



Cholamandalam Investment and Finance Company Limited

Corporate Presentation – December 2017



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CORPORATE OVERVIEW



Company Highlights

1

Positioning

- Established in 1978, one of India's leading NBFC's, focused in the rural and semi-urban sector with a market capitalisation of ₹ 202bn¹

2

Exceptional Lineage

- A part of the ₹ 300 bn Murugappa Group – founded in 1900, one of India's leading business conglomerates with 28 businesses including 8 listed companies and workforce of 40,000 employees

3

Robust Sector Growth

- Presence across vehicle finance, business finance, home equity loans, stock broking and distribution of financial products

6

Management

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



5

Robust Operating Profile

- Total AUM of ₹ 419 bn as of Dec 2017 with Net NPA of *2.33% and a healthy RoA of 4.6 %
- Operating income CAGR of 13% over FY13 to FY17

4

Diversified Footprint

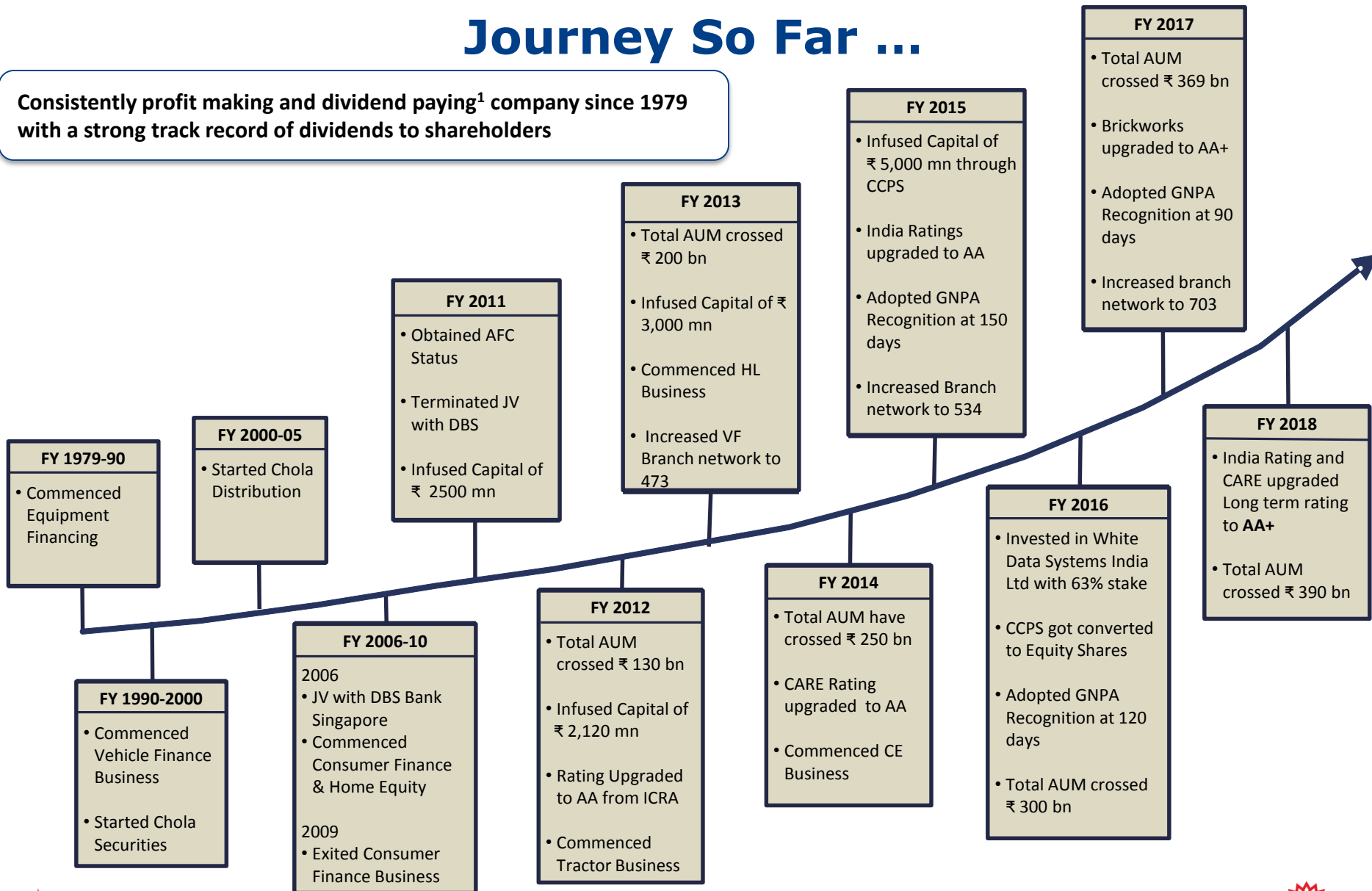
- Operates from 858 branches across 27 states and 87.5% presence across Tier III IV, V, and VI towns
- One of the leading NBFCs in Asset Financing Business

1. Market data as on 31st Dec 2017. Source: BSE

* At 3 months overdue

Journey So Far ...

Consistently profit making and dividend paying¹ company since 1979
with a strong track record of dividends to shareholders



Major Companies – Murugappa Group

Company Name	Market Capitalisation	Description
 Chola <i>Enter a better life</i>	<ul style="list-style-type: none"> ₹ 2,02,278 mn (US\$ 3,164 mn) 	<ul style="list-style-type: none"> Cholamandalam Investment and Finance Company Limited is a Non Banking Finance Company and one of the leading financial provider for vehicle finance, business finance, home equity loans, home loans, stock broking & distribution of financial products
 Coromandel	<ul style="list-style-type: none"> ₹ 168,450 mn (US\$ 2,635mn) 	<ul style="list-style-type: none"> Coromandel International Limited is the leading phosphatic fertilizer company in India, with a production capacity 3.2 mn tonnes of phosphatic fertilizer.
 CUMI	<ul style="list-style-type: none"> ₹ 70,982 mn (US\$ 1,110 mn) 	<ul style="list-style-type: none"> Carborundum Universal Limited is a pioneer in coated and bonded abrasives, super refractories, electro minerals and industrial ceramics. The Company currently has presence in Australia, South Africa, Russia, Canada and Middle East.
 PARRYS	<ul style="list-style-type: none"> ₹ 65,470 mn (US\$ 1,024mn) 	<ul style="list-style-type: none"> EID Parry (India) Limited offers wide range of agro products such as sugar, microalgal health supplements and bio products, with a capacity to crush 34,750 tones of cane per day (TCD)
 INDIA	<ul style="list-style-type: none"> ₹ 49,297mn (US\$ 771mn) 	<ul style="list-style-type: none"> Tube Investments of India Limited offers wide range of engineering products such as Steel tubes, chains, car door frames, etc. apart from e-scooters, fitness equipment and cycles
 Chola MS GENERAL INSURANCE	<ul style="list-style-type: none"> Unlisted 	<ul style="list-style-type: none"> Cholamandalam MS General Insurance Company Limited is a JV of Murugappa Group with Mitsui Sumitomo Insurance Group of Japan, (5th largest insurance group across the globe)

Note: Market data as on 31st Dec 2017. Source: BSE and Conversion Rate of 1USD = Rs.63.9273 as on 31st Dec 2017 Source: RBI

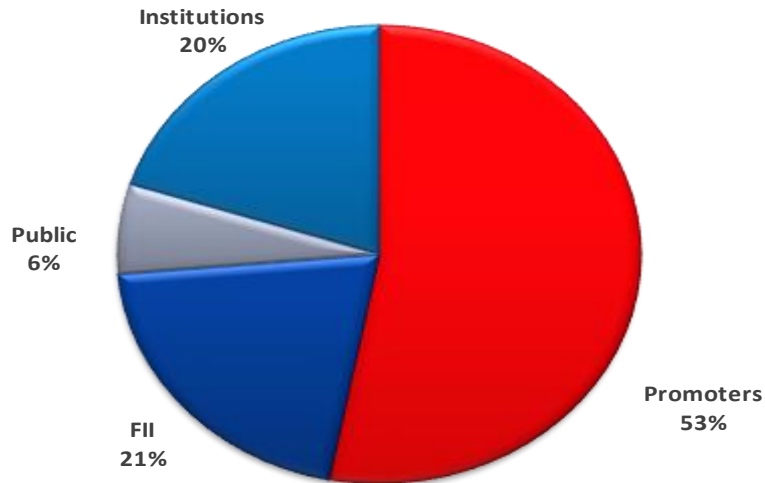
SPIRIT OF CHOLA



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

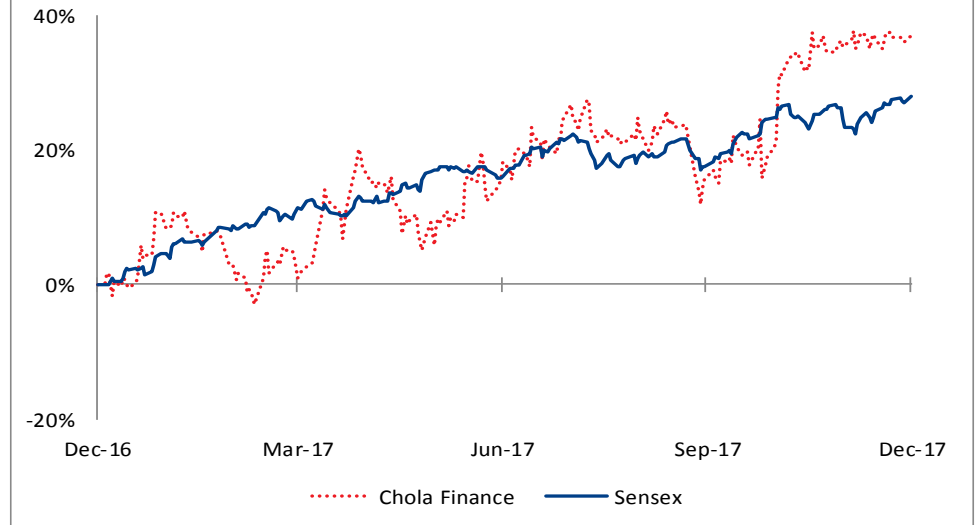
Corporate Overview

Shareholding Pattern



- Promoters share holding of 53.07% includes
 - TI Financial Holdings Ltd – 46.21%,
 - Ambadi Holdings Private Ltd – 4.62%
 - Others - 2.24%

Chola Finance - Share Price Growth



	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17
Chola Finance (₹/ share)	945	964	1,119	1,092	1,294
BSE Sensex	26,626	29,621	30,922	31,284	34,057

Investor Ratios	FY15	FY16	FY17	YTD Dec'16	YTD Dec'17
Earnings Per share (₹)	30	38	46	42	58
Book value per share (₹)	203	234	276	266	315
Market price per share (₹)	588	713	964	945	1,294
Market capitalisation (₹mn)	84,420	111,402	150,722	147,725	202,278
Price to Earnings (P/E) Ratio	19.5	19.0	21.0	22.3	22.3
Price to Book Value (P/BV)	2.9	3.0	3.5	3.6	4.1

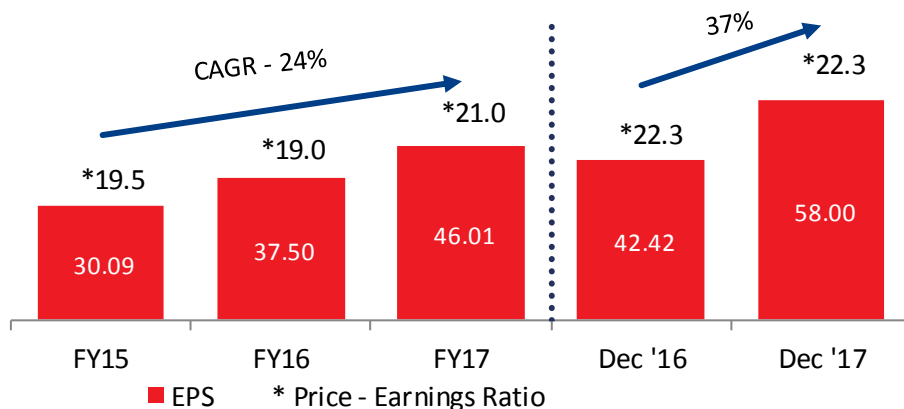
* EPS is annualised

• Market price and Market Capitalisation based on share price as on 31st Dec 2017

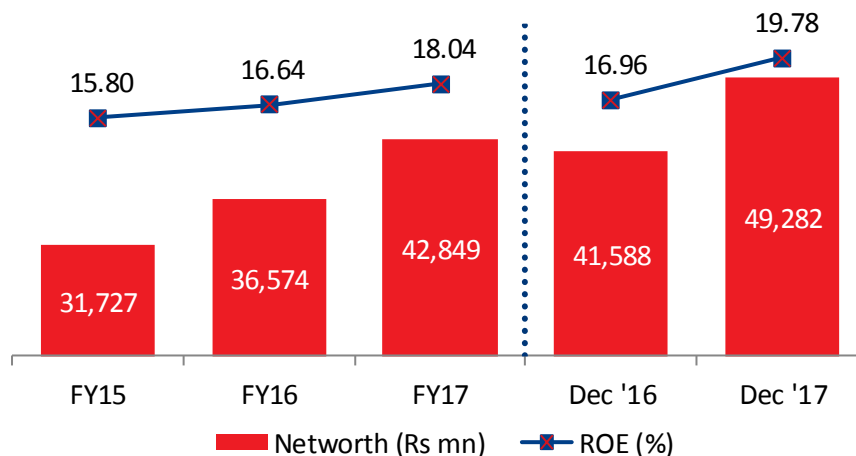
Market Overview

EPS

(Rs. Per Share)

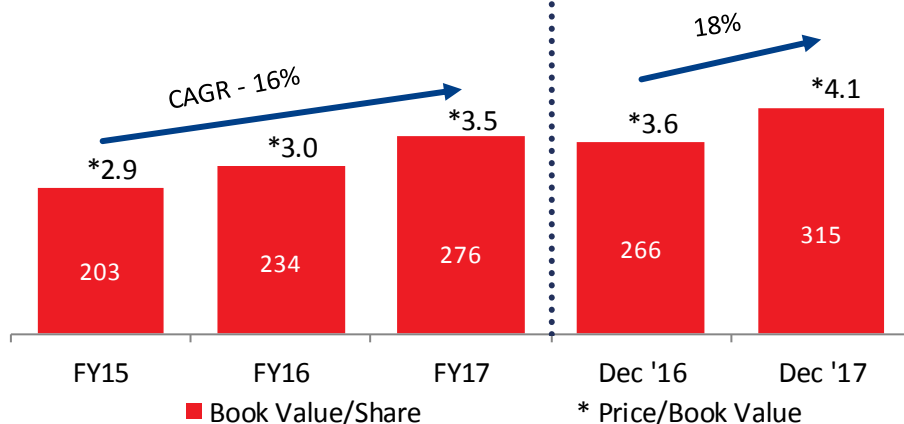


ROE (%)



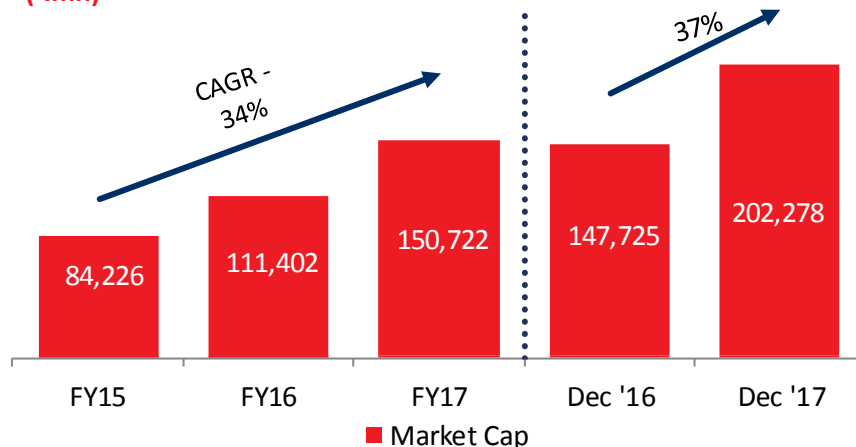
Book Value

(Rs. Per Share)



Market Capitalisation

(₹mn)



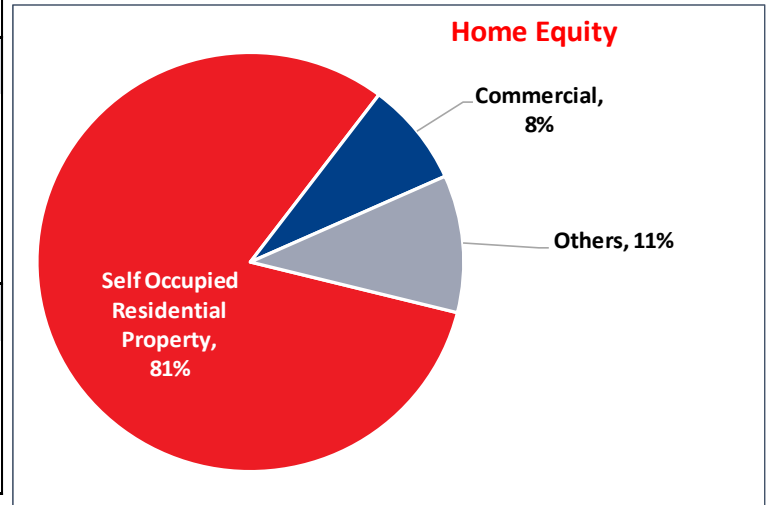
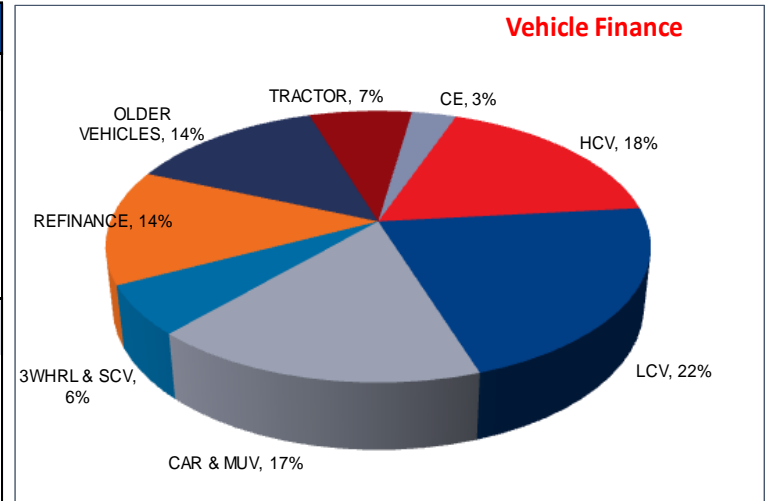
Corporate Overview

Business Segments Overview

Portfolio Breakup – 31-Dec-2017

AUM * (₹mn)	FY15	FY16	FY17	Dec '16	Dec '17	YoY Growth
Vehicle Finance						
On Book	149,215	179,144	202,709	202,776	244,251	20%
Assigned	27,171	21,859	33,597	18,837	35,962	91%
Managed Assets	176,386	201,003	236,306	221,613	280,213	26%
% of Total	69%	68%	69%	68%	72%	
Home Equity						
On Book	64,487	68,734	66,891	71,059	70,070	-1%
Assigned	8,312	19,784	29,036	25,207	27,909	11%
Managed Assets	72,799	88,518	95,927	96,266	97,979	2%
% of Total	29%	30%	28%	29%	25%	
Others						
On Book	5,340	6,983	9,437	8,983	12,550	40%
Assigned	-	-	-	-	-	0%
Managed Assets	5,340	6,983	9,437	8,983	12,550	40%
% of Total	2%	2%	3%	3%	3%	
Total						
On Book	219,043	254,861	279,036	282,818	326,871	16%
Assigned	35,482	41,643	62,633	44,044	63,871	45%
Managed Assets	254,525	296,504	341,670	326,863	390,742	20%

* Assets are net of provisions.



COMPANY PERFORMANCE – AT A GLANCE

	FY15	FY16	FY17	YTD Dec '16	YTD Dec '17	YoY
Disbursements (₹mn)						Growth
Vehicle Finance	93,627	123,830	144,710	100,641	137,204	36%
Home Equity	30,434	34,764	30,559	25,117	23,681	-6%
MSME	2,490	3,253	6,663	5,092	4,817	-5%
Home Loans	892	1,746	3,247	2,251	4,129	83%
Agri, New Initiatives & Others	633	209	734	682	1,234	81%
Total	128,076	163,803	185,913	133,783	171,064	28%
AUM (₹mn) *						
On Book	219,043	254,861	279,036	282,818	326,871	16%
Assigned	35,482	41,643	62,633	44,044	63,871	45%
Total	254,525	296,504	341,670	326,863	390,742	20%
Networth (₹mn)						
Equity Share Capital	1,437	1,562	1,565	1,563	1,564	0%
Reserves and Surplus ^	30,289	35,012	41,284	40,024	47,717	19%
Total	31,727	36,574	42,849	41,588	49,282	19%
Profitability (₹mn)						
Gross Income	36,912	41,937	46,603	34,469	39,142	14%
NIM	17,308	21,429	24,295	17,637	22,262	26%
PBT	6,572	8,708	11,056	7,680	10,445	36%
PAT	4,352	5,685	7,187	4,992	6,830	37%
Asset Ratios						
Gross Yield	16.9%	17.1%	16.5%	16.4%	16.8%	
NIM	7.9%	8.7%	8.6%	8.4%	9.6%	
Expenses	3.4%	3.4%	3.6%	3.5%	3.9%	
Losses and Provisions	1.5%	1.7%	1.1%	1.2%	1.2%	
ROTA (PBT)	3.0%	3.6%	3.9%	3.6%	4.5%	

• Business AUM refers to Own assets + off balance sheet items which have been securitised/sold on a bilateral assignment basis less provisions.

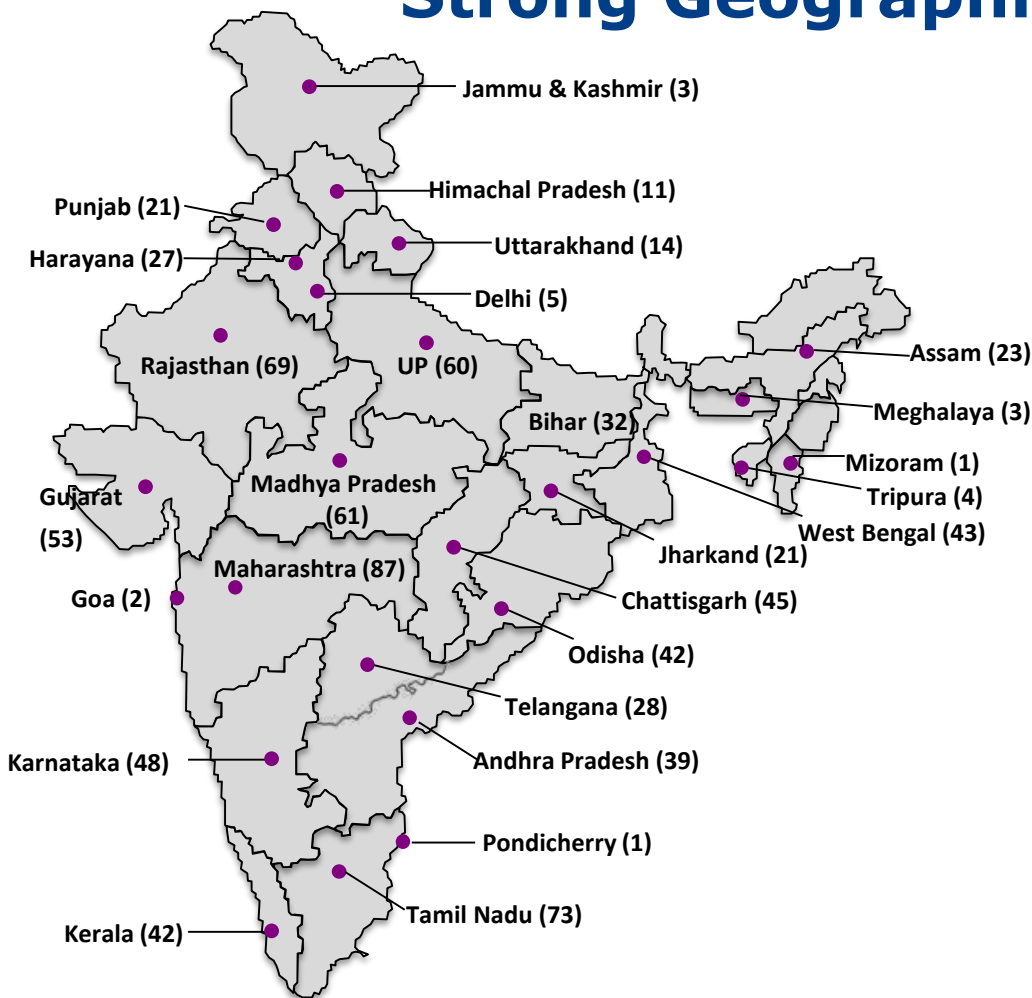
• FY 15 – Disbursements include Rs.618M of Gold Loans which has since been dis-continued

^ FY15 – Reserve & Surplus includes Compulsory Convertible Preference Shares of Rs.5000mn (converted to Equity in Sep 2015 @ ₹ 407).

• Losses & Provisions, PBT, PAT & ROTA are after considering additional provisions as follows:

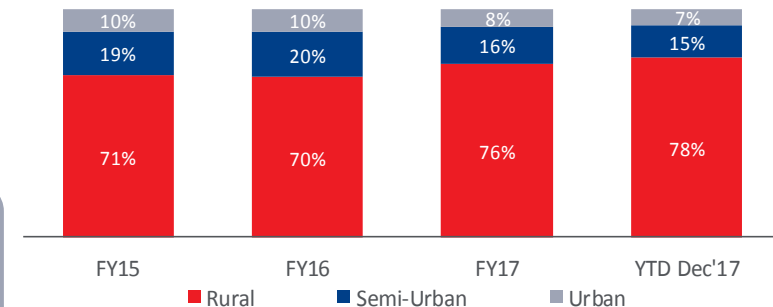
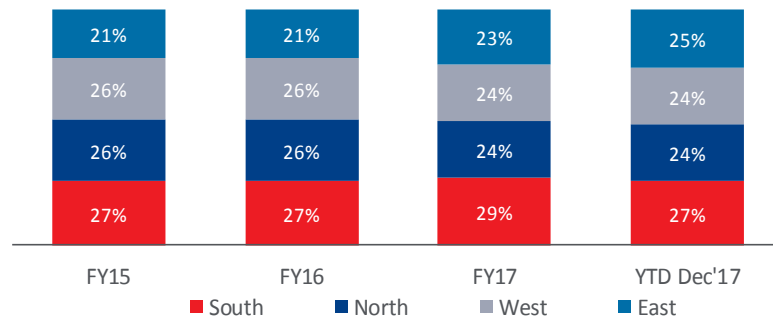
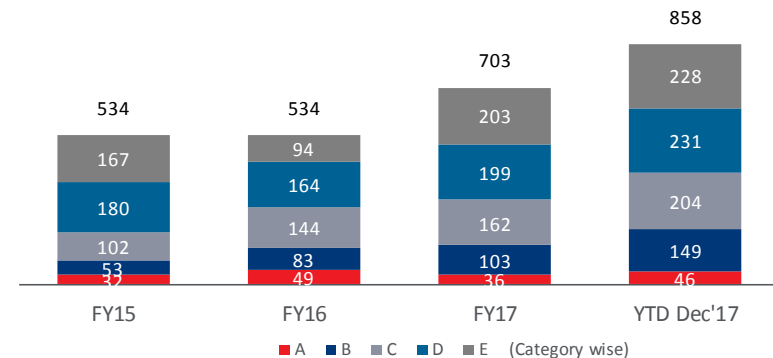
	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>YTD Dec'16</u>	<u>YTD Dec'17</u>
• Provision for Loan Loss -	5 months+	4 months+	3 months+	4 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	0.35%	0.40%

Strong Geographical Presence



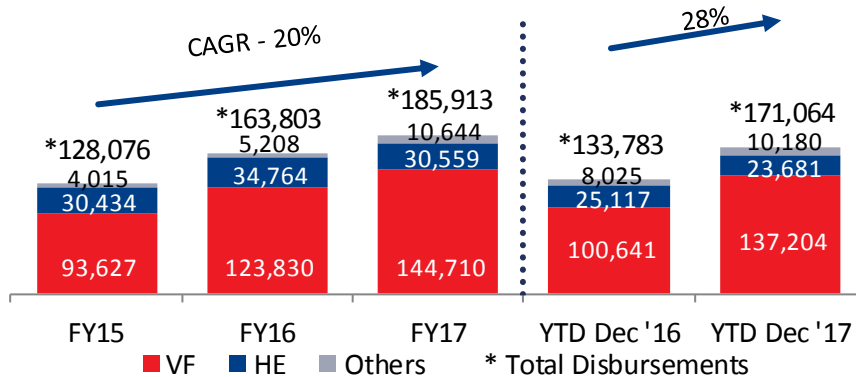
- 858 branches across 27 states/Union territories: 853 VF, 139 HE (134 co-located with VF) and 94 HL (co-located with VF).
- 87.5% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns
- Strong Pan India presence

Branch Network

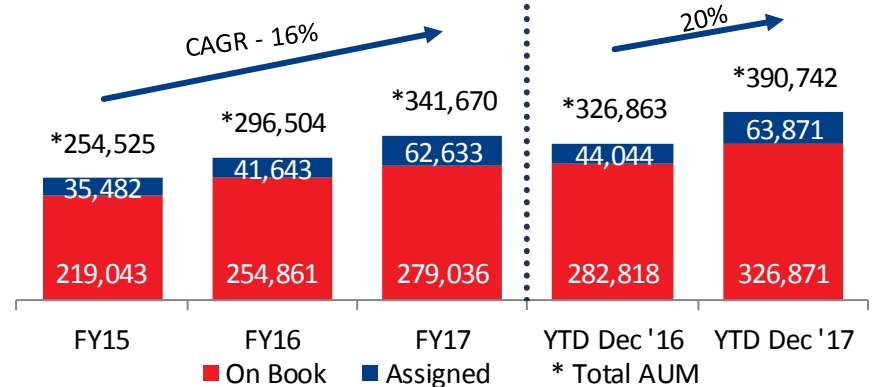


Chola - Financial Summary

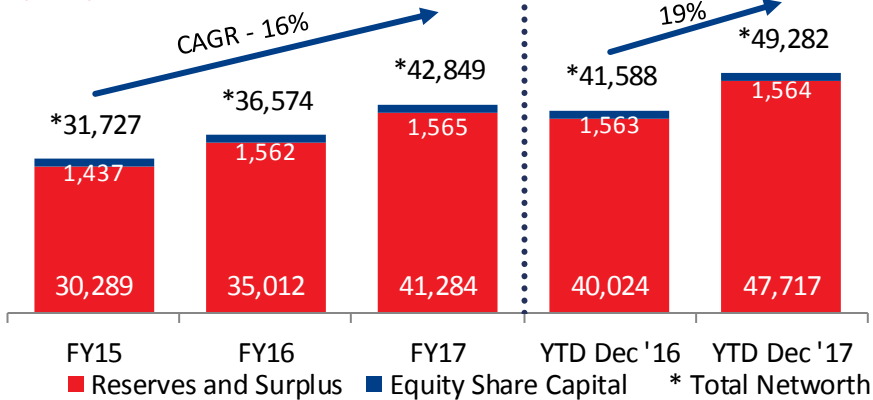
Disbursements (₹mn)



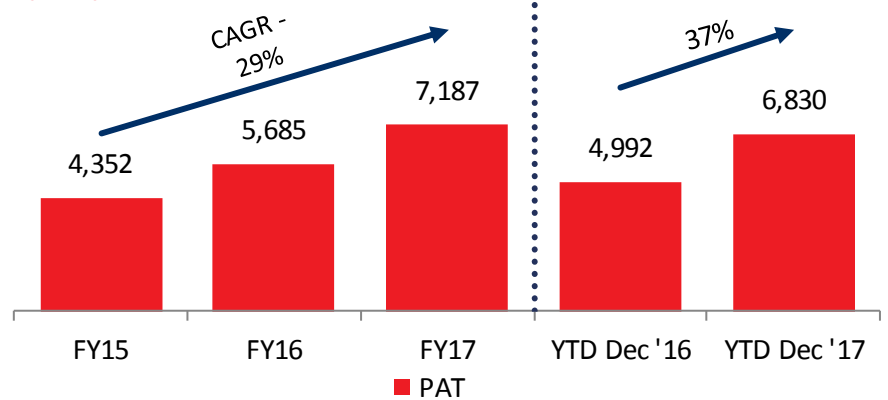
Assets Under Management (₹mn)



Networth (₹mn)



Profit After Tax (₹mn)



Note: PAT is after considering additional provisions as follows:

- Provision for Loan Loss -
- Standard Asset Provision -

FY1
5 months+
0.30%

FY16
4 months+
0.35%

FY17
3 months
0.40%

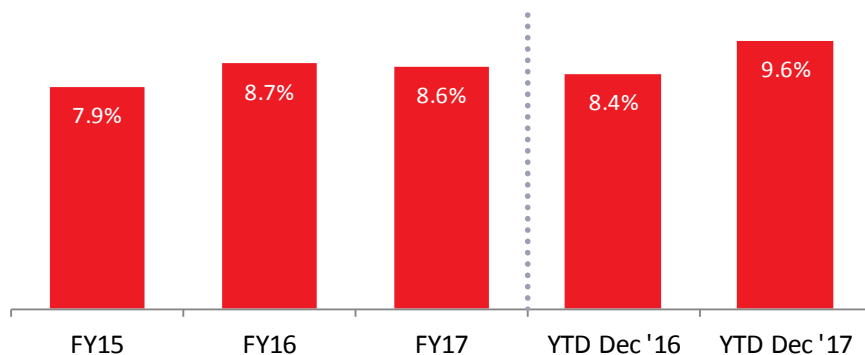
YTD Dec '16
4 months
0.35%

YTD Dec '17
3 months
0.40%

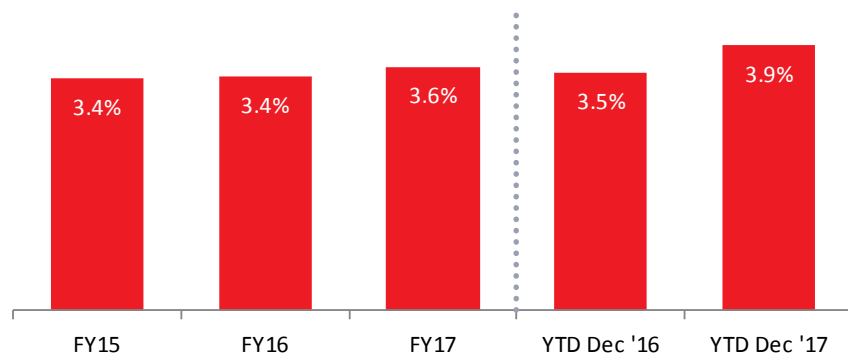
Chola - Financial Summary (Cont'd)

Net Income Margin (A)

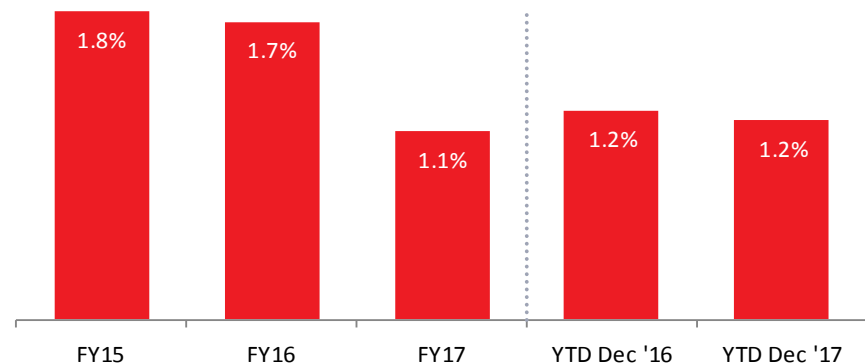
(Operating Income - Finance Charges)



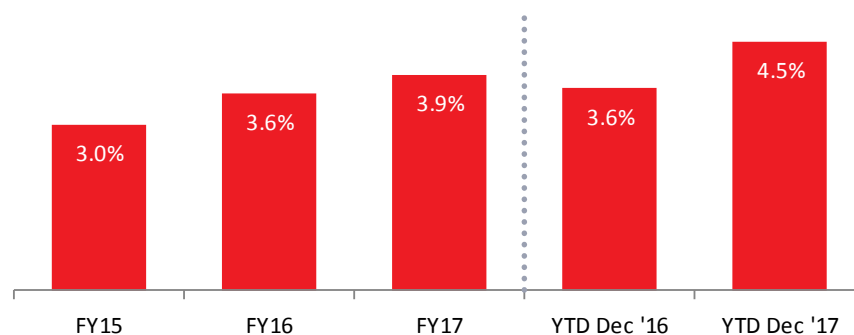
Expense Ratio (B)



Losses and Provisions (C)



ROTA (PBT) (D) = (A) - (B) - (C)



Note: ROTA (PBT) is after considering additional provisions as follows:

- Provision for Loan Loss - Standard Asset Provision -

FY15
5 months+
0.30%

FY16
4 months+
0.35%

FY17
3 months+
0.40%

YTD Dec '16
4months+
0.35%

YTD Dec '17
3months+
0.40%

Performance Highlights – Q3FY18 & YTD Dec'17

Disbursements

Profit after Tax

ROTA (PBT)

Book Value

EPS*

ROE*

Q3-FY18

₹ 67,611 mn

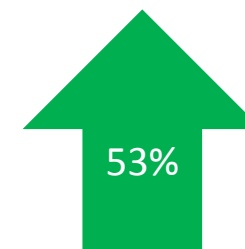
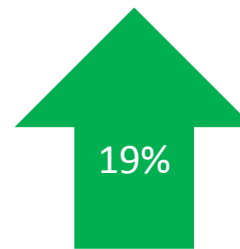
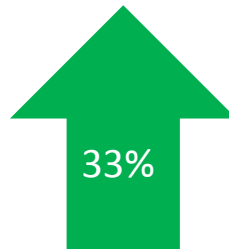
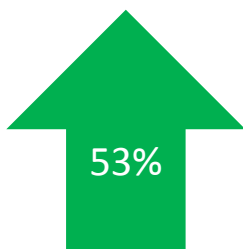
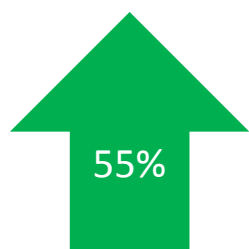
₹ 2,492 mn

4.60%

₹ 315.3

₹ 63.24

20.62%



Q3-FY17

₹ 43,734 mn

₹ 1,625 mn

3.45%

₹ 266.1

₹ 41.26

15.82%

Disbursements

Profit after Tax

ROTA (PBT)

Book Value

EPS*

ROE*

YTD
Dec'17

₹ 171,064 mn

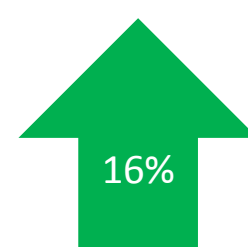
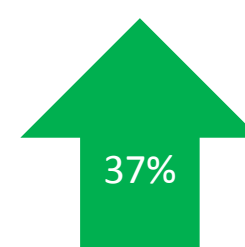
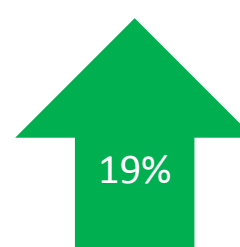
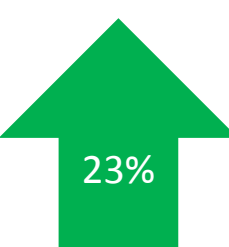
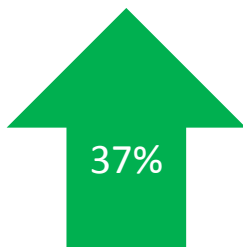
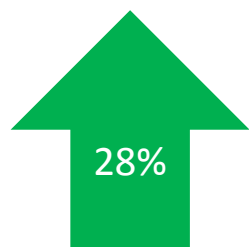
₹ 6,830 mn

4.48%

₹ 315.3

₹ 58

19.78%



YTD
Dec'16

₹ 133,783 mn

₹ 4,992 mn

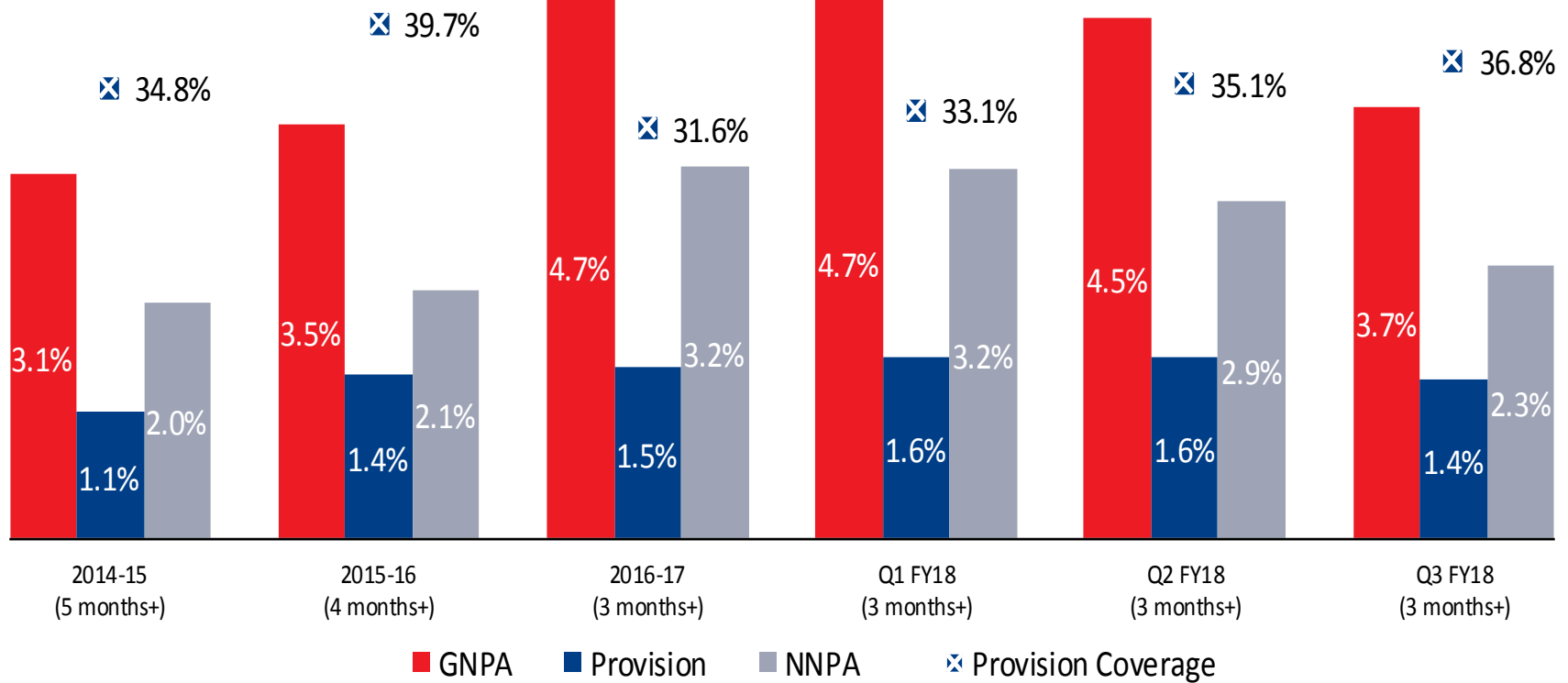
3.65%

₹ 266.1

₹ 42.42

16.96%

ASSET QUALITY



Note: Provision coverage is calculated on provision created towards GNPA assets only and does not include provision created towards income reversals.

Highlights – YTD Dec'17

Disbursements	Disbursement for YTD Dec'17 stood at Rs. 171,064 mn, a growth of 28% YoY .
PAT	PAT for YTD Dec'17 stood at Rs. 6,830 mn, a growth of 37% YoY .
RoE	Return on equity at 19.7% in YTD Dec'17, a growth of 16% YoY.
AUM	Total assets under management has crossed Rs 390bn
Rating Upgrade	India Ratings and CARE have upgraded long-term debt rating from AA to AA+
NPA recognition	GNPA recognition at 3 months is ahead of RBI regulation
Awards and Recognitions	<p>CII award for “Top 26 Innovative Organizations”</p> <p>Company with Great Managers – 2017 by People Business and Times Group</p> <p>The Golden Tigers Award for Excellence in CSR by World CSR Congress</p> <p>National award for Excellence in CSR by World Federation of CSR Professionals</p> <p>Featured in ASSOCHAM 9th Global and CSR Sustainability Compendium-16-17</p>



BUSINESS OVERVIEW





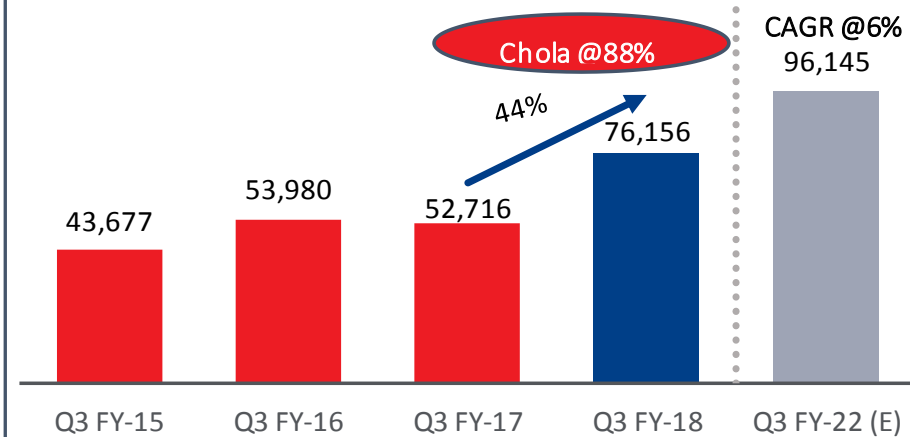
Vehicle Finance



Vehicle Finance - Industry

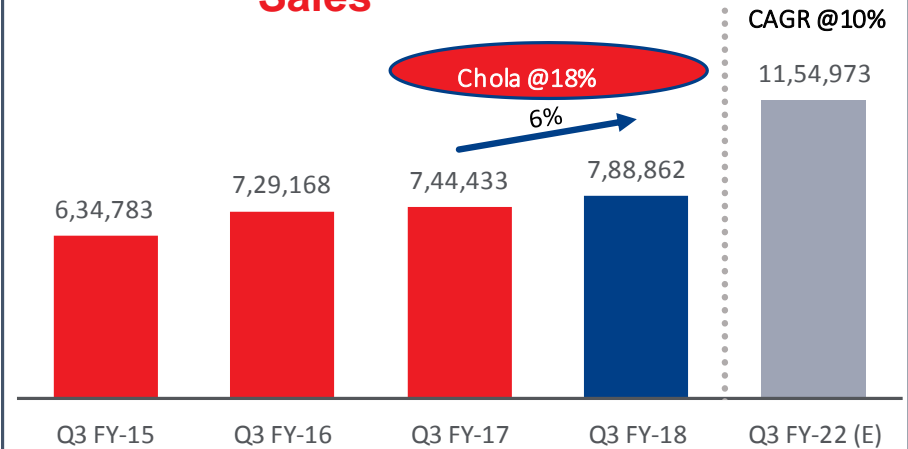
Trend in Domestic M & HCV Sales

(in Units)



Trend in Domestic Car & MUV Sales

(in Units)

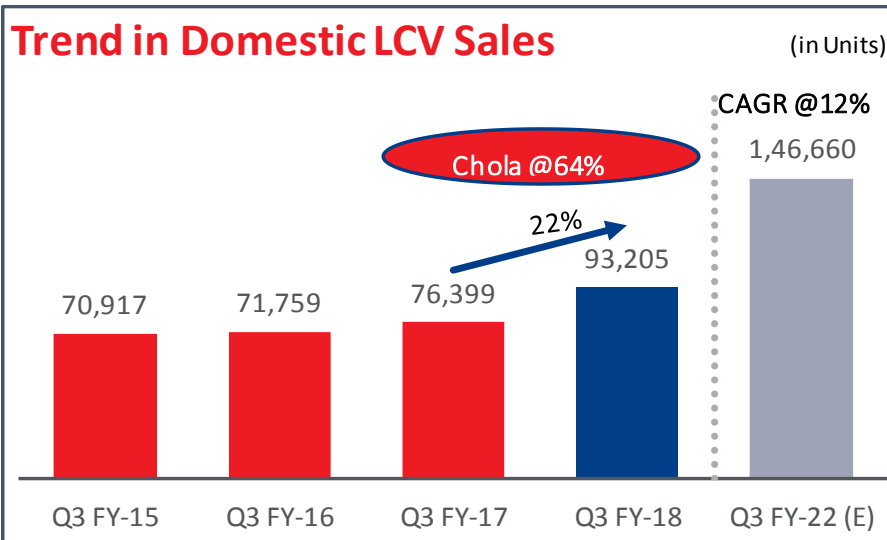


- Healthy Industry growth to aid revival over the next 5 years
- Replacement demand continues to remain low currently and is expected to increase with improved industrial activity and agricultural output.
- Improvement in road infrastructure is expected to increase the daily running of trucks and will lead to higher fleet utilization, leading to lower demand for MHCVs.

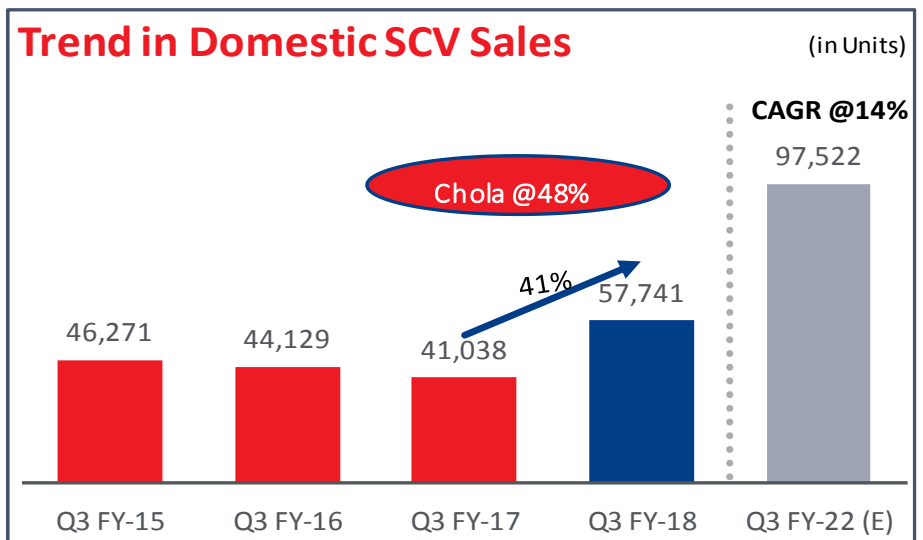
- Higher Income, stable ownership cost to boost long term demand
- Improved vehicle penetration by 35% in the next 5 years (20 vehicles per 1000 to 27 vehicles per 1000 population)
- Replacement demand will increase due to launch of new models and affordability

Vehicle Finance - Industry

Trend in Domestic LCV Sales

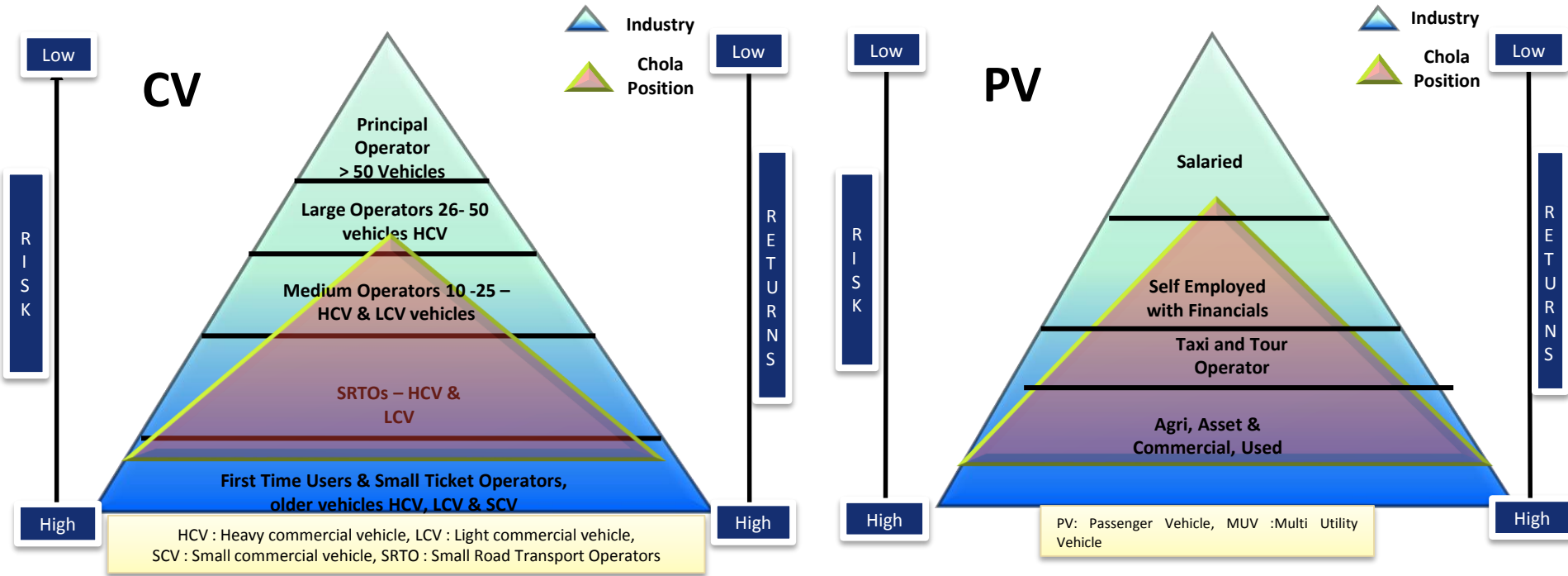


Trend in Domestic SCV Sales



- Increase in private final consumption expenditure(PFCE) is expected to boost demand.
- Rise in consumption of consumer durables and FMCG Products is expected to drive LCV sales.
- Increasing adoption of hub and spoke model, will enable increased use of LCVs and SCVs to distribute freight over last mile.
- Substitution of three-wheelers to SCVs, which enables higher carrying capacity and lower TAT and make it more cost efficient.
- Bus Sales to be supported by growing urban population, demand from schools and corporates and increased inter-city travel.

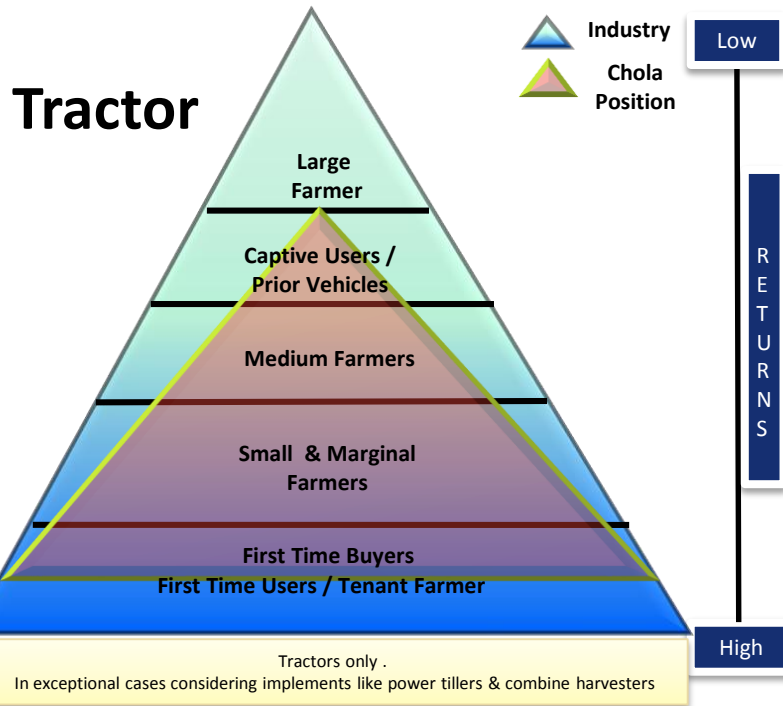
Vehicle Finance – Business Model & Positioning



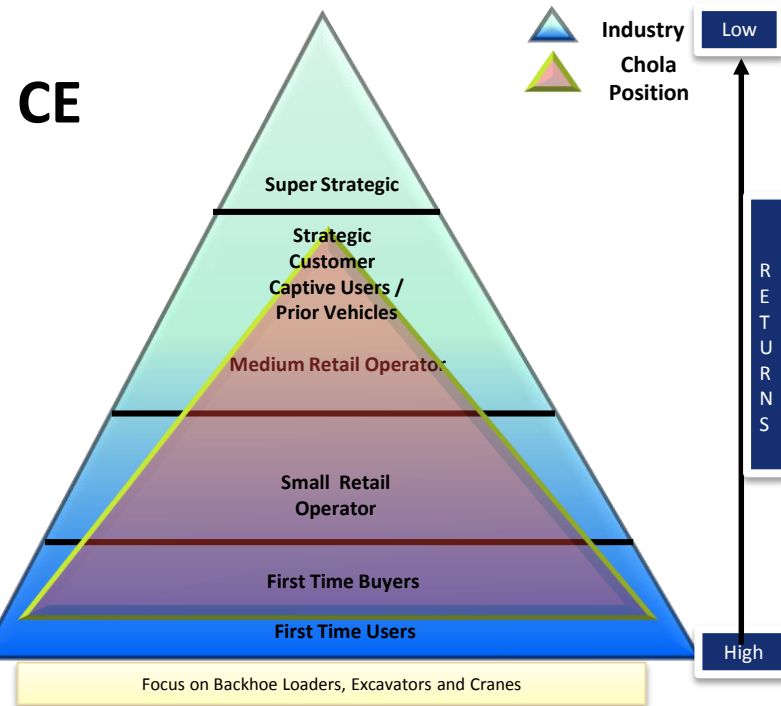
- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
 - Middle of the pyramid through New CVs, Used CVs
 - Top of the Bottom of the pyramid through SCV & older CVs Shubh

- ~ 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 - Key Differentiators



Quicker Turn Around Time – (TAT)

Reputation as a long term and stable player in the market

Strong dealer and manufacturer relationship

Good penetration in Tier II and Tier III towns

In house sales and collection team which is highly experienced and stable

Low employee turnover

Good internal control processes

Customised products offered for our target customers

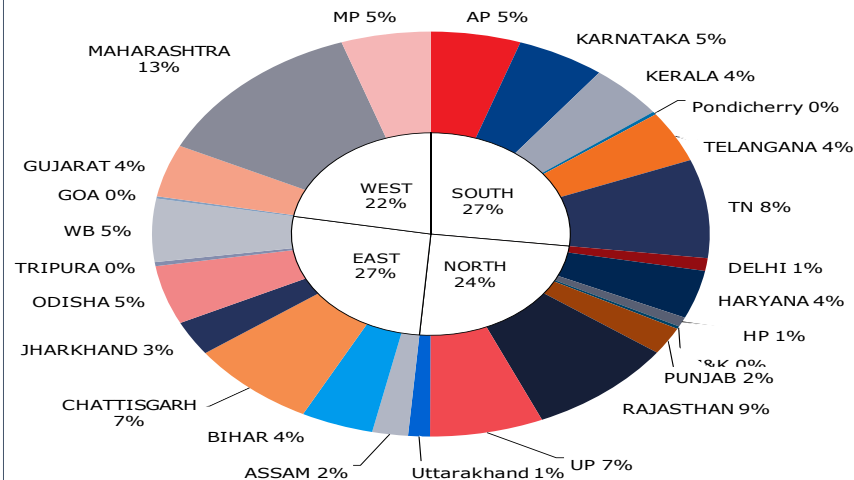
Strong collection management



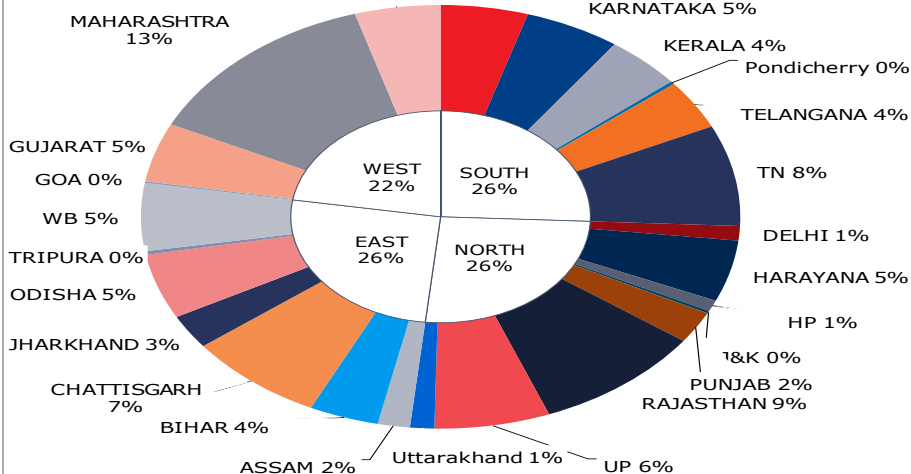
Vehicle Finance - Disbursement / Portfolio Mix – YTD Dec'17

Well diversified across geography & product segments

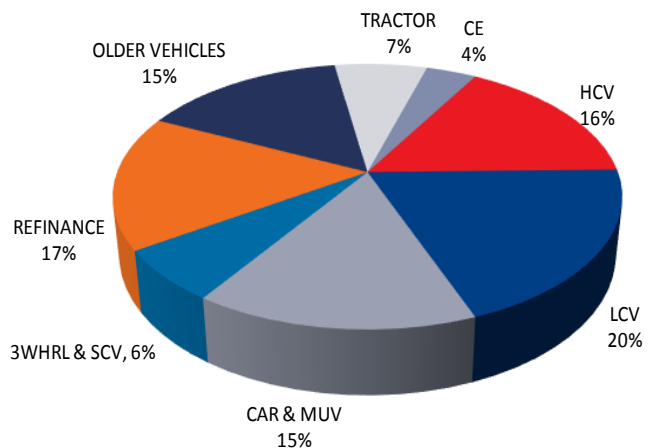
Disbursements - State wise



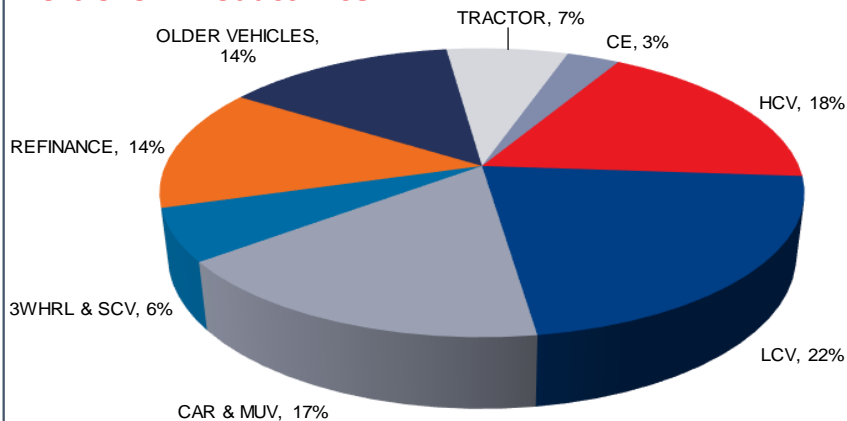
Portfolio – State wise



Disbursements - Product wise



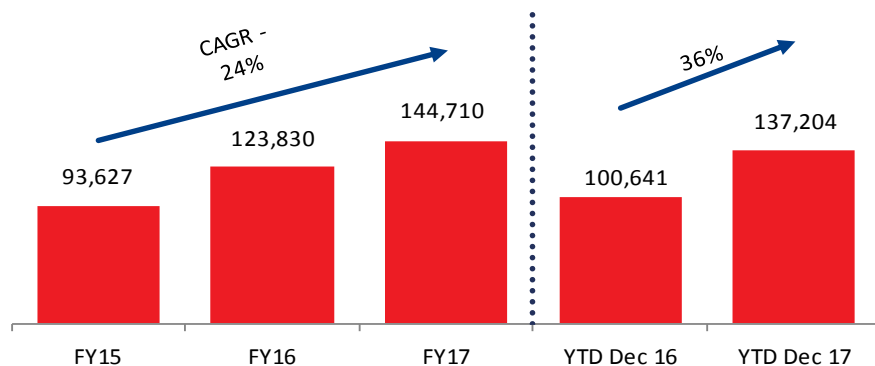
Portfolio – Product wise



Vehicle Finance - Financial Summary

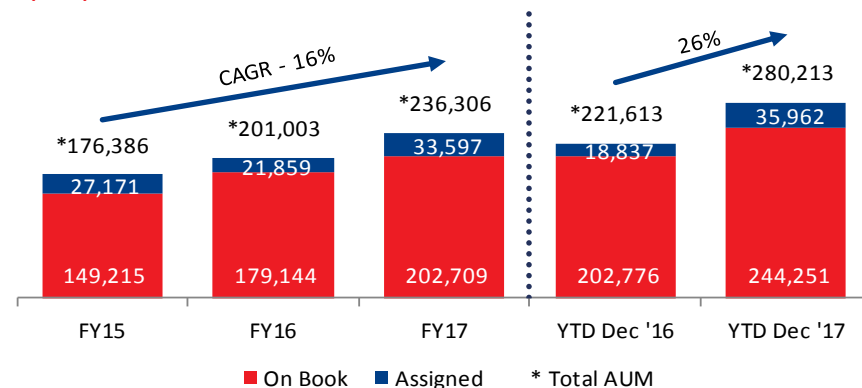
Disbursements

(₹mn)



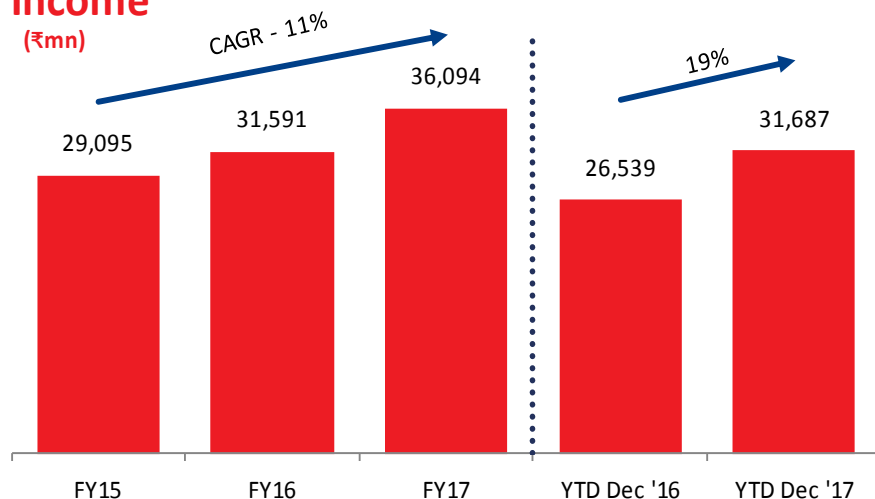
Assets Under Management

(₹mn)



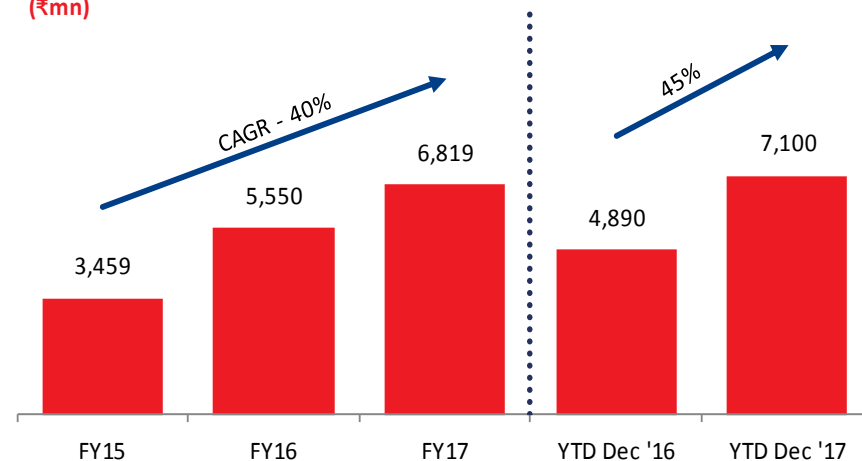
Income

(₹mn)



Profit Before Tax

(₹mn)



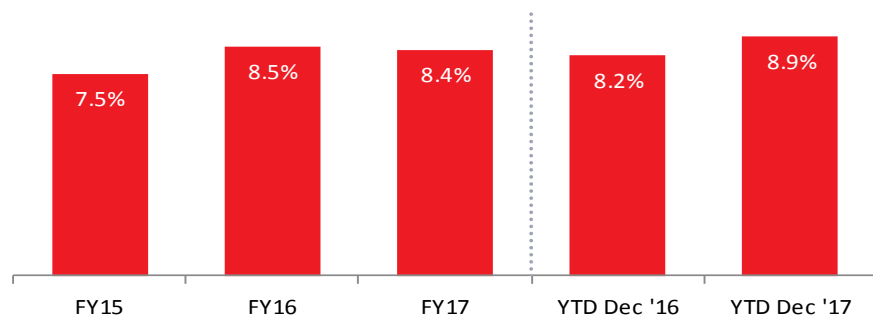
Note: PBT is after considering additional provisions as follows:

	FY15	FY16	FY17	YTD Dec'16	YTD Dec'17
• Provision for Loan Loss -	5 months+	4 months+	3 months+	4 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	0.35%	0.40%
AUM is Net of provisions.					

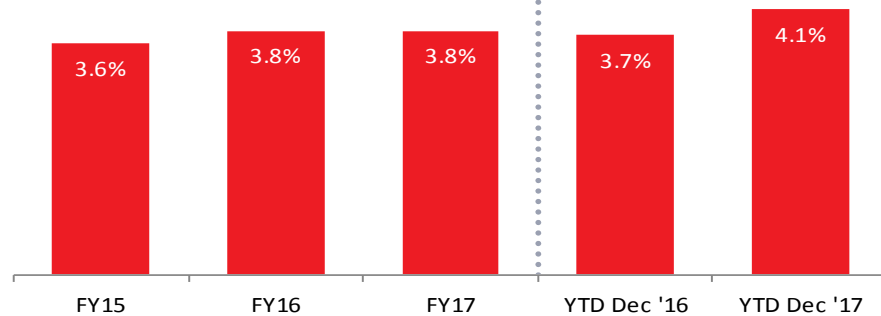
Vehicle Finance - Financial Summary (Cont'd)

Net Income Margin (A)

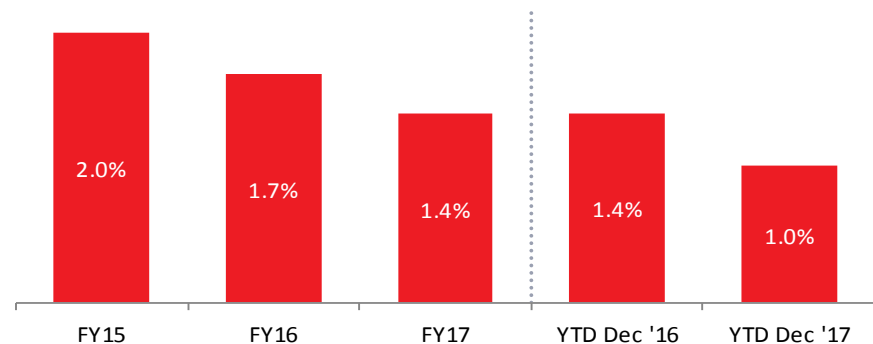
(Operating Income - Finance Charges)



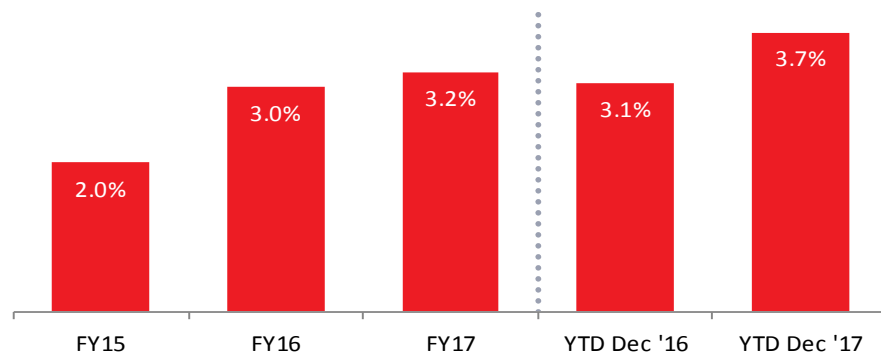
Expense Ratio (B)



Losses and Provisions (C)



ROTA (PBT) (D) = (A) - (B) - (C)



Note: Losses & Provisions & ROTA are after considering additional provisions as follows:

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>YTD Dec'16</u>	<u>YTD Dec'17</u>
• Provision for Loan Loss -	5 months+	4 months+	3 months+	4 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	0.35%	0.40%



Home Equity



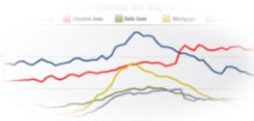
Home Equity - Industry outlook



- Net interest Margin (NIMs) have fallen across the industry due to high competition from Banks and HFCs and aggressive rates
- Yields have fallen 200 bps in the last 18 months due to high competition



- Home Equity Loan book growth for the industry has slowed down.
- The loan books of the market entities registered a 17% growth in FY 2017 which is lower than 30-40% levels few years back due to large base
- Potential for HE is significant, largely driven by demand from MSMEs
- CRISIL report pegs the growth for FY 2018 at 13-15%



- Industry reports suggests that the delinquency levels in the home equity market is likely to increase marginally
- Chola home equity business has already witnessed spike and seeing it stabilizing now. The business is focused on recoveries through SARFAESI and Arbitration



- On the back of stiff competition lenders have continuously reduced lending rates in the LAP segment over the past few years
- As the interest rates harden the lending rates are likely stabilize over next 2 years

Home Equity - Key Differentiators



Process Differentiator

- One of the best turnaround times in the industry
- Personalised service to customers through direct interaction with each customer



Pricing

- Fee Income adequate to cover origination & credit cost
- Leverage cross sell opportunities for additional income
- Effective cost management



Underwriting Strategy

- Personal visit by credit manager on every case
- Assess both collateral and repayment capacity to ensure credit quality

Structure

- Separate verticals for sales, credit & collections to drive focus
- Convergence of verticals at very senior levels
- Each vertical has independent targets vis-à-vis their functions



Home Equity – Q3 Performance

Disbursements

- On YTD Dec'17 basis, there has been drop of 6% on YOY basis. However the business has grown by 29% over Q3 FY17.

Asset under management

- On YTD Dec'17 basis, the business has grown by 2%. Pre-closures continue to a pain point for the business due to dropping lending rates in the market

Loss and provisions

- The business has started witnessing results in implementation of SARFAESI and other legal pursuits
- The business has reported a drop in losses and provisions in Q3 FY'17 against Q3 FY'16

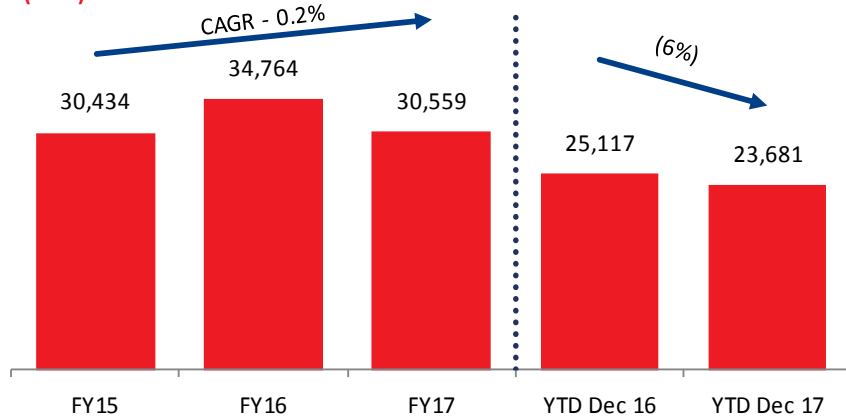
Profit before tax

- Lesser loan losses over last year has helped the business report better profit in YTD Dec'17 against YTD Dec'16.

Home Equity - Financial Summary

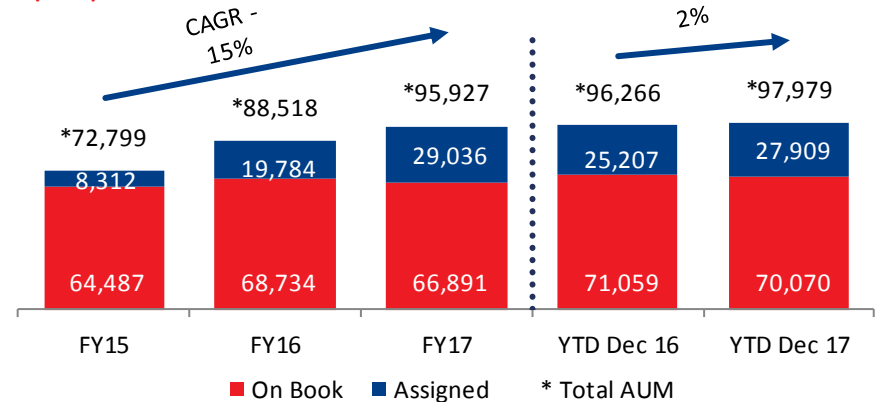
Disbursements

(₹mn)



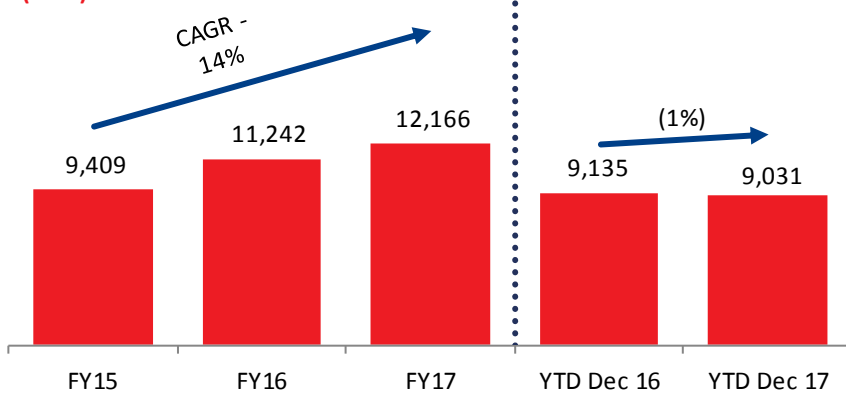
Assets Under Management

(₹mn)



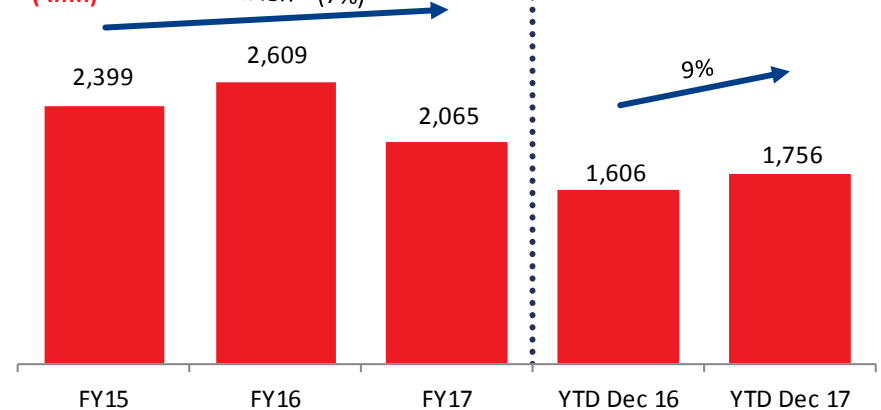
Income

(₹mn)



Profit Before Tax

(₹mn)



Note: PBT is after considering additional provisions as follows:

- Provision for Loan Loss -
- Standard Asset Provision -
- AUM is Net of provisions.

FY15

5 months+
0.30%

FY16

4 months+
0.35%

FY17

3 months+
0.40%

YTD Dec'16

4 months+
0.35%

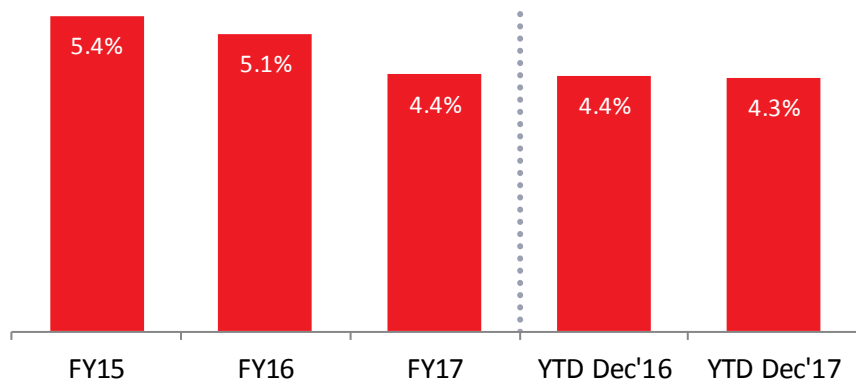
YTD Dec'17

3 months+
0.40%

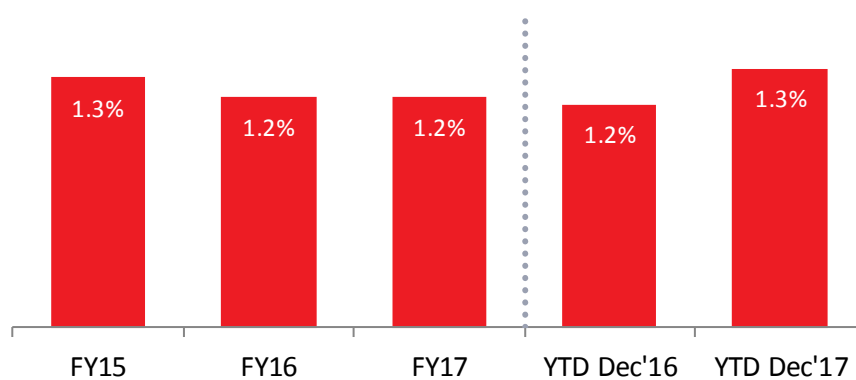
Home Equity - Financial Summary (Cont'd)

Net Income Margin (A)

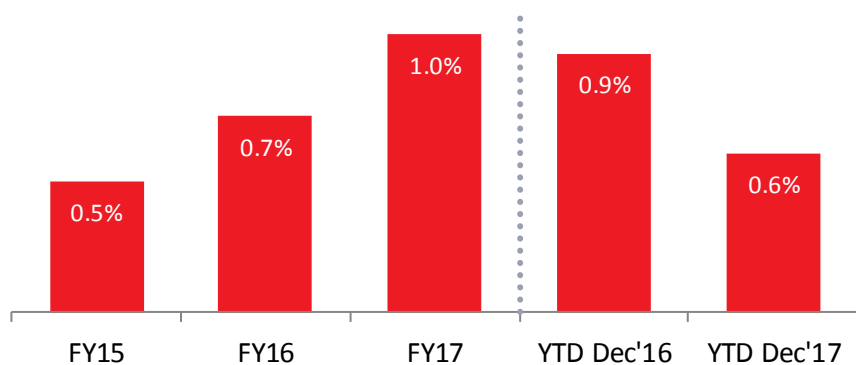
(Operating Income - Finance Charges)



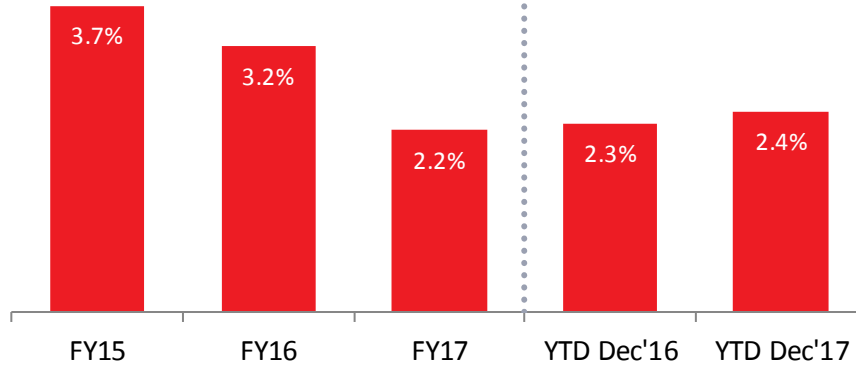
Expense Ratio (B)



Losses and Provisions (C)



ROTA (PBT) (D) = (A) - (B) - (C)



Note: Losses & Provisions & ROTA are after considering additional provisions as follows:

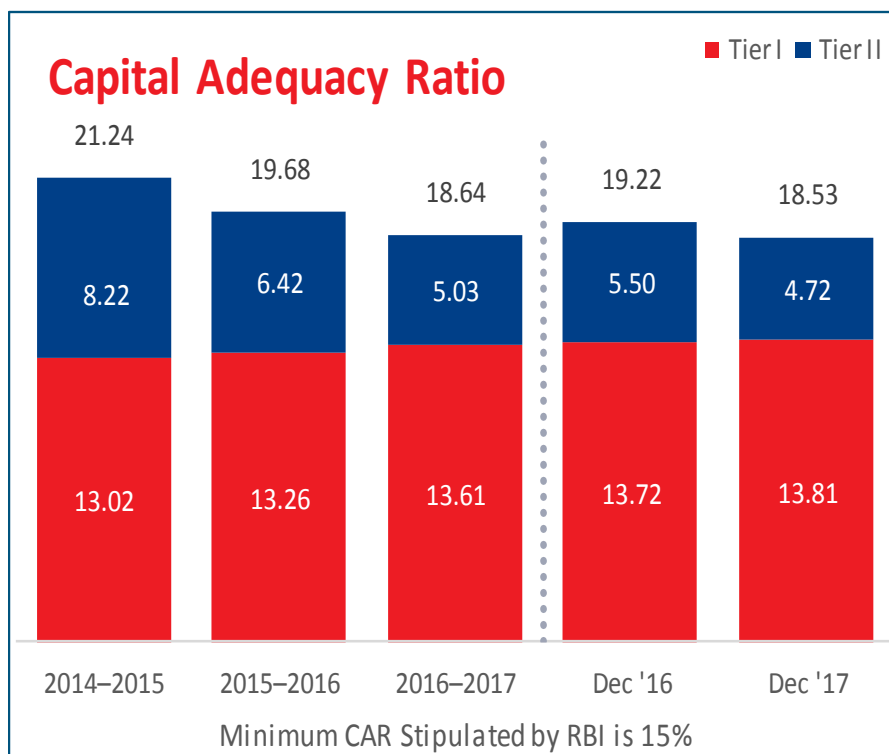
	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>YTD Dec'16</u>	<u>YTD Dec'17</u>
• Provision for Loan Loss -	5 months+	4 months+	3 months+	4 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	0.35%	0.40%



Funding Profile



CAR, Credit Rating and ALM Statement



ALM Statement as on Dec 2017

₹ mn

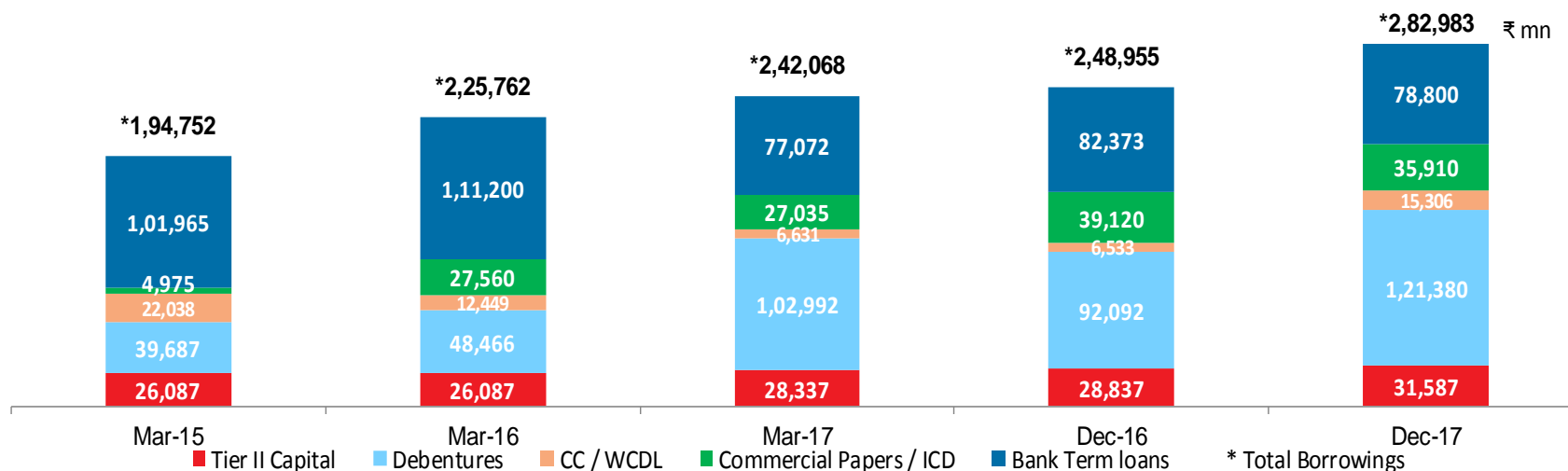
Time Buckets	Outflows	Inflows	Mismatch	Cum Mismatch
1-14 Days	18,352	20,248	1,896	1,896
15-30/31 Days	5,672	5,732	60	1,956
Over 1-2 Months	17,298	18,560	1,262	3,218
Over 2-3 Months	16,013	16,197	185	3,403
Over 3-6 Months	28,582	35,517	6,935	10,338
Over 6 Months to 1 Year	53,668	60,558	6,890	17,228
Over 1-3 Years	131,619	147,189	15,570	32,798
Over 3-5 Years	15,837	16,437	600	33,397
Over 5 Years	13,159	27,887	14,728	48,125
Over 20 Years	49,305	1,180	(48,125)	-
Total	349,505	349,505	-	-

Cumulative mismatch is significantly lower than the RBI stipulated levels of 15% and positive cumulative mismatch in all buckets

• Credit Ratings

- The Company carries a credit rating of [ICRA] A1+ and [CRISIL] A1+ for Short Term Instruments
- For long term instruments – (NCD's) rated as AA+ by India Ratings, CARE, Brickwork Ratings and AA/Positive by ICRA
- For Subordinated debt, the Company is rated with [ICRA] AA / Positive, IND AA+ Stable, CARE AA+ and CRISIL AA/ Stable
- For Perpetual Debt, the Company is rated with IND AA, CARE AA and [ICRA] AA - / Positive

Diversified Borrowings Profile



Particulars	Mar-15	Mar-16	Mar-17	Dec '16	Dec'17
Bank Term Loans	52%	49%	32%	33%	28%
Commercial papers/ ICD	3%	12%	11%	16%	13%
CC/WCDL	11%	6%	3%	3%	5%
Debentures	21%	21%	42%	37%	43%
Tier II Capital	13%	12%	12%	12%	11%

- Debt instruments rating has improved by one notch
- Long term relationships with banks ensured continued lending
- A consortium of 15 banks with tied-up limits of ₹ 32,500 mn



Business Enablers



Technology Updates

Technology Infrastructure

Delivering resilient & scalable environment

- Storage enhancements to improve End-of-Month batch performance
- Core Network infrastructure upgraded to support higher bandwidth, improve resilience and be future ready
- Self-service capability provided for user management
- Improved compute and storage infrastructure to support high core lending platforms

Systems of Record

Stable foundation for core products & services

- Hyperion branch level planning & Profitability dashboard with drill-down capability
- NPA & ALM report automation
- Centralized GST ASP solution rolled out; subsystems also enhanced to support the same

Systems of Engagement

Digitally connect employees, partners, & customers

- Customer Faced Apps- Upgraded with additional payment options and new IOS version for improved customer engagement
- Field Sales/Collection Mobility solutions – New functionalities to enhance business capabilities and technical upgrade to support new platform versions
- Gaadi Bazaar – System improvement to enhance the sale of repo vehicles and functionalities for conducting UTTAM MELA

Compliance, Innovation & People

Balance innovation & technology risk

- IT staff trained on Agile & DevOps
- SIEM - Deliver Improved Security with infrastructure monitoring and management
- Internal gap analysis and ongoing remediation on RBI guidelines for NBFCs
- Weekly round-table for knowledge sharing & employee engagement
- Risk based Data and Application protection solutions being implemented

Risk Management

Risk Management Committee (RMC):

- RMC comprises Chairman, three Independent Directors and the Managing Director besides the senior management as members.
- Meets at least 4 times in a year and oversees the overall risk management framework, the annual charter and implementation of various risk management initiatives.
- RMC minutes and risk management processes are shared with the Board on periodic basis

Risk Management (contd..)

- Post sanction monitoring helps to identify portfolio trends and implement necessary policy changes
 - Operational risk is managed through comprehensive internal control and systems.
- Robust Disaster Recovery Plan in place and is periodically tested.
- Implemented a Business Continuity Framework to ensure the maintenance on recovery of operations when confronted with adverse events

Risk Management:

- Established Risk Management Framework
- Comprehensive Risk registers have been prepared for all units identifying risks with mitigants and KRI triggers
- Institutionalized formal Risk Reporting framework – Chola Composite Risk index highlights the top risks which is reviewed by RMC (quarterly) and Sr. Management (monthly) to understand the level of risk and act upon suitably.
- Robust automated credit underwriting process includes detailed risk assessment of the borrowers.



Internal Control Systems

- SOPs for all business and functions are in place, Strong IT security system and Audit to ensure Information security
- In-house and independent internal audit team carry out comprehensive audit of HO & branches with a pre-approved plan and audit schedule to evaluate the extent of SOP compliance to locate gaps
- Independent fraud control unit ensures robust mechanism of fraud control & detection supported by a disciplinary committee reporting to Audit Committee and Board
- Monthly ALCO meeting to discuss treasury related risk exposures within the financial risk management framework of the Company



Financial Performance



Profit and Loss Statement – Quarterly

Particulars				₹mn	
	Q3FY18	Q2FY18	Q3FY17	Growth % Q-o-Q	Growth % Y-o-Y
Disbursements	67,611	54,923	43,734	23%	55%
Closing Assets (Managed)	400,549	374,502	333,807	7%	20%
Closing Assets (Balance Sheet)	336,678	317,506	289,763	6%	16%
Operating Income	13,833	12,960	11,758	7%	18%
Finance Charges	5,903	5,567	5,658	6%	4%
Net Income	7,931	7,392	6,100	7%	30%
Expenses	3,237	3,089	2,588	5%	25%
Loan Losses and Std Assets Prov	902	832	1,003	8%	-10%
Profit Before Tax	3,792	3,472	2,509	9%	51%
Taxes	1,300	1,199	884	8%	47%
Profit After Tax	2,492	2,272	1,625	10%	53%
Key Asset Ratios					
Net Income to Avg. Assets	9.6%	9.6%	8.4%		
Operating exp. to Avg. Assets	3.9%	4.0%	3.6%		
NCL to Avg. Assets	1.1%	1.1%	1.4%		
ROTA–PBT	4.6%	4.5%	3.5%		

Note: Losses & Provisions, PBT, PAT & ROTA are after considering additional provisions as follows:

	<u>Q3FY18</u>	<u>Q2FY18</u>	<u>Q3FY17</u>
• Provision for Loan Loss -	3 months+	3 months+	4 months+
• Standard Asset Provision -	0.40%	0.40%	0.35%

Profit and Loss Statement – Year to Date

₹mn

Particulars	FY15	FY16	FY17	YTD Dec'16	YTD Dec'17
Disbursements	128,076	163,803	185,913	133,783	171,064
Closing Assets (Managed)	261,906	303,624	351,097	333,807	400,549
Closing Assets (Balance Sheet)	226,423	261,980	288,464	289,763	336,678
Operating Income	36,912	41,937	46,603	34,469	39,142
Finance Charges	19,604	20,508	22,308	16,833	16,880
Net Income	17,308	21,429	24,295	17,637	22,262
Expenses	7,489	8,449	10,133	7,379	9,103
Loan Losses and Std Assets Prov	3,247	4,272	3,106	2,578	2,714
Profit Before Tax	6,572	8,708	11,056	7,680	10,445
Taxes	2,221	3,023	3,868	2,688	3,615
Profit After Tax	4,352	5,685	7,187	4,992	6,830
Key Income Ratios					
NIM to Income	46.9%	51.1%	52.1%	51.2%	56.9%
Optg Exp to Income	20.3%	20.1%	21.7%	21.4%	23.3%
Optg Exp to Net Income Margin	43.3%	39.4%	41.7%	41.8%	40.9%
ROTA–PBT	3.0%	3.6%	3.9%	3.6%	4.5%

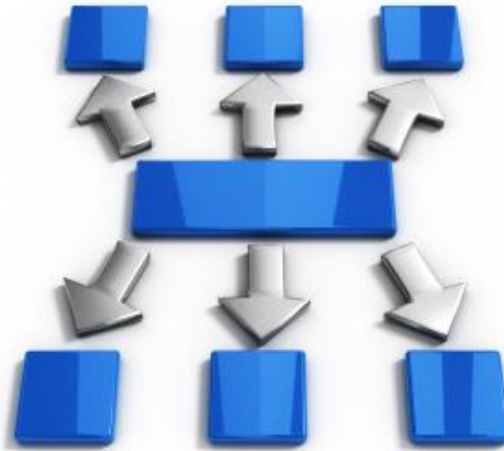
Note: Losses & Provisions, PBT, PAT & ROTA are after considering additional provisions as follows:

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>YTD Dec'16</u>	<u>YTD Dec'17</u>
• Provision for Loan Loss -	5 months+	4 months+	3 months+	4 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	0.35%	0.40%
• Addl Provision (for 3 months overdue)--	54 Cr.			60 Cr.	

Balance Sheet

₹mn

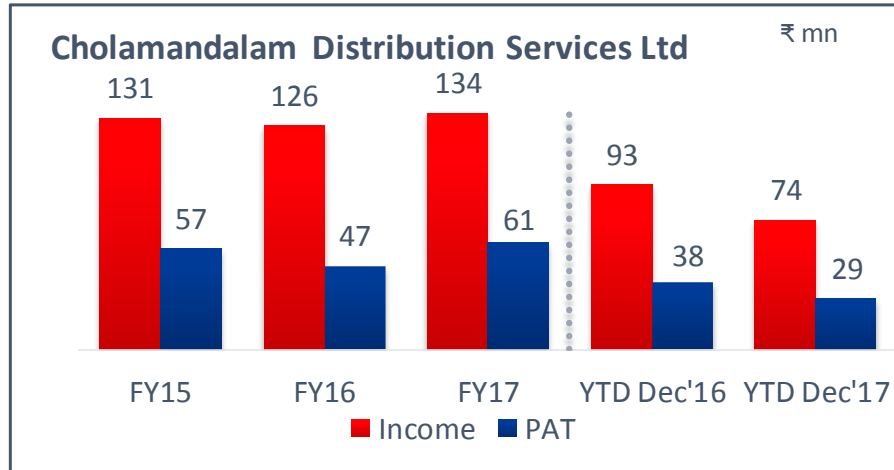
Particulars	Mar-15	Mar-16	Mar-17	Dec-16	Dec-17
Equity and Liabilities					
Shareholders' Funds	31,733	36,574	42,849	41,588	49,282
Current Liabilities	78,892	127,214	105,206	109,344	141,563
Non-current Liabilities	128,106	115,095	158,877	157,447	164,822
Total	238,732	278,883	306,932	308,379	355,667
Assets					
Non-current Assets					
Fixed Assets	683	1,113	1,401	1,298	1,467
Non-current Investments	602	647	1,924	1,203	2,354
Deferred Tax Asset (Net)	1,836	2,815	3,152	3,078	3,622
Receivable under Financing Activity	154,680	181,877	199,362	201,590	231,192
Other Non-current Assets & Loans and Advances	6,678	5,157	6,309	5,706	6,215
	164,479	191,608	212,147	212,876	244,849
Current Assets					
Current Investments	73	19	461	130	750
Cash and Bank Balances	3,407	4,905	4,870	4,598	3,734
Receivable under Financing Activity	67,156	77,225	84,790	86,416	101,082
Other Current Assets & Loans and Advances	3,618	5,126	4,664	4,358	5,252
	74,253	87,275	94,785	95,503	110,818
Total	238,732	278,883	306,932	308,379	355,667
De-recognised Assets	35,482	41,643	62,633	44,044	63,871
Total Assets Under Management	274,215	320,526	369,566	352,423	419,539



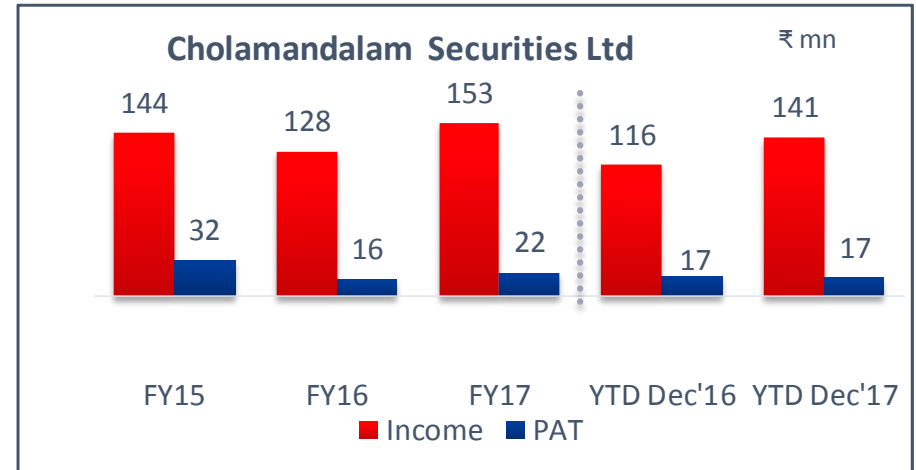
Subsidiaries



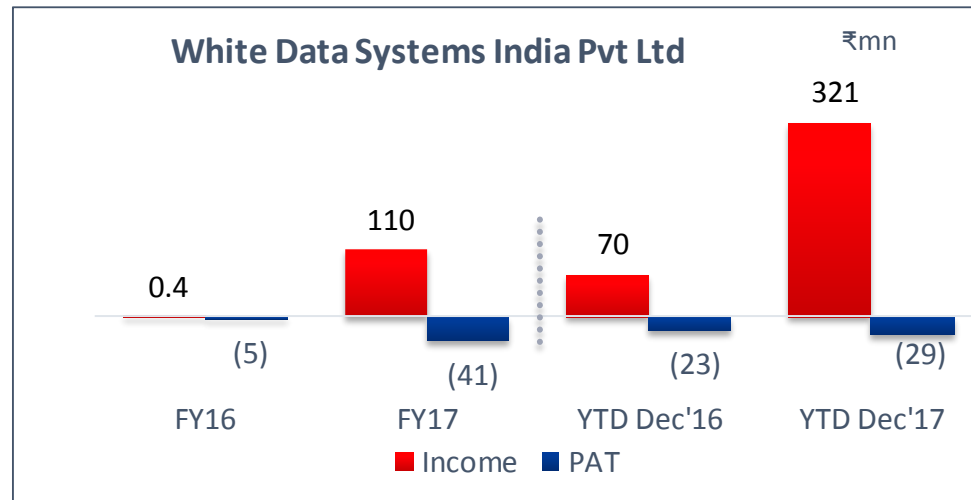
Subsidiaries



- Wealth management services for mass affluent and affluent customer segments.
- Retail Distribution of a wide range of financial products – Investments, Life Insurance, General Insurance, Home loan & mortgage products.



- Broking services to HNIs and Institutional Investors
- Presence across 15 metros and mini metros



- Freight aggregating business

NPA Provisioning Standards

RBI Norms

3 to 14.99 Months – 10%
15 to 26.99 Months – 20%
27 to 50.99 Months – 30%
Above 51 Months – 50%

Vehicle Finance

VF Prime, CE

3 to 5.99 Months – 10%
6 to 23.99 Months – 25%
Above 24 Months – 100%

Older Vehicles

3 to 5.99 Months – 10%
6 to 11.99 Months – 40%
Above 12 Months – 100%

Tractor

3 to 5.99 Months – 10%
6 to 11.99 Months – 25%
12 to 23.99 Months – 40%
Above 24 Months – 100%

Two Wheelers

3 to 4.99 Months – 50%
5 to 5.99 Months – 70%
Above 6 Months – 100%

Home Equity

Home Equity & Home Loan

3 to 5.99 Months – 10%
6 to 23.99 Months – 25%
24 to 59.99 Months – 50%
Above 60 Months – 100%

Other Products

Rural Finance & Unsecured Loans

3 to 5.99 Months – 10%
6 to 8.99 Months – 33.33%
9 to 11.99 Months – 66.67%
Above 12 Months – 100%

Business Finance

3 to 5.99 Months – 10%
6 to 23.99 Months – 25%
24 to 35.99 Months – 50%
Above 36 Months – 100%

Contact Us

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