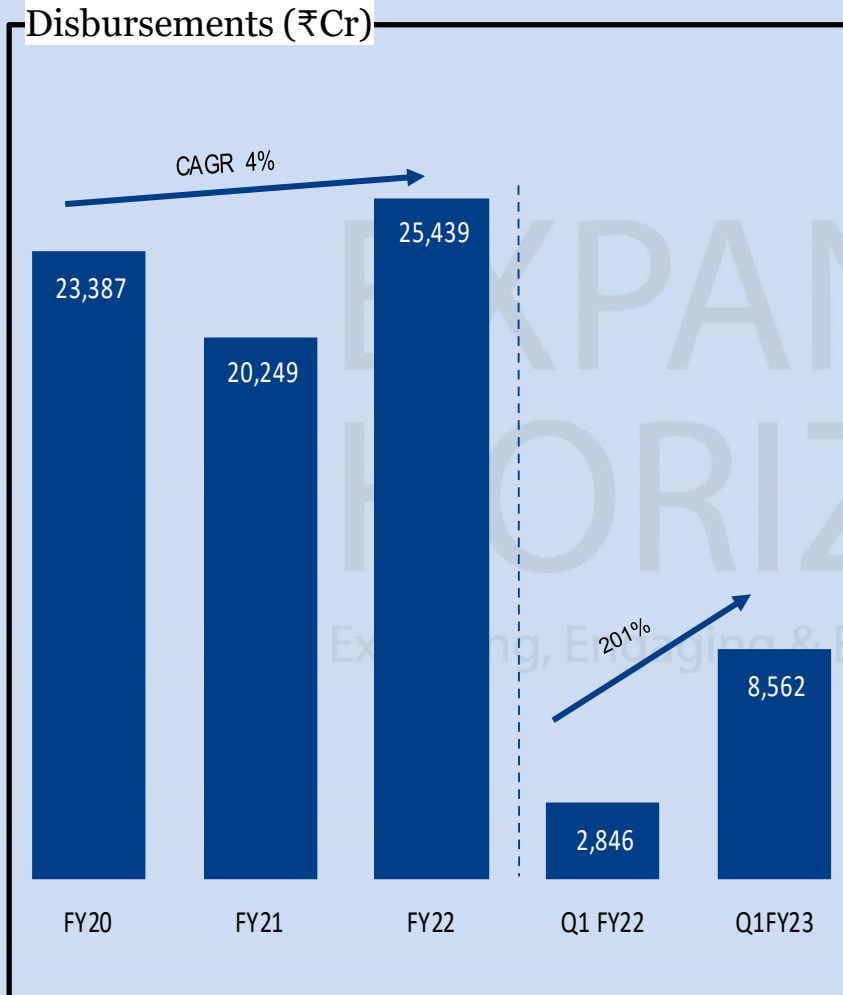
Portfolio (₹Cr) - Product wise



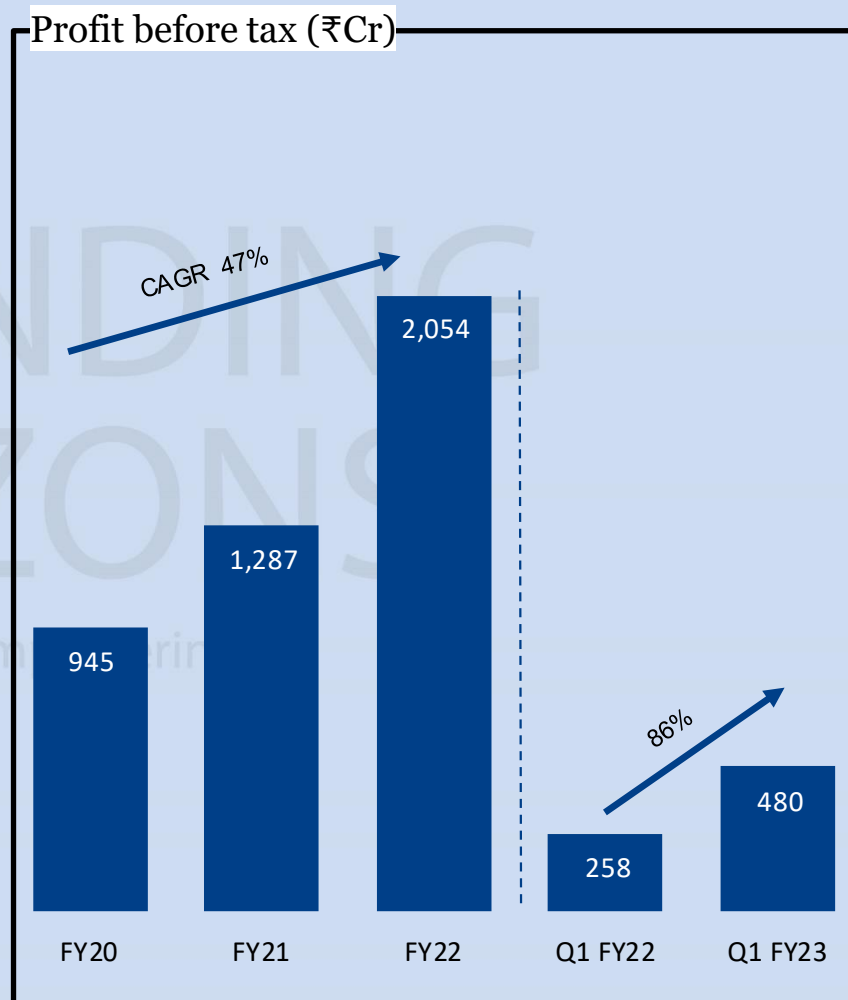
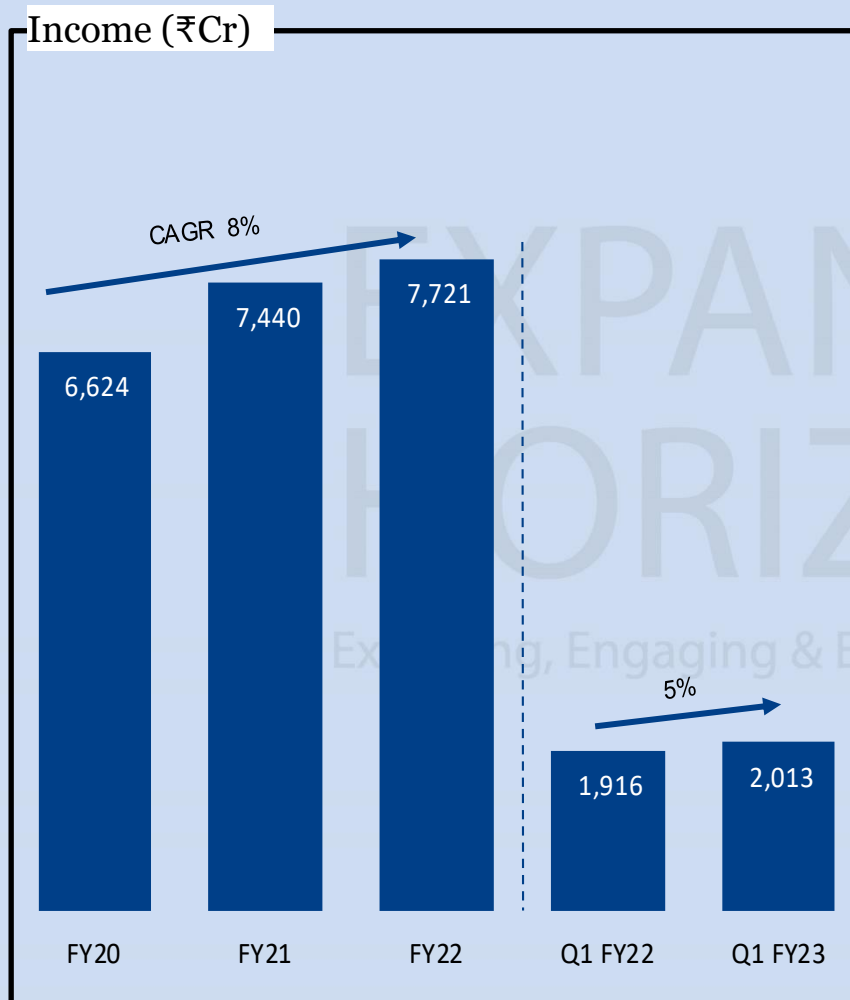
Portfolio (%) – Product wise



Vehicle Finance - Disbursements and Asset Under Management

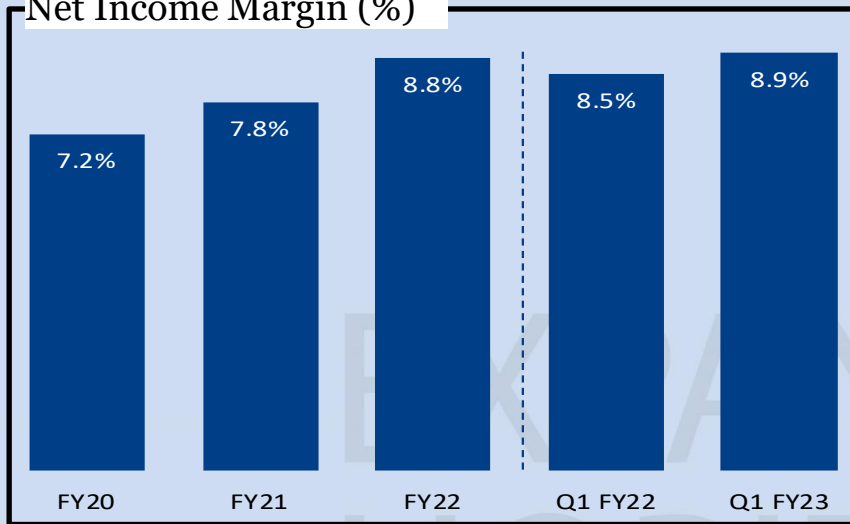


Vehicle Finance - Income and Profit before tax

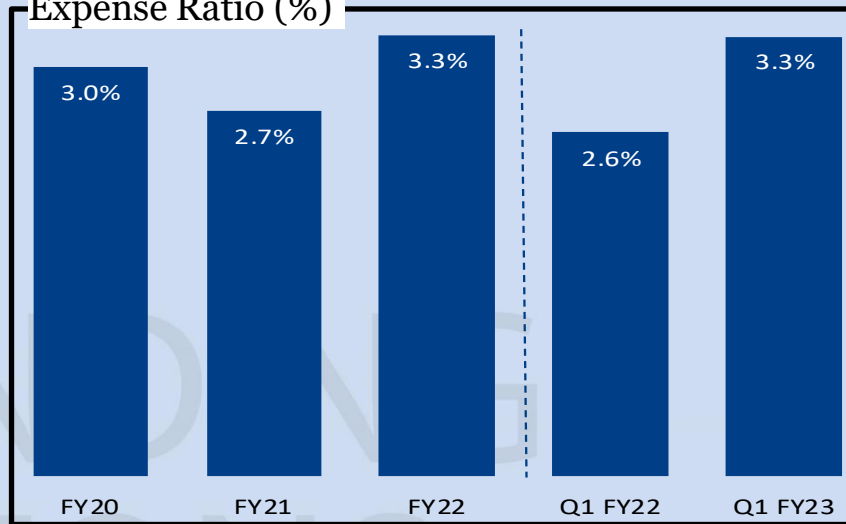


Vehicle Finance - Asset Ratios

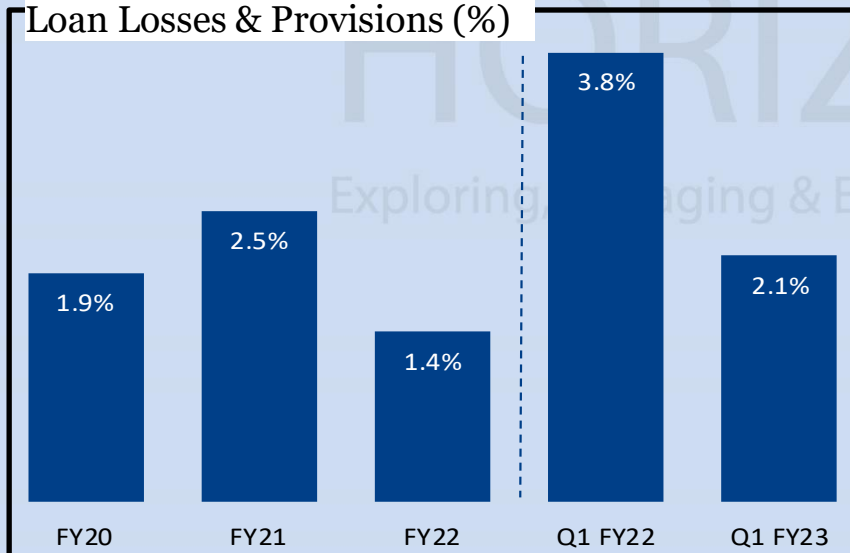
Net Income Margin (%)



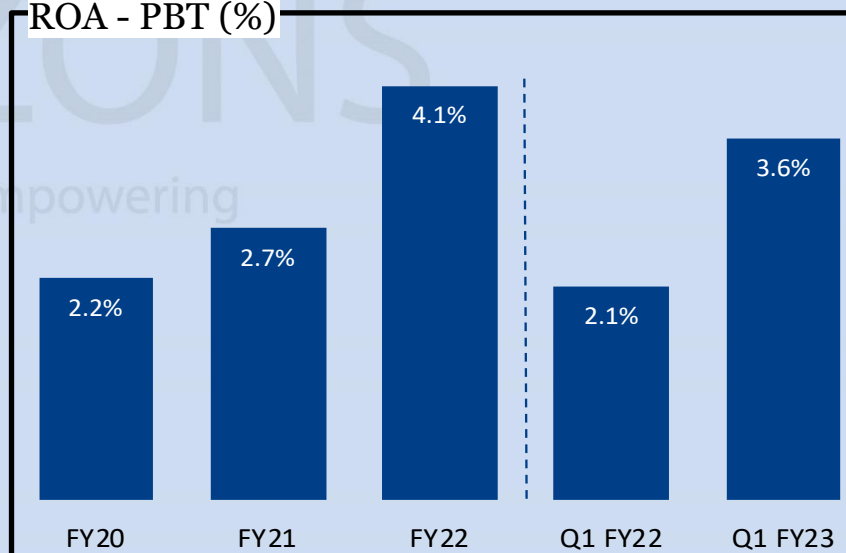
Expense Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Vehicle Finance (Managed)

₹ Cr

Particulars	Q1FY22	Q1FY23	Growth % Q1-o-Q1	FY22
Disbursements	2,846	8,562	201%	25,439
Closing Assets	48,403	55,376	14%	52,881
Operating Income	1,916	2,013	5%	7,721
Finance Charges	875	811	-7%	3,290
Net Income	1,041	1,202	15%	4,431
Expenses	315	442	40%	1,654
Net Credit Losses	468	280	-40%	723
PBT	258	480	86%	2,054
Asset Ratios				
Income	15.6%	14.9%		15.3%
Cost of Funds	7.1%	6.0%		6.5%
Net Income Margin	8.5%	8.9%		8.8%
Expense	2.6%	3.3%		3.3%
Losses & Provisions	3.8%	2.1%		1.4%
ROA-PBT	2.1%	3.6%		4.1%

Profit and Loss Statement - Vehicle Finance (On Book)

₹ Cr

Particulars	Q1FY22	Q1FY23	Growth % Q1-o-Q1	FY22
Disbursements	2,846	8,562	201%	25,439
Closing Assets (On B/S)	47,108	54,829	16%	52,187
Operating Income	1,876	1,992	6%	7,578
Finance Charges	847	798	-6%	3,202
Net Income	1,028	1,194	16%	4,376
Expenses	315	442	40%	1,654
Net Credit Losses	468	280	-40%	723
PBT	245	472	92%	1,999
Asset Ratios				
Income	15.7%	14.9%		15.4%
Cost of Funds	7.1%	6.0%		6.5%
Net Income Margin	8.6%	8.9%		8.9%
Expense	2.6%	3.3%		3.4%
Losses & Provisions	3.9%	2.1%		1.47%
ROA-PBT	2.0%	3.5%		4.1%

Loan Against Property



Loan Against Property – Q1 FY23 Performance

Disbursements

- Disbursements grew by 462% in Q1FY23 at Rs.2,169 crores as compared to Rs.386 crores in Q1FY22.

Asset under management

- AUM have grown by 25% YoY.

Loss and provisions

- Loan losses improved to -0.1% in Q1FY23 from 2.1% in Q1FY22.

Profit before tax

- PBT grew by 220% at Rs.207 crores in Q1FY23 as compared to Rs.65 crores in Q1FY22.

Sector Outlook

- The Overall portfolio of NBFC credit is expected to grow at 11-12% during this fiscal and the overall outstanding book of NBFCs is projected at INR 28 trillion, with visible recovery across most lending verticals
- The LAP segment is expected to perform better with the credit requirements for LAP in MSME segment is projected to grow at 5-7% in this fiscal with the pickup in demand for credit driven by normalizing business activities
- The asset quality performance was better than expected in FY 2022 and the provisions carried by the entities are relatively higher than the pre-covid level. The existing provisioning made by NBFCs is estimated to be comfortable and the ability to absorb unforeseen shocks is expected to be better.

Chola's Position

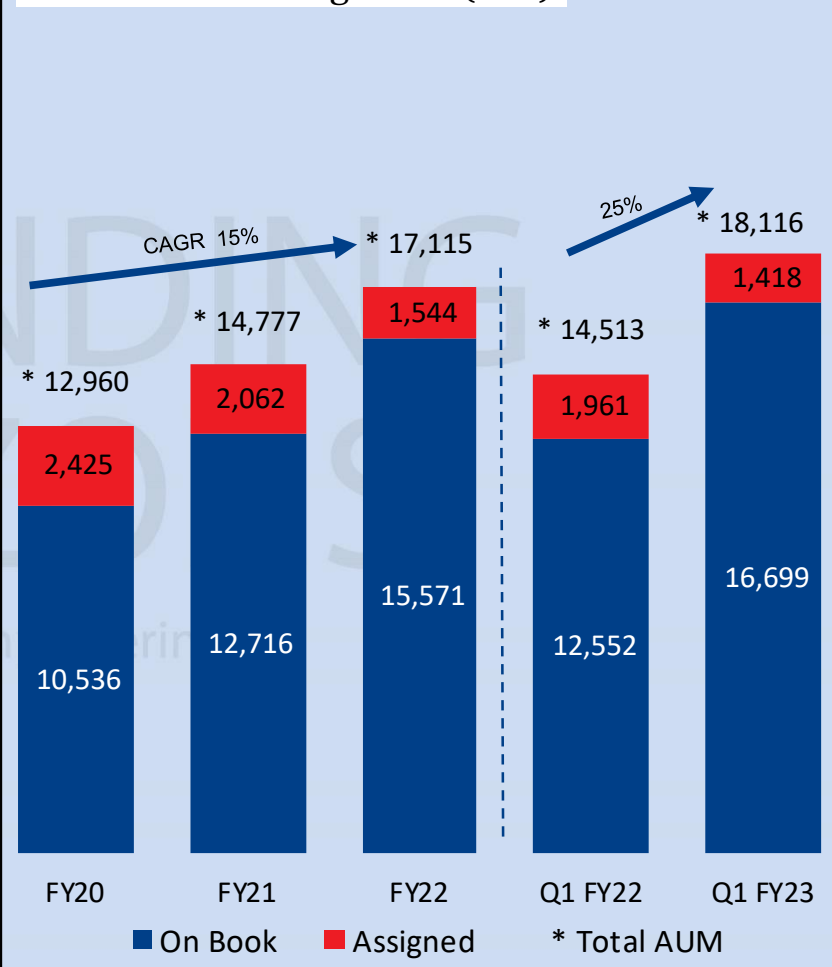
- Chola's LAP business has witnessed strong growth during Q1 with the highest ever disbursements done in June 2022, on the back of improved demand. This is expected to continue in the upcoming quarters as well.
- Chola is poised to increase its market share in this segment with adequate liquidity position and better cost of funds. The expansion plan is happening in-line with focus on smaller towns, as more branches are opened in Tier-3 & Tier-4 areas in Q1.
- The asset quality of the company has shown steady improvement with the net credit losses for the company and stage 3 book % has come down with consistent improvement in collection efficiency.

Loan Against Property - Disbursements and Asset Under Management

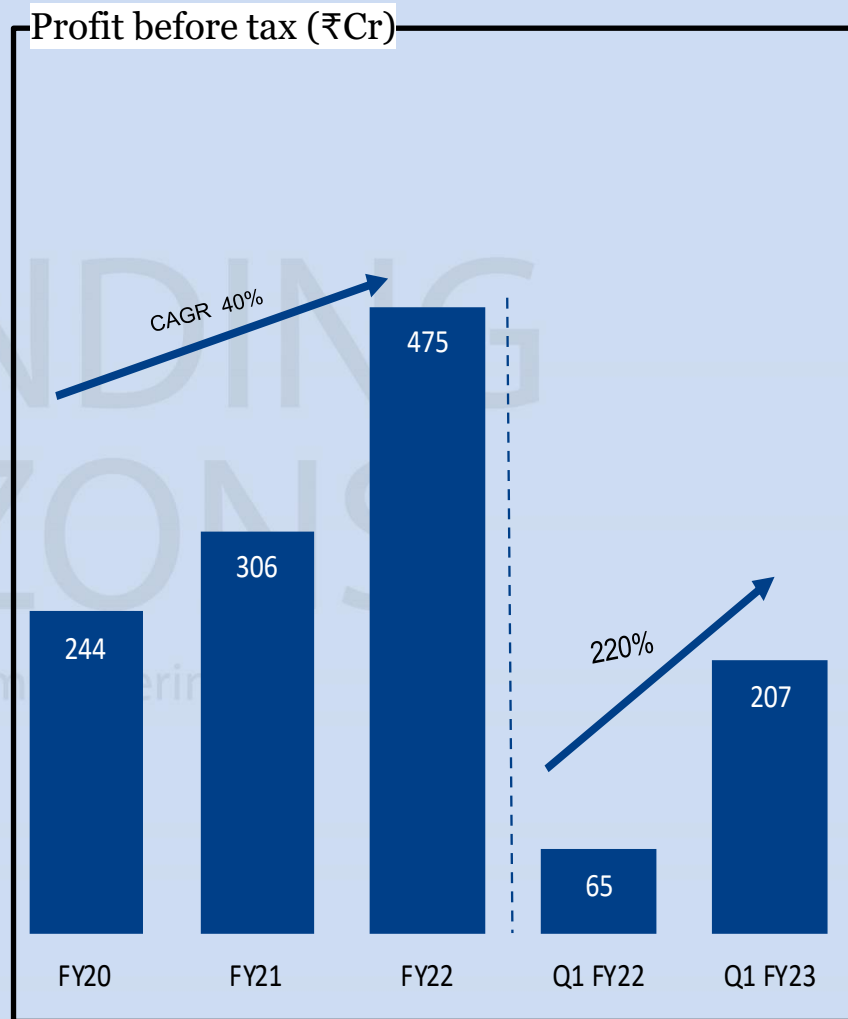
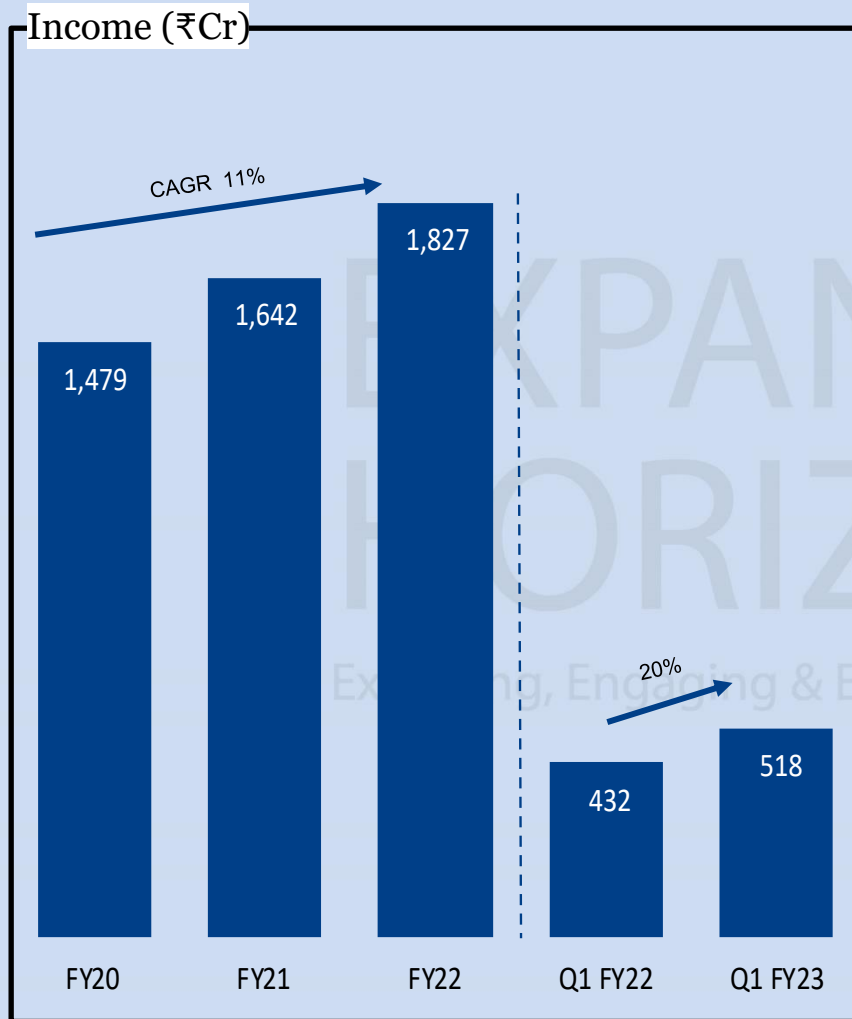
Disbursements (₹Cr)



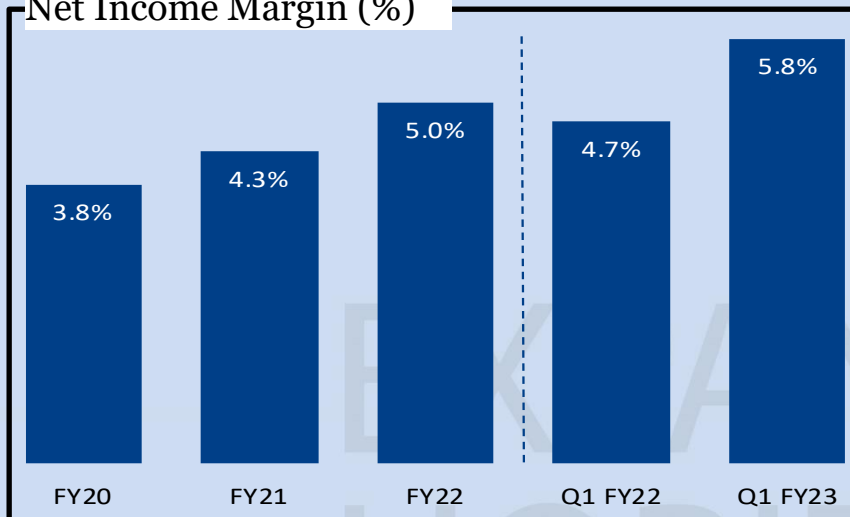
Assets under Management (₹Cr)



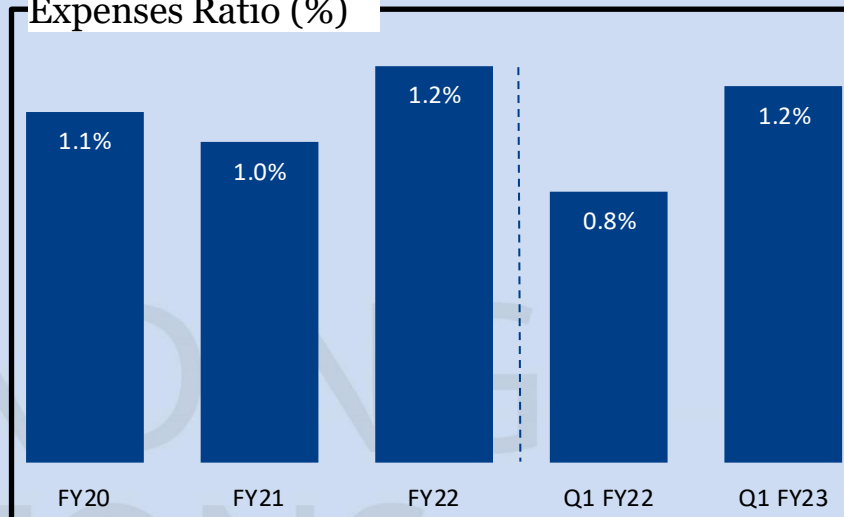
Loan Against Property – Income and Profit before tax



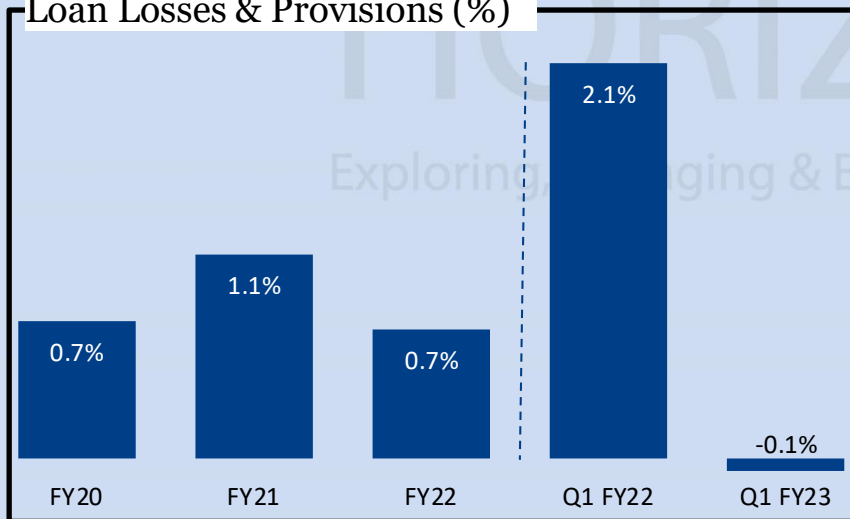
Net Income Margin (%)



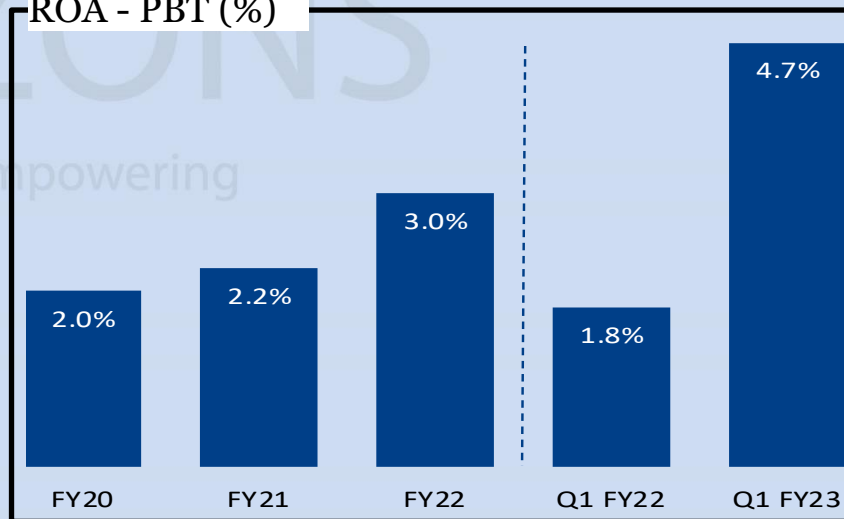
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Loan Against Property (Managed)

₹ Cr

Particulars	Q1FY22	Q1FY23	Growth % Q1-o-Q1	FY22
Disbursements	386	2,169	462%	5,862
Closing Assets	14,513	18,116	25%	17,115
Operating Income	432	518	20%	1,827
Finance Charges	261	263	1%	1,054
Net Income	171	256	49%	773
Expenses	31	51	67%	191
Net Credit Losses	76	-3	-104%	106
PBT	65	207	220%	475
Asset Ratios				
Income	11.8%	11.8%		11.7%
Cost of Funds	7.2%	6.0%		6.8%
Net Income Margin	4.7%	5.8%		5.0%
Expense	0.8%	1.2%		1.2%
Losses & Provisions	2.1%	-0.1%		0.7%
ROA-PBT	1.8%	4.7%		3.0%

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

₹ Cr

Particulars	Q1FY22	Q1FY23	Growth % Q1-o-Q1	FY22
Disbursements	386	2,169	462%	5,862
Closing Assets (On B/S)	12,552	16,699	33%	15,571
Operating Income	378	468	24%	1,593
Finance Charges	221	233	5%	900
Net Income	158	236	49%	693
Expenses	31	51	67%	187
Net Credit Losses	76	-3	-104%	105
PBT	51	187	264%	402
Asset Ratios				
Income	12.0%	11.6%		11.5%
Cost of Funds	7.0%	5.8%		6.5%
Net Income Margin	5.0%	5.9%		5.0%
Expense	1.0%	1.3%		1.4%
Losses & Provisions	2.4%	-0.1%		0.8%
ROA-PBT	1.6%	4.7%		2.9%

Home Loans



Home Loans – Q1 FY23 Performance

Disbursements

- Disbursements grew by 140% in Q1FY23 at Rs.478 crores as compared to Rs.199 crores in Q1FY22.

Asset under management

- AUM have grown by 25% YoY.

Loss and provisions

- Loan losses improved to 0.4% in Q1FY23 from 1.9% in Q1FY22.

Profit before tax

- PBT grew by 87% at Rs.77 crores in Q1FY23 as compared to Rs.41 crores in Q1FY22.

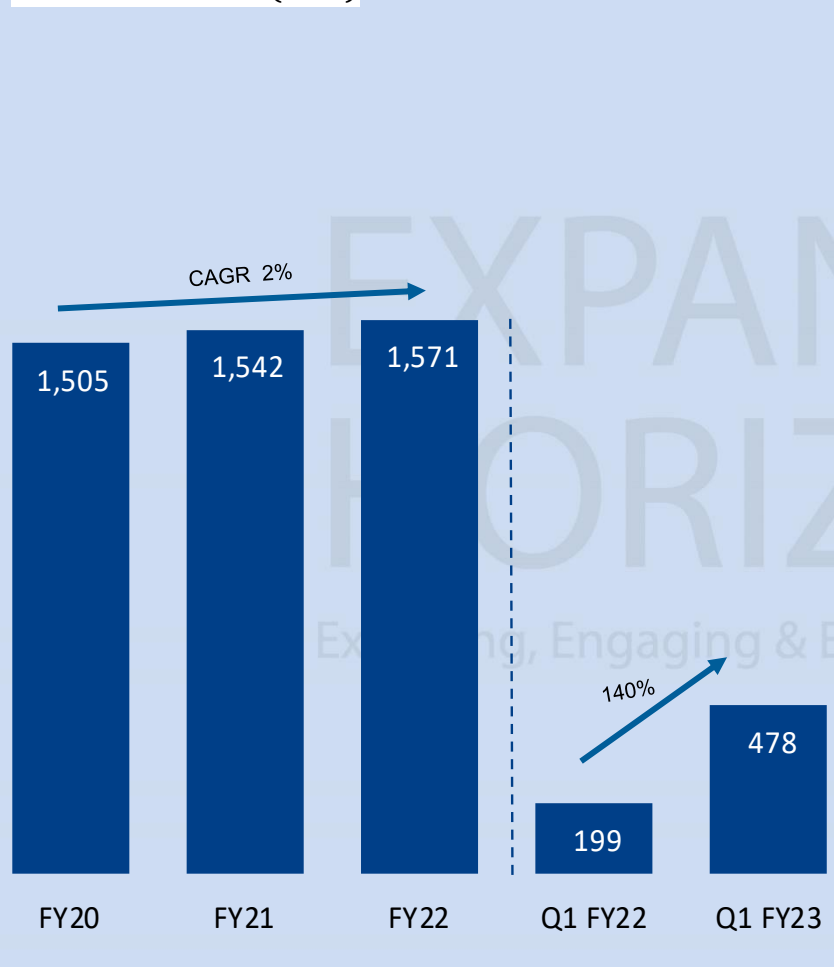
Sector Outlook

Chola's Position

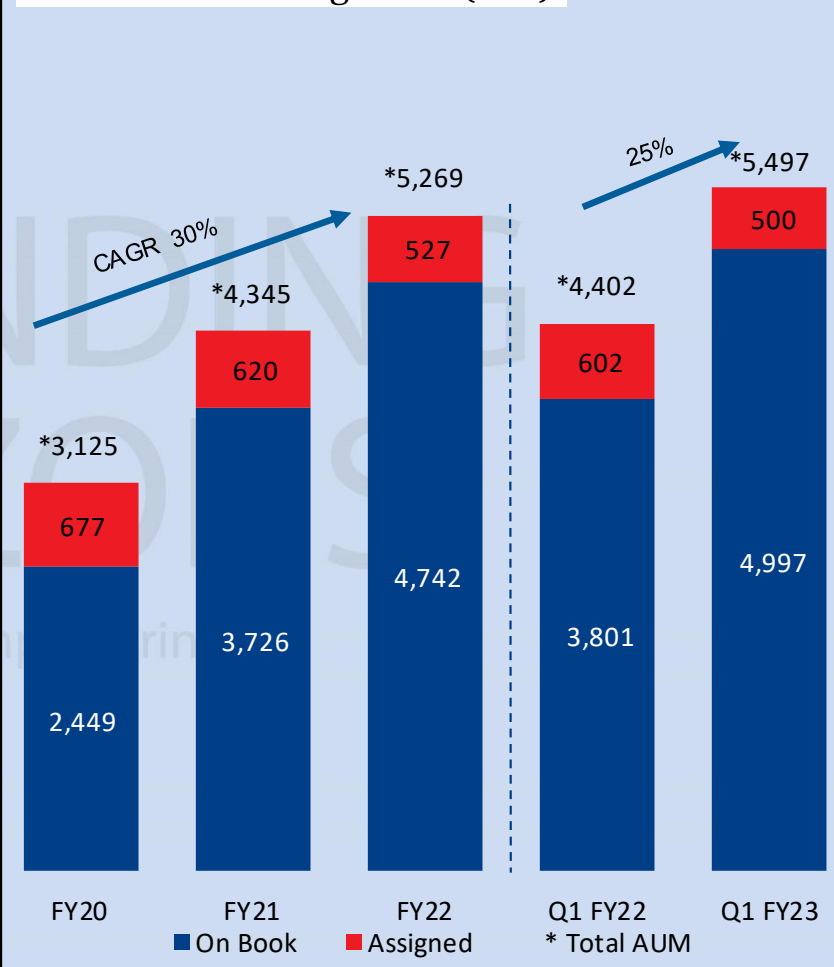
- Revival of demand was witnessed in Q1 FY23 and is expected to sustain in remaining quarters of FY23.
 - As cash flows of micro and small businesses remain stable, fresh collections are also expected to remain stable.
 - Affordable housing credit is estimated to grow 17-20% in FY23. Retail segment demand is likely to continue to be for ready property and self-construction, especially in Tier 3, 4 towns and cities.
- Chola is expanding its geographical footprint especially in the North, East & West Zones and deepening footprint in South to augment asset growth.
 - Chola is focusing on robust credit underwriting processes across geographies to maintain portfolio performance, focus on improving its resolution of NPAs and collecting accounts which had earlier faced stress due to the impact of the pandemic.
 - 90% of assets are in Tier 2,3,4 cities and suburbs of Tier 1 cities

Home Loans - Disbursements and Asset Under Management

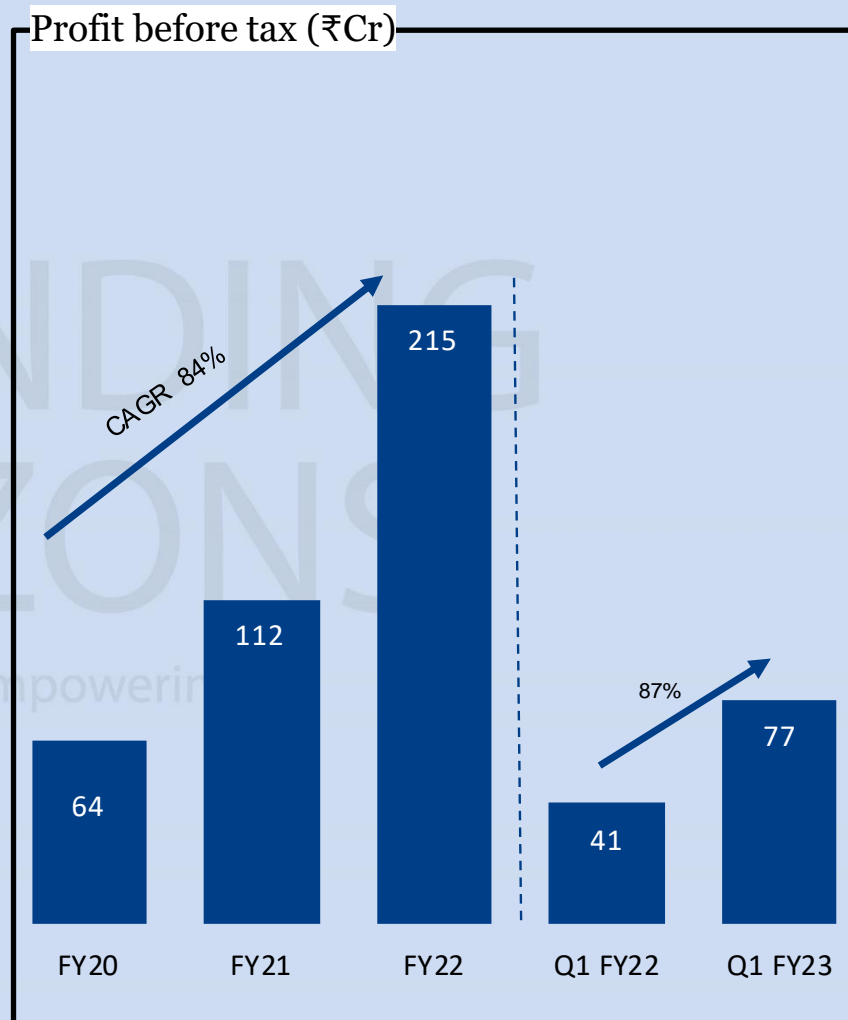
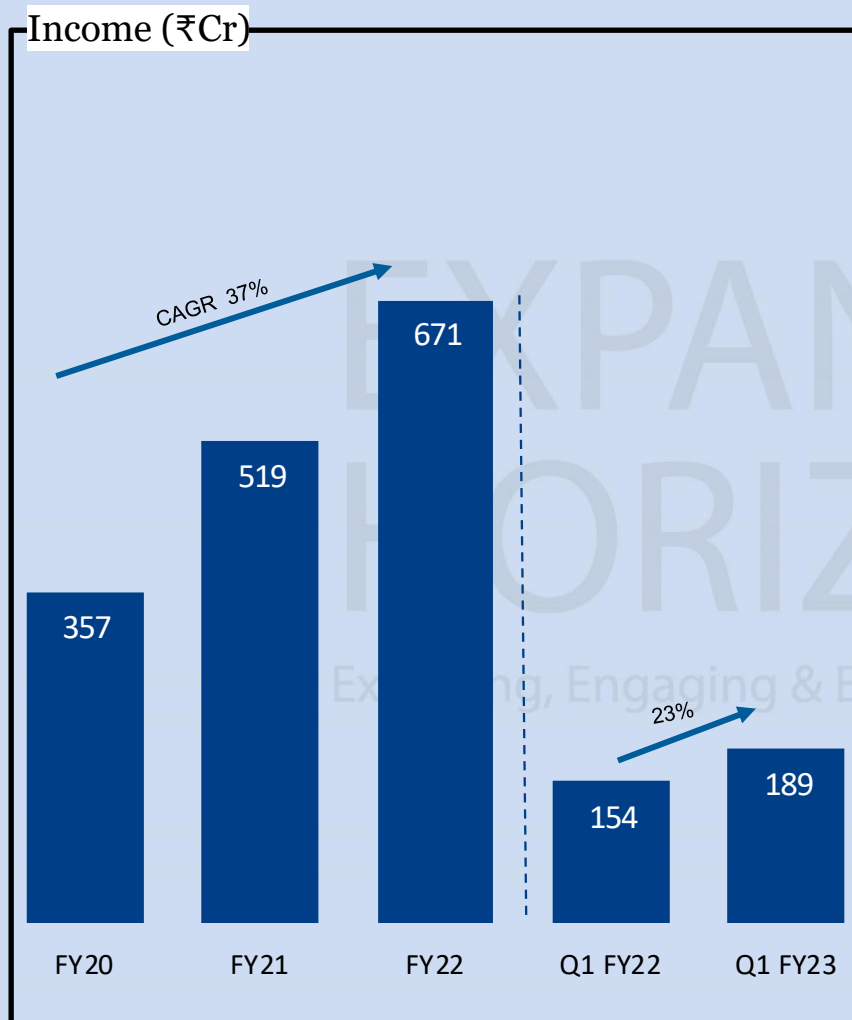
Disbursements (₹Cr)



Assets under Management (₹Cr)

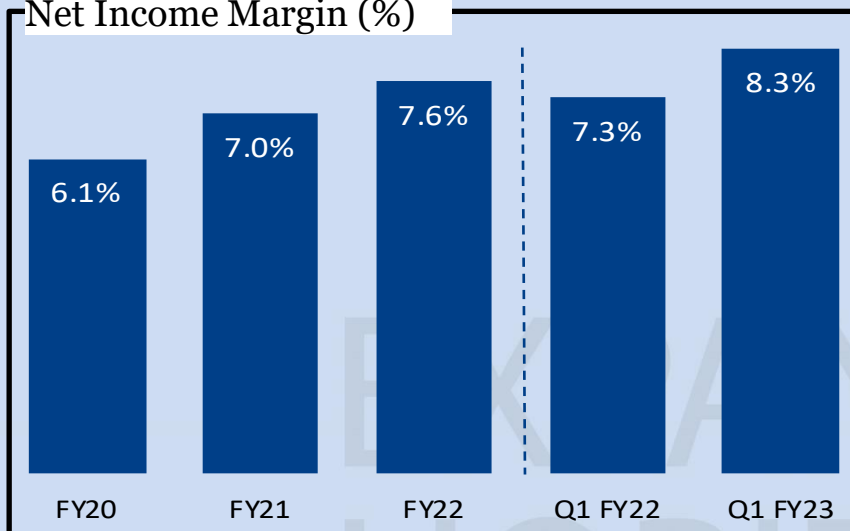


Home Loans - Income and Profit before tax

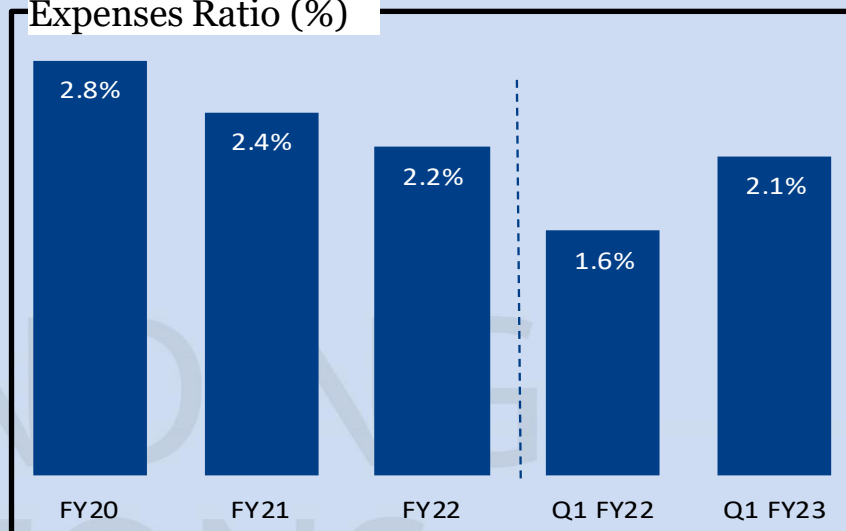


Home Loans – Asset Ratios

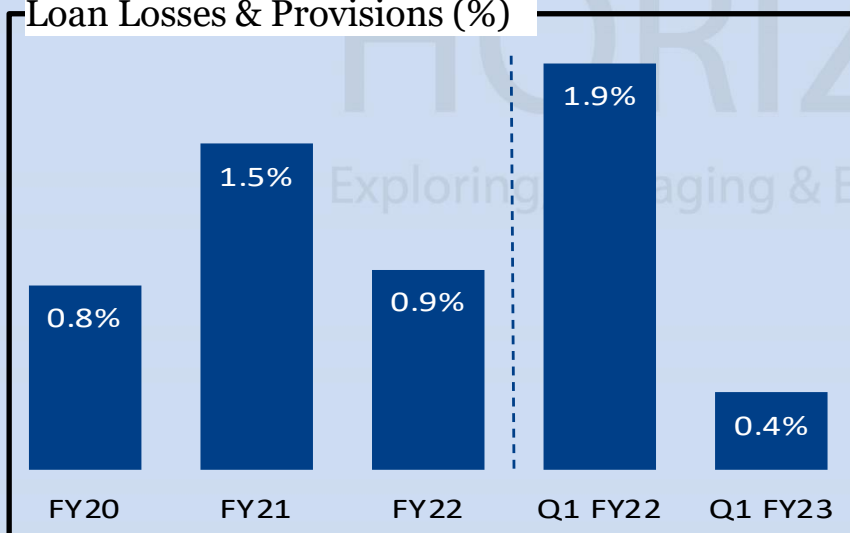
Net Income Margin (%)



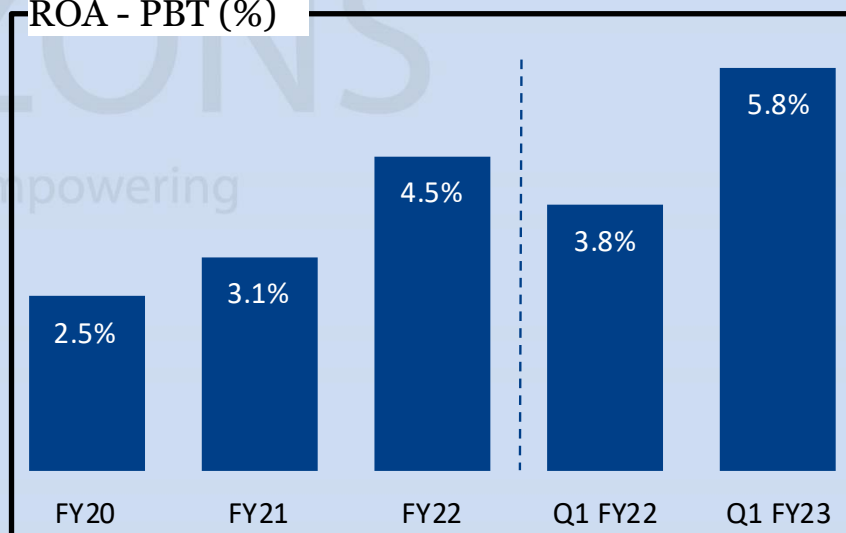
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)



Profit and Loss Statement - Home Loans (Managed)

₹ Cr

Particulars	Q1FY22	Q1FY23	Growth % Q1-o-Q1	FY22
Disbursements	199	478	140%	1,571
Closing Assets	4,402	5,497	25%	5,269
Operating Income	154	189	23%	671
Finance Charges	74	78	6%	308
Net Income	80	111	39%	363
Expenses	18	29	61%	105
Net Credit Losses	20	5	-77%	44
PBT	41	77	87%	215
Asset Ratios				
Income	14.1%	14.1%		14.1%
Cost of Funds	6.8%	5.8%		6.5%
Net Income Margin	7.3%	8.3%		7.6%
Expense	1.6%	2.1%		2.2%
Losses & Provisions	1.9%	0.4%		0.9%
ROA-PBT	3.8%	5.8%		4.5%

Profit and Loss Statement - Home Loans (On Book)

₹ Cr

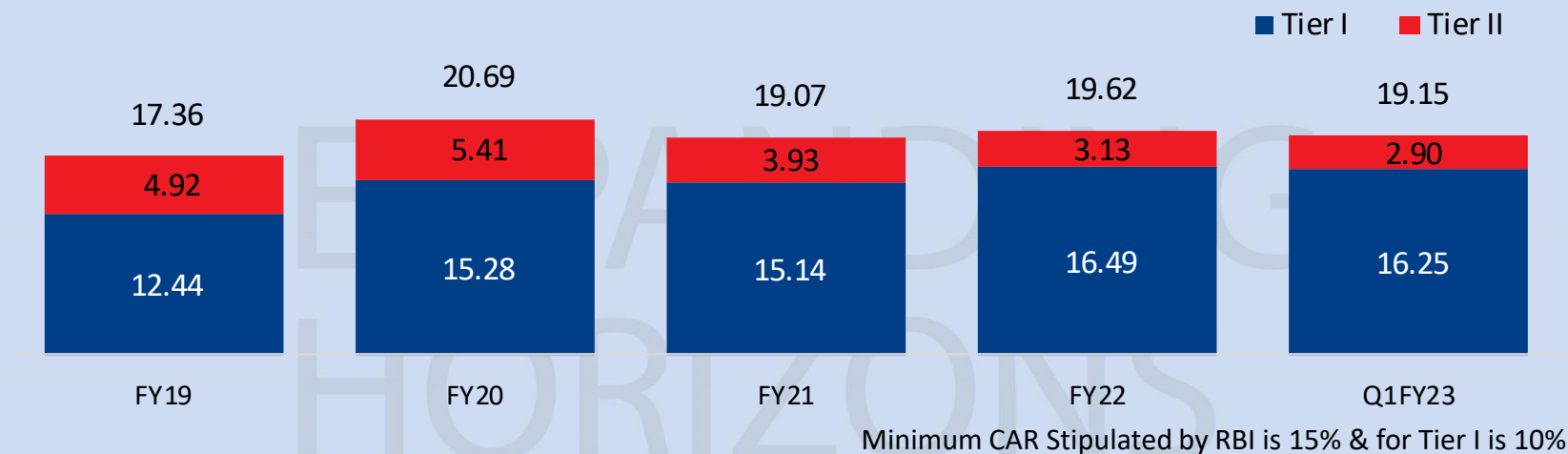
Particulars	Q1FY22	Q1FY23	Growth % Q1-o-Q1	FY22
Disbursements	199	478	140%	1,571
Closing Assets (On B/S)	3,801	4,997	31%	4,742
Operating Income	136	169	25%	600
Finance Charges	62	68	10%	262
Net Income	74	101	38%	338
Expenses	18	29	61%	105
Net Credit Losses	20	5	-77%	44
PBT	35	68	92%	189
Asset Ratios				
Income	14.4%	14.0%		14.3%
Cost of Funds	6.6%	5.6%		6.3%
Net Income Margin	7.8%	8.4%		8.1%
Expense	1.9%	2.4%		2.5%
Losses & Provisions	2.2%	0.4%		1.0%
ROA-PBT	3.8%	5.6%		4.5%

Funding Profile



CAR and Credit Rating

Capital Adequacy Ratio (CAR) – As per RBI guideline



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*	-	[ICRA] AA+	-
Tier II SD	IND AA + (ind) stable	CARE AA+	[ICRA] AA+/Stable	[CRISIL] AA+/Stable
Tier I PDI	IND AA (ind)	CARE AA	[ICRA] AA/Stable	-

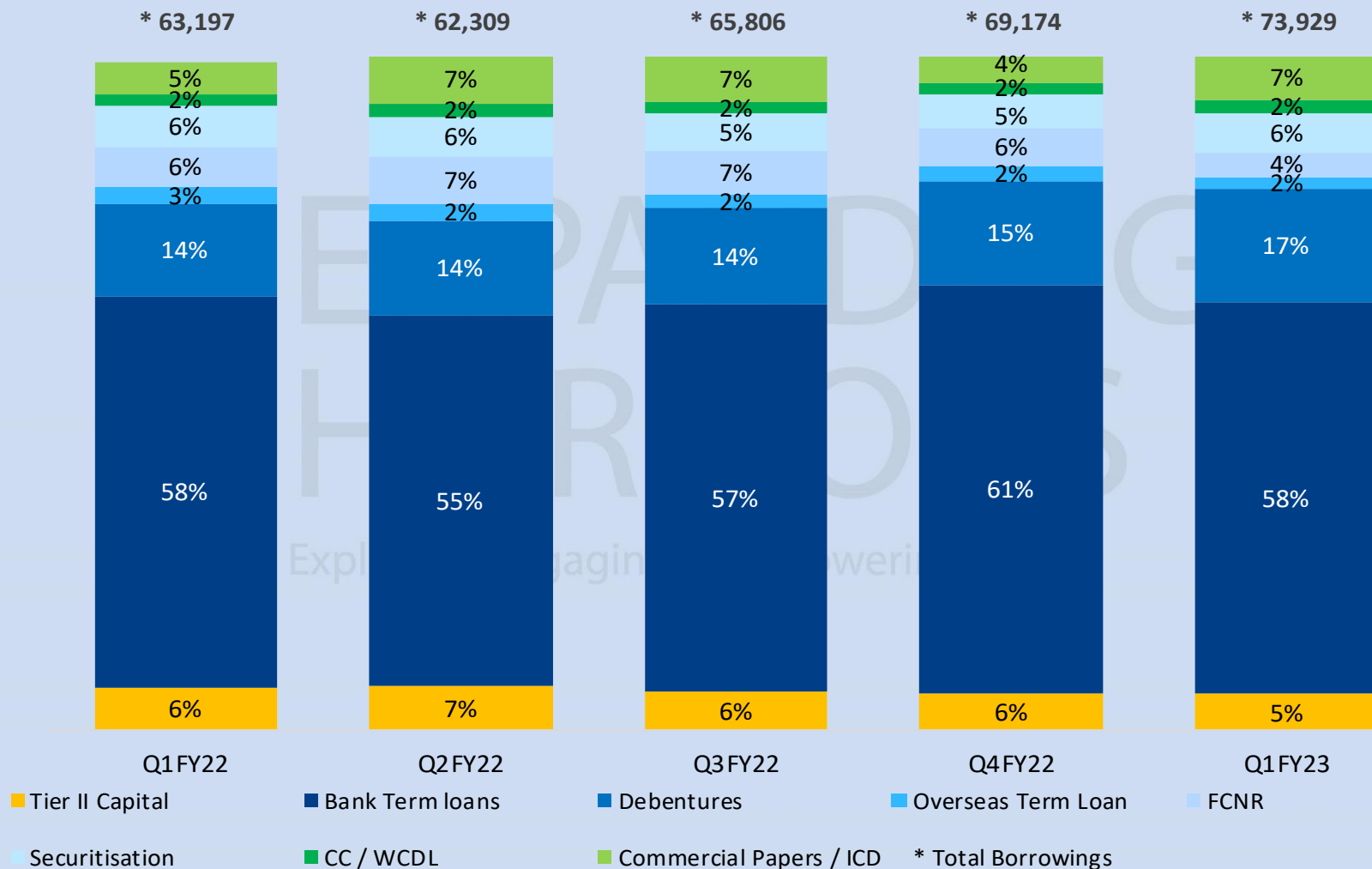
^ CP Rating

* NCD Rating

Diversified Borrowings Profile (I/II)

Borrowing mix by instrument type

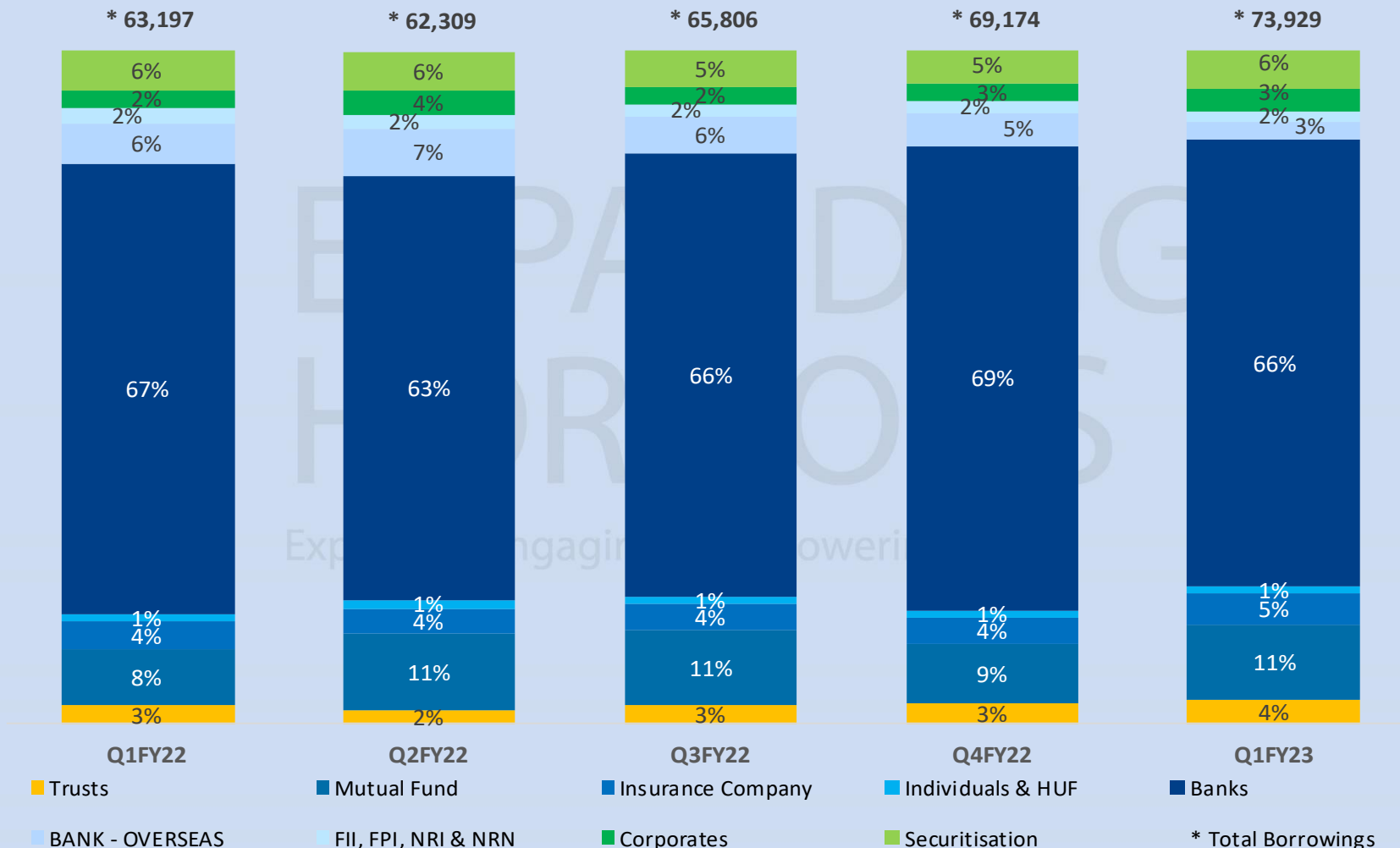
(₹Cr)



Diversified Borrowings Profile (I/II)

Borrowing mix by investor type

(₹Cr)



ALM Statement as of 30th Jun 2022 (As per IND AS)

(₹Cr)

ALM snapshot as on 30th Jun 2022									
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	3,361.54	-	21.68	196.38	-	-	-	1,533.41	5,113.00
Advances	3,913.09	2,557.50	5,200.49	8,421.64	13,213.01	33,540.18	10,172.44	8,539.97	85,558.31
Trade Receivable & Others	79.91	105.73	35.61	40.38	107.89	348.01	258.51	1,959.95	2,935.98
Total Inflows (A)	7,354.54	2,663.22	5,257.77	8,658.39	13,320.90	33,888.19	10,430.95	12,033.32	93,607.29
Cumulative Total Inflows (B)	7,354.54	10,017.77	15,275.54	23,933.93	37,254.83	71,143.03	81,573.97	93,607.29	
Borrowin Repayment-Bank & Others	3,080.67	1,262.10	2,476.27	3,892.43	7,668.41	25,859.30	11,442.79	928.45	56,610.43
Borrowin Repayment- Market	1,469.81	710.21	2,411.10	2,074.88	3,186.59	6,164.09	3,122.07	2,451.07	21,589.81
Capital Reserves and Surplus	-	-	-	-	-	-	-	12,494.76	12,494.76
Other Outflows	1,958.80	37.81	40.16	195.46	285.67	198.79	112.36	83.25	2,912.30
Total Outflows (C)	6,509.28	2,010.12	4,927.53	6,162.77	11,140.67	32,222.18	14,677.23	15,957.52	93,607.29
Cumulative Total Outflows (D)	6,509.28	8,519.40	13,446.93	19,609.70	30,750.37	62,972.54	77,649.77	93,607.29	
E. GAP (A - C)	845.26	653.11	330.24	2,495.62	2,180.23	1,666.02	(4,246.28)	(3,924.20)	
F.Cumulative GAP (B - D)	845.26	1,498.37	1,828.61	4,324.23	6,504.46	8,170.48	3,924.20	0.00	
Cumulative GAP as % (F/D)	12.99%	17.59%	13.60%	22.05%	21.15%	12.97%	5.05%	0.00%	

Note: Behavioural ALM.

Advances and maturities include the securitization inflows and outflows respectively

Consolidated Financials



Consolidated Profit & Loss

(₹Cr)

Particulars	Q1FY22	Q1FY23	Growth %	
			Q1-o-Q1	FY22
Income	2,493	2,796	12%	10,232
Expenses	(2,049)	(2,032)	-1%	(7,324)
PBT	444	764	72%	2,908
PAT	329	562	71%	2,158

Exploring, Engaging & Empowering



Environmental
Social
Governance

ESG

Awards & Accolades

FY21

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

FY22

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

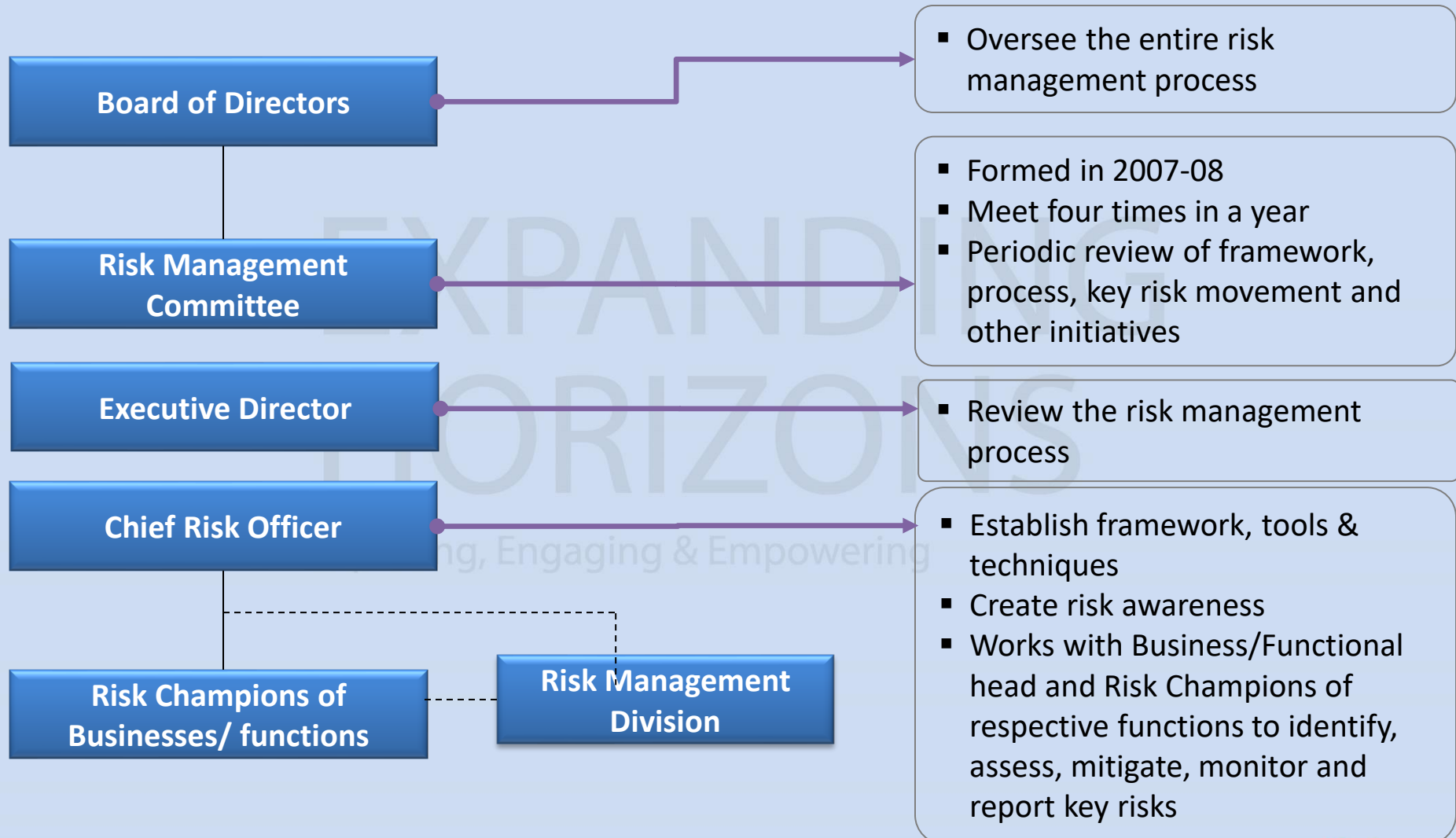
FY 23

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

Risk Management



Risk Governance Structure

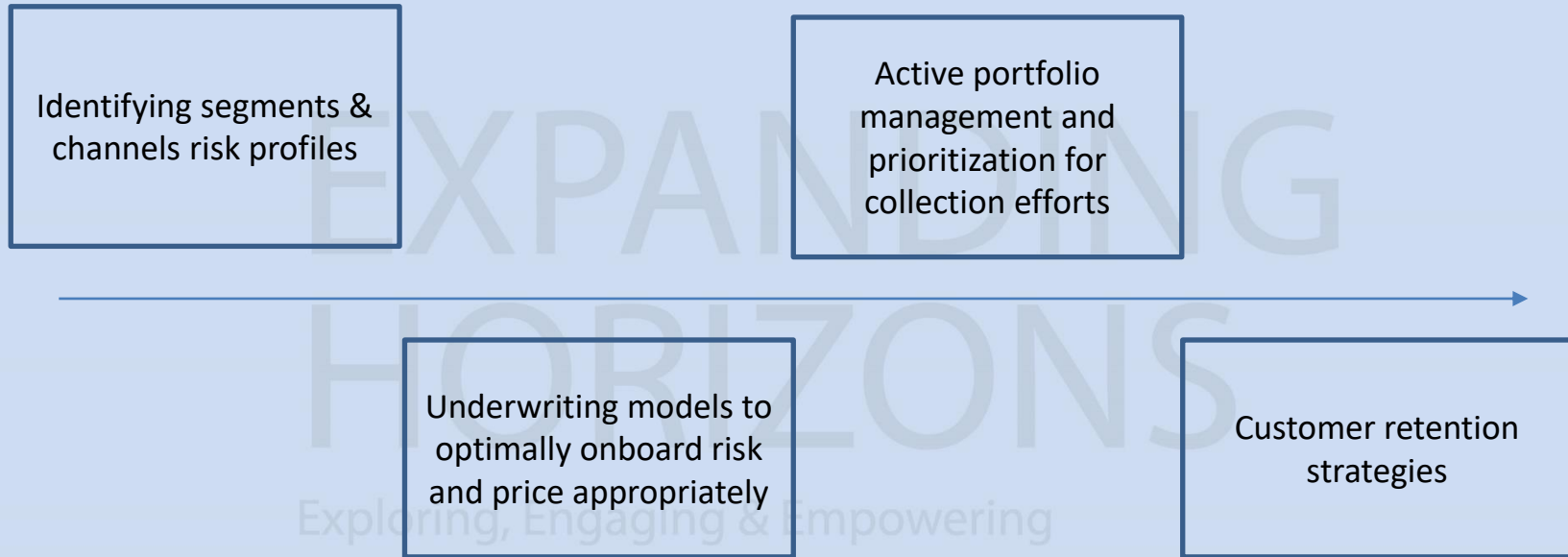


Key Functions of Risk Management Division

- 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

- Continue wider usage of hybrid cloud solutions and adopt cloud-first approach for new business solutions
- Established upgraded network infrastructure to support cloud solution & collaboration
- Design comprehensive BCP / DR execution for critical applications w.r.t Cloud & On-Premise solution hosting
- Augmented asset and service management solution to handle all lifecycle events of technology assets

Digital Engagement & Application Platform

Deliver seamless digital experience for all

- New Digital services for online partnerships as well as assisted mode for personal and business loans
- Integration with leading manufacturers for online Lead flow and seamless approvals and lead status updates
- Expanded rollout of re-imagined Field Collections solution with support for diverse mobile devices
- Increased robotic automation for targeted processes in the Finance & Operations functions

Security & Governance

Embed cyber security & technology governance

- Continued rigor for carrying out vulnerability assessment for deployed solutions and underlying systems
- Drive cyber security and data handling awareness across organization's employee and customer base
- Enhanced automation for user lifecycle management with respect to user accounts and application access
- Execute cyber security governance and checks for new 3rd party partners & service providers for our businesses
- 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, and WhatsApp channels
- Build teams with requisite skills in strategic technology areas to ensure readiness on Digital Technology front as a function

Contact us

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