



Cholamandalam Investment and Finance Company Limited

Corporate Presentation – March 2018



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Chola
Enter a better life



CORPORATE OVERVIEW



murugappa

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 ₹ 227 bn¹

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 ₹ 429 bn as of Mar 2018 with Net NPA of *1.66% and a healthy RoA of 4.6 %
- Operating income CAGR of 14% over FY14 to FY18

4

Diversified Footprint

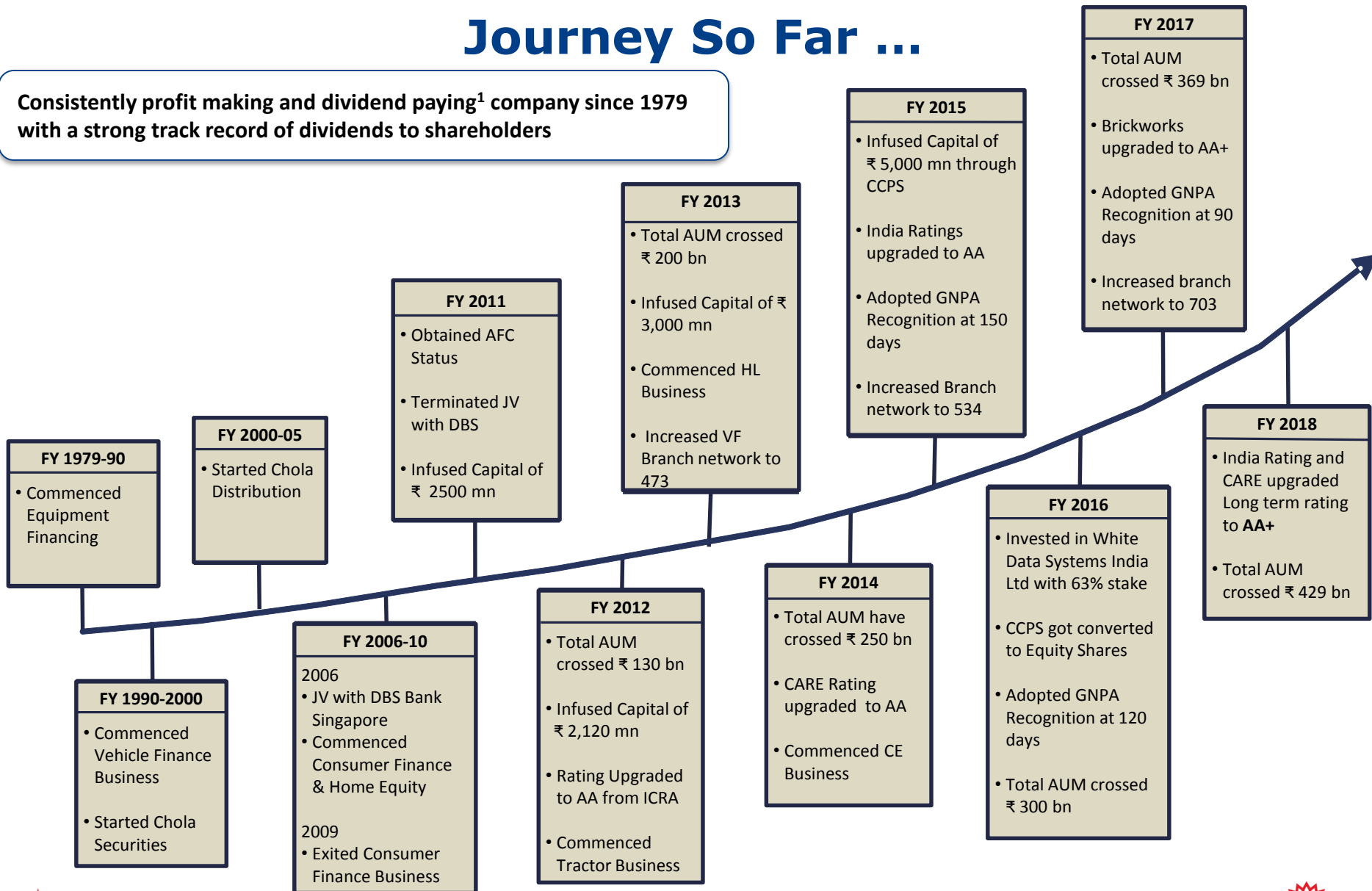
- Operates from 873 branches across 27 states and 79% presence across Tier III, IV, V, and VI towns
- One of the leading NBFCs in Asset Financing Business

1. Market data as on 28th Mar 2018. 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"> ₹ 2,26,624 mn (US\$ 3,484 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"> ₹ 1,53,150 mn (US\$ 2,355mn) 	<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"> ₹ 65,662 mn (US\$ 1,010 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"> ₹ 48,930 mn (US\$ 752 mn) 	<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"> ₹ 41,060mn (US\$ 631 mn) 	<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)

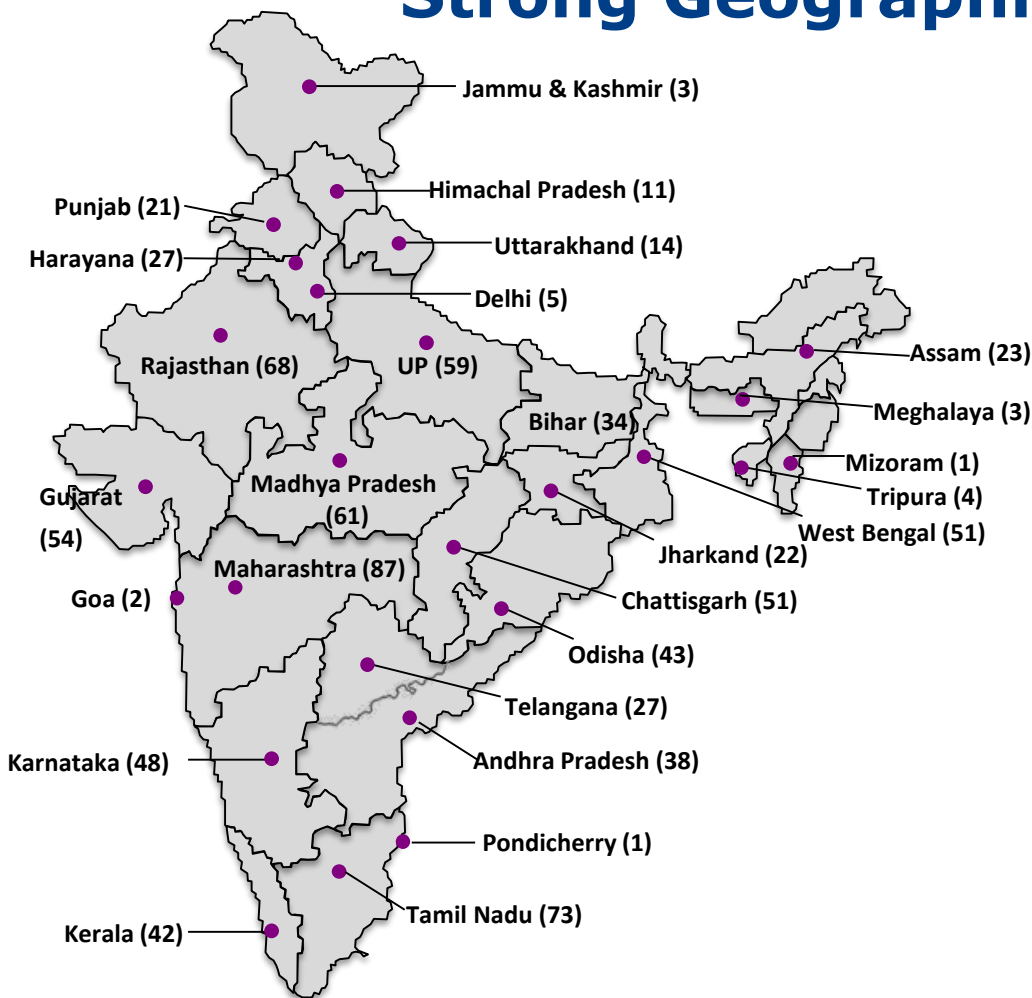
Note: Market data as on 28th Mar 2018. Source: BSE and Conversion Rate of 1USD = Rs.65.0441 as on 28th Mar 2018 Source: RBI

SPIRIT OF CHOLA



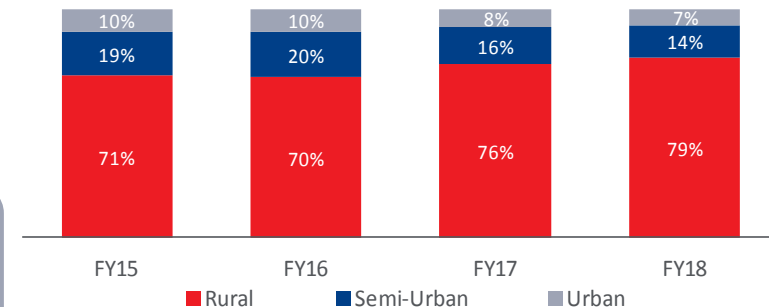
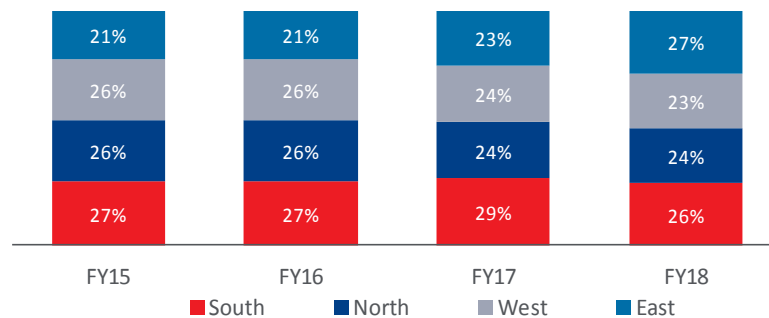
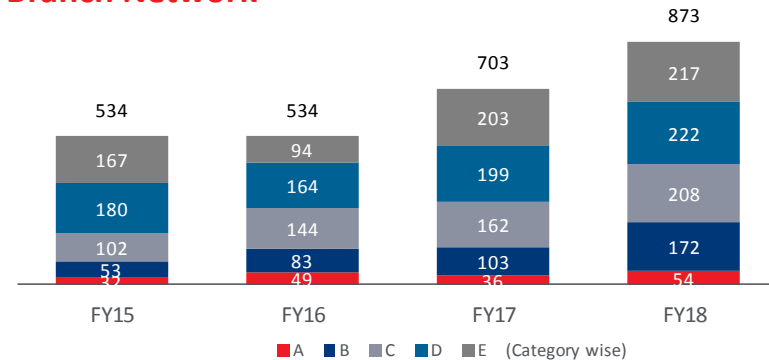
“The fundamental principle of economic activity is that no man you transact with will lose, then you shall not.”

Strong Geographical Presence



- 873 branches across 27 states/Union territories: 868 VF, 148 HE (143 co-located with VF) and 127 HL (co-located with VF).
- 79% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns
- Strong Pan India presence

Branch Network



COMPANY PERFORMANCE – AT A GLANCE

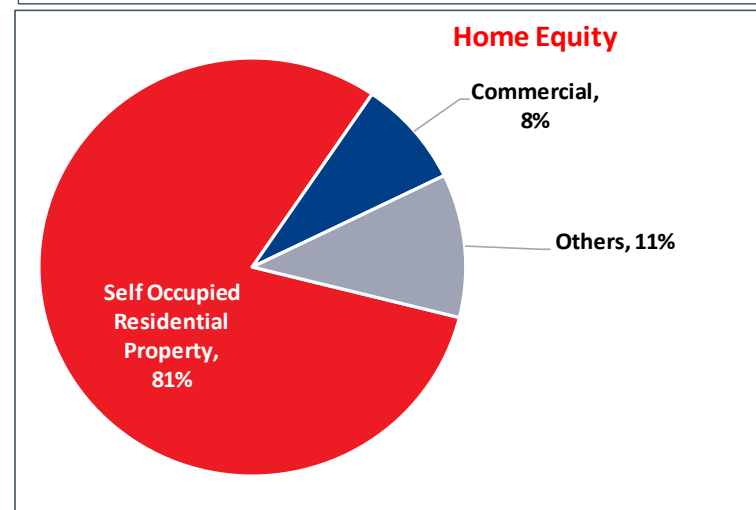
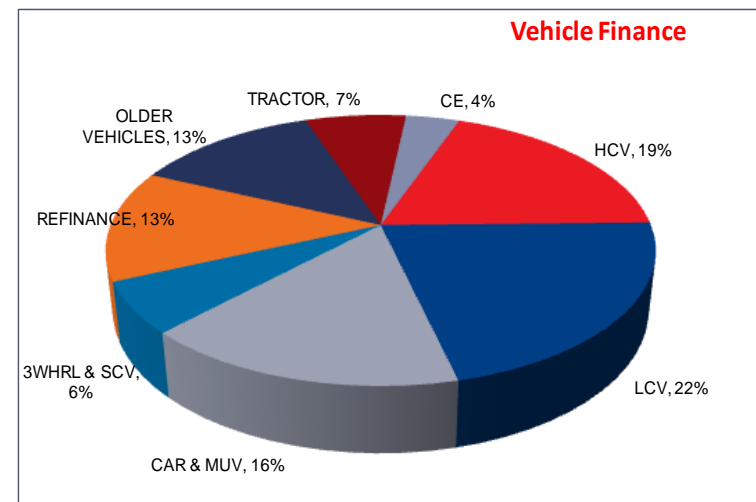
	FY15	FY16	FY17	FY18	YoY
Disbursements (₹ mn)					Growth
Vehicle Finance	93,627	1,23,830	1,44,710	2,05,400	42%
Home Equity	30,434	34,764	30,559	31,740	4%
MSME	2,490	3,253	6,663	6,291	-6%
Home Loans	892	1,746	3,247	6,060	87%
Agri , Trip Loans & Others	633	209	734	1,645	124%
Total	1,28,076	1,63,803	1,85,913	2,51,135	35%
AUM (₹ mn) *					
On Book	2,19,043	2,54,861	2,79,036	3,66,455	31%
Assigned	35,482	41,643	62,633	62,336	0%
Total	2,54,525	2,96,504	3,41,670	4,28,791	25%
Networth (₹ mn)					
Equity Share Capital	1,437	1,562	1,565	1,564	0%
Reserves and Surplus ^	30,289	35,012	41,284	49,938	21%
Total	31,727	36,574	42,849	51,502	20%
Profitability (₹ mn)					
Gross Income	36,912	41,937	46,603	54,258	16%
NIM	17,308	21,429	24,295	31,179	28%
PBT	6,572	8,708	11,056	14,833	34%
PAT	4,352	5,685	7,187	9,741	36%
Asset Ratios					
Gross Yield	16.9%	17.1%	16.5%	16.9%	
NIM	7.9%	8.7%	8.6%	9.7%	
Expenses	3.4%	3.4%	3.6%	4.0%	
Losses and Provisions	1.5%	1.7%	1.1%	1.1%	
ROTA (PBT)	3.0%	3.6%	3.9%	4.6%	

- AUM refers to Own assets + off balance sheet items which have been securitised/sold on a bilateral assignment basis less provisions.
- FY 15 – Disbursements in others, 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:

	FY15	FY16	FY17	FY18
• Provision for Loan Loss -	5 months+	4 months+	3 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	0.40%

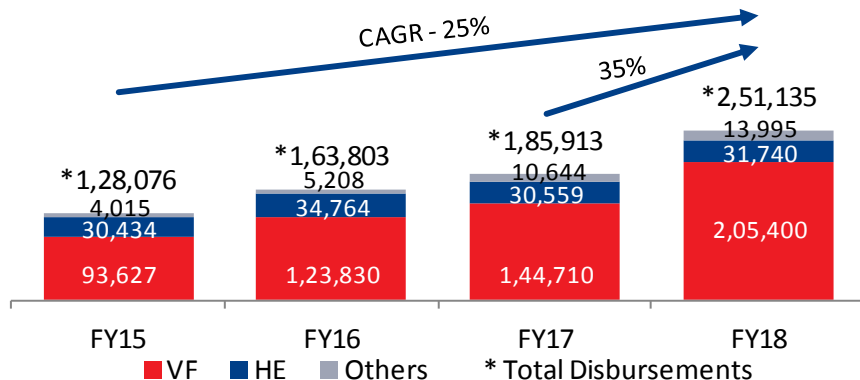
Company Performance – Portfolio Breakup

AUM * (₹ mn)	FY15	FY16	FY17	FY18	Growth
Vehicle Finance					
On Book	1,49,215	1,79,144	2,02,709	2,81,505	39%
Assigned	27,171	21,859	33,597	33,550	0%
Managed Assets	1,76,386	2,01,003	2,36,306	3,15,054	33%
<i>% of Total</i>	<i>69%</i>	<i>68%</i>	<i>69%</i>	<i>73%</i>	
Home Equity					
On Book	64,487	68,734	66,891	71,179	6%
Assigned	8,312	19,784	29,036	28,786	-1%
Managed Assets	72,799	88,518	95,927	99,966	4%
<i>% of Total</i>	<i>29%</i>	<i>30%</i>	<i>28%</i>	<i>24%</i>	
Others					
On Book & Assigned	5,340	6,983	9,437	13,771	46%
<i>% of Total</i>	<i>2%</i>	<i>2%</i>	<i>3%</i>	<i>3%</i>	
Total					
On Book	2,19,043	2,54,861	2,79,036	3,66,455	31%
Assigned	35,482	41,643	62,633	62,336	0%
Managed Assets	2,54,525	2,96,504	3,41,670	4,28,791	25%

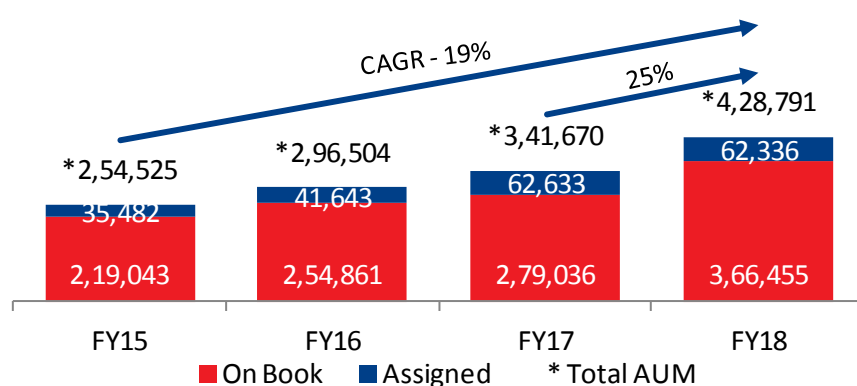


Chola – 4 Year Financial Summary

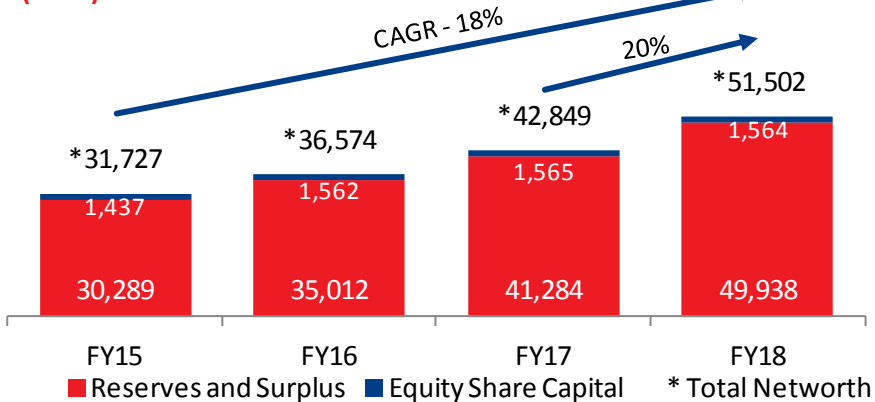
Disbursements (₹ mn)



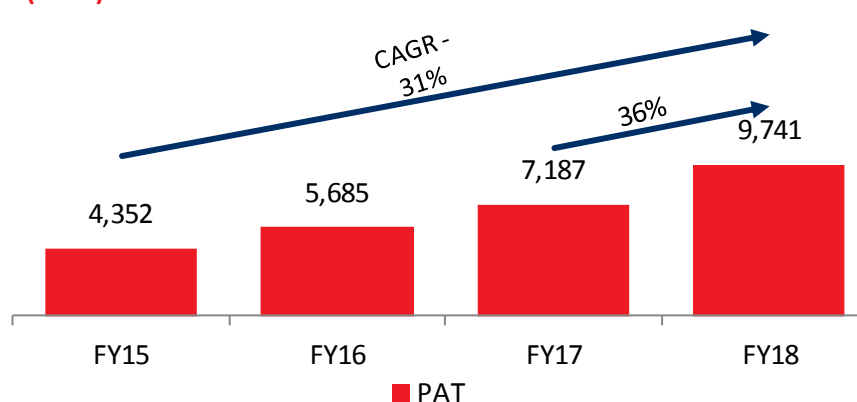
Assets Under Management (₹ mn)



Network (₹ mn)



Profit After Tax (₹ mn)



Note: PAT is after considering additional provisions as follows:

- Provision for Loan Loss -
- Standard Asset Provision -

FY15
5 months+
0.30%

FY16
4 months+
0.35%

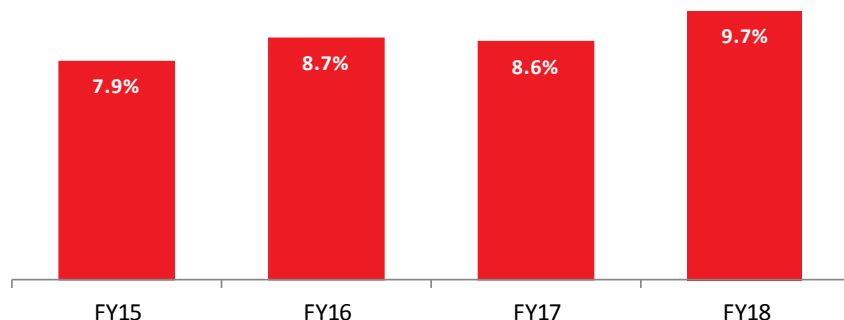
FY17
3 months
0.40%

FY18
3 months
0.40%

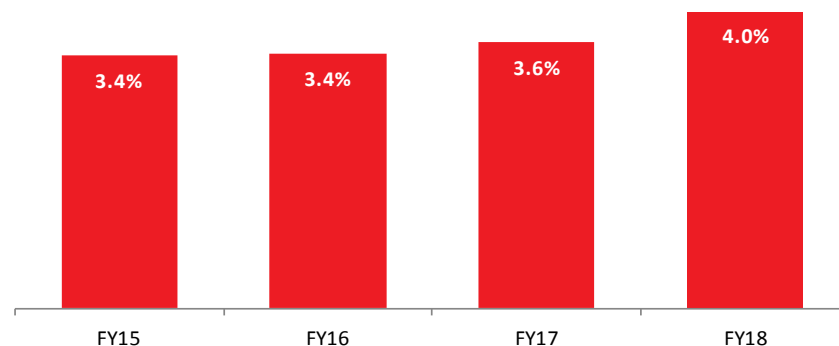
Chola – 4 Year Financial Summary (Cont'd)

Net Income Margin (A)

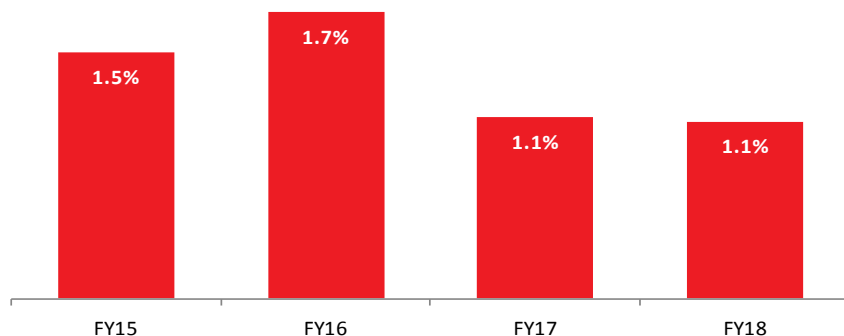
(Operating Income - Finance Charges)



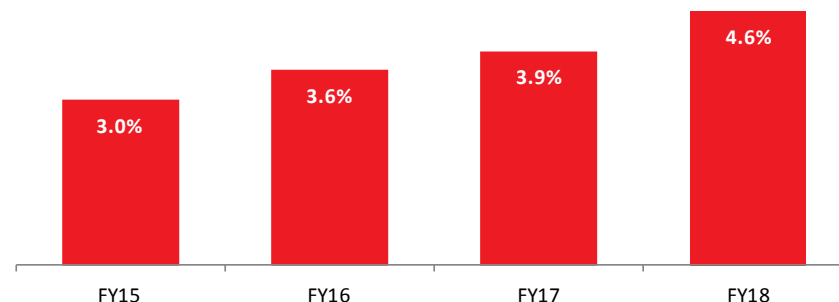
Expense Ratio (B)



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%

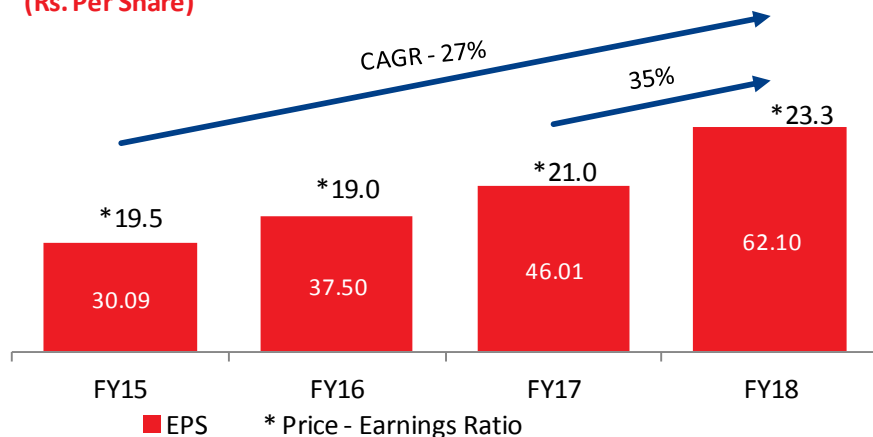
FY16
4 months+
0.35%

FY17
3 months+
0.40%

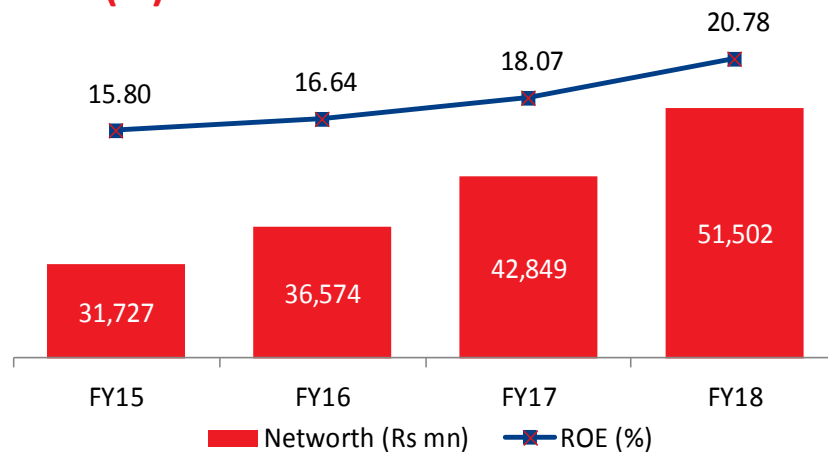
FY18
3months+
0.40%

Market Overview

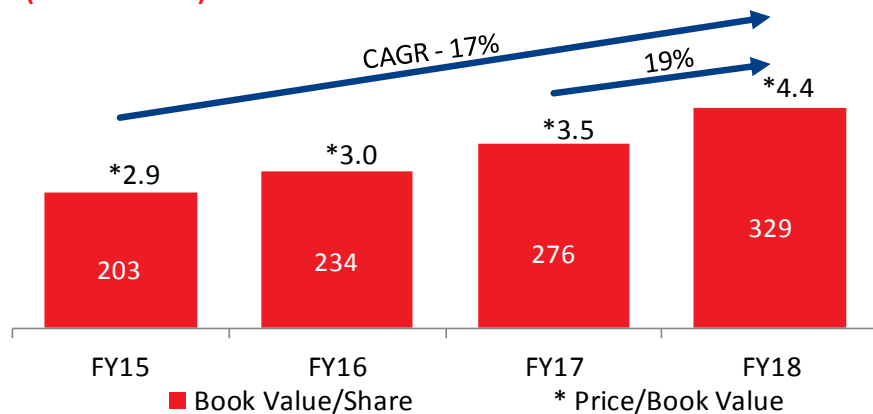
EPS (Rs. Per Share)



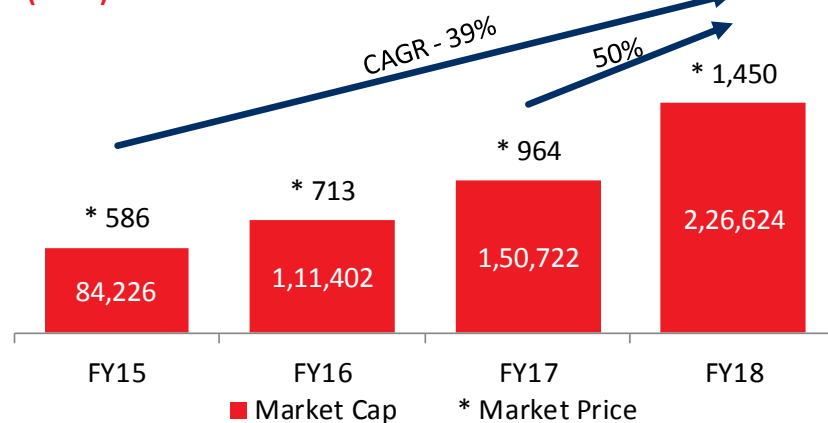
ROE (%)



Book Value (Rs. Per Share)

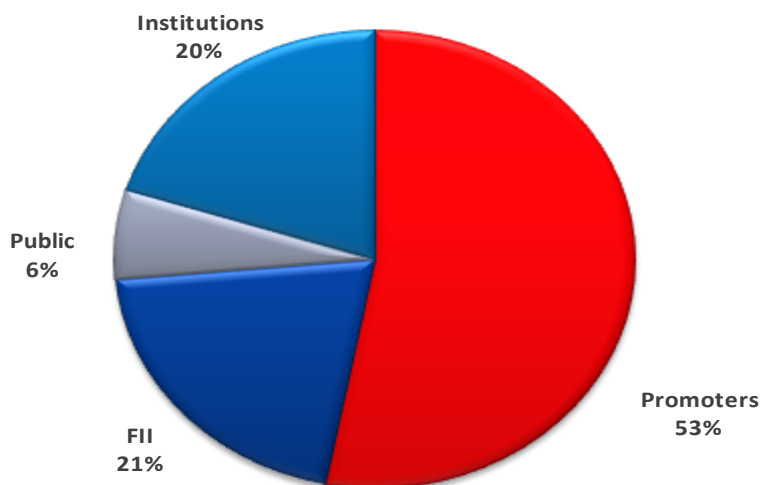


Market Capitalisation (₹ mn)



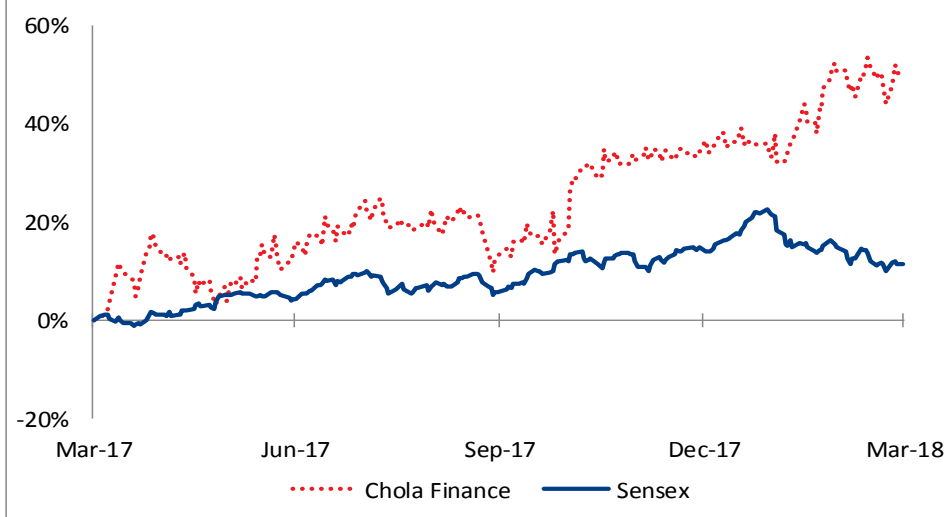
Shareholding

Shareholding Pattern



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

Chola Finance - Share Price Growth



	Mar 17	Jul 17	Sep 17	Dec 17	Mar 18
Chola Finance (₹ / share)	964	1,107	1,081	1,294	1,450
BSE Sensex	29,621	31,222	31,282	34,057	32,969

Performance Highlights – Q4FY18 & FY18

Disbursements

Profit after Tax

ROTA (PBT)

Book Value

EPS*

ROE*

Q4-FY18

₹ 80,071 mn

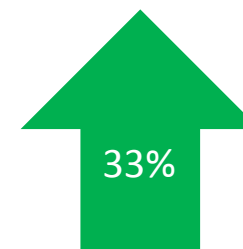
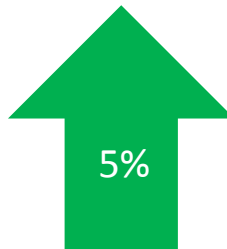
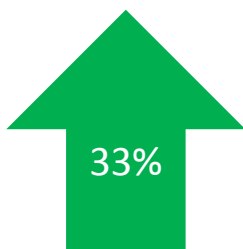
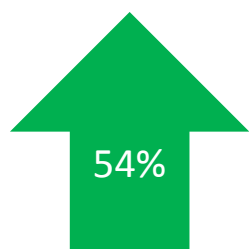
₹ 2,911 mn

4.99%

₹329.5

₹75.51

23.57%



Q4-FY17

₹ 52,130 mn

₹ 2,195 mn

4.74%

₹ 274.2

₹ 56.98

21.21%

Disbursements

Profit after Tax

ROTA (PBT)

Book Value

EPS*

ROE*

FY 18

₹ 2,51,135 mn

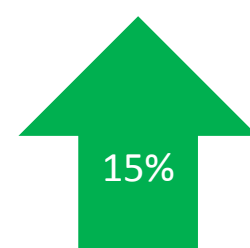
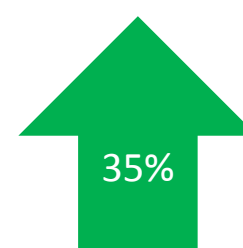
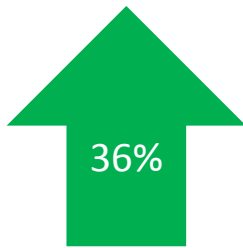
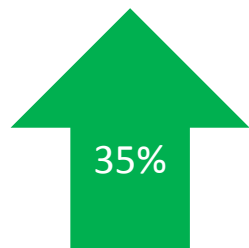
₹ 9,741 mn

4.62%

₹329.5

₹62.32

20.78%



FY 17

₹ 1,85,913 mn

₹ 7,187 mn

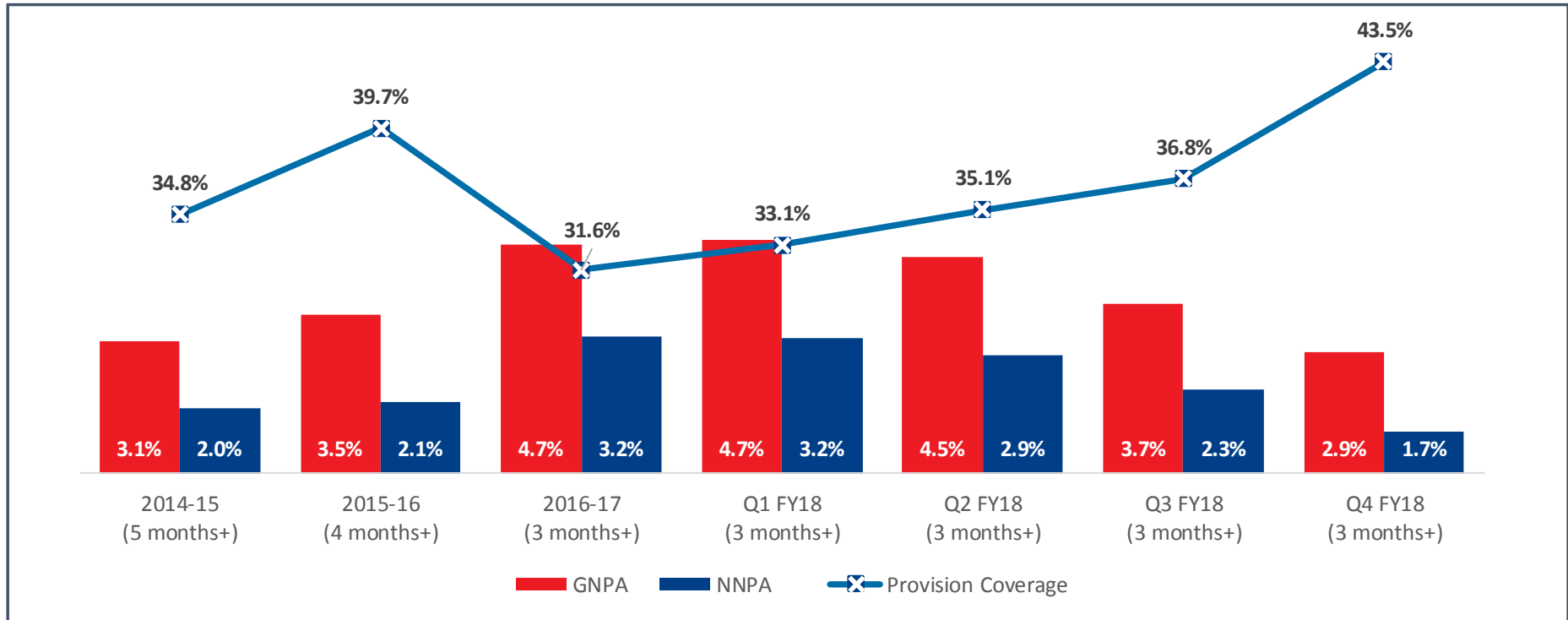
3.92%

₹ 274.2

₹ 46.01

18.07%

ASSET QUALITY



Highlights – FY18

Disbursements	Disbursement for FY18 stood at Rs. 2,51,135 mn, a growth of 35% YoY .
PAT	PAT for FY18 stood at Rs. 9,714 mn, a growth of 35% YoY .
RoE	Return on equity at 20.78% in FY18, a growth of 15% YoY.
AUM	Total assets under management has crossed Rs 429 bn
Rating	India Ratings and CARE have upgraded long-term debt rating from AA to AA+
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





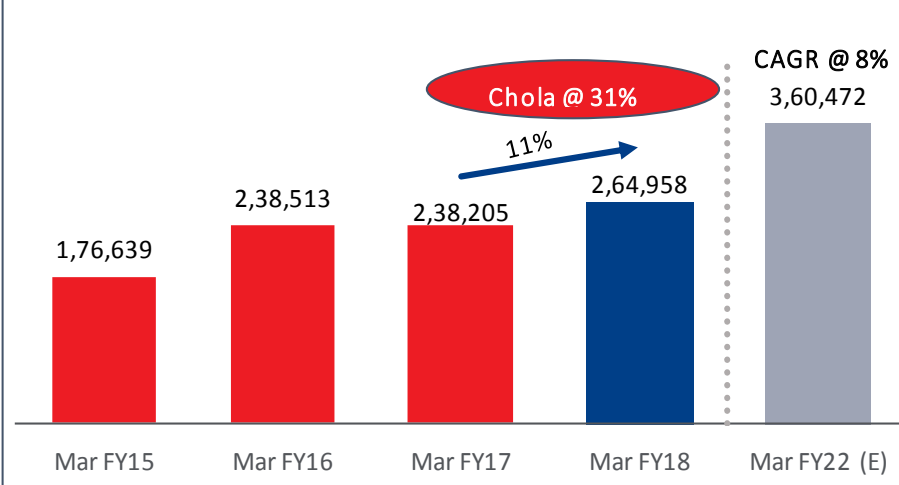
Vehicle Finance



Vehicle Finance - Industry

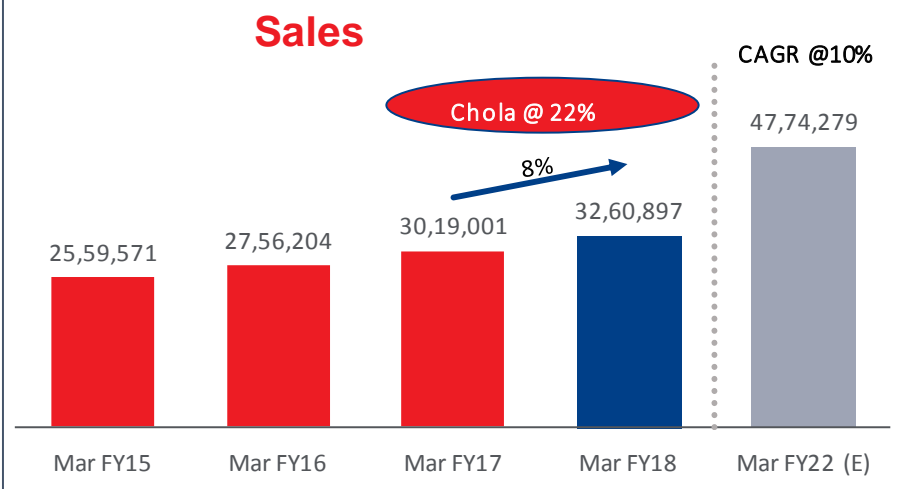
Trend in Domestic M & HCV Sales

(in Units)



Trend in Domestic Car & MUV Sales

(in Units)

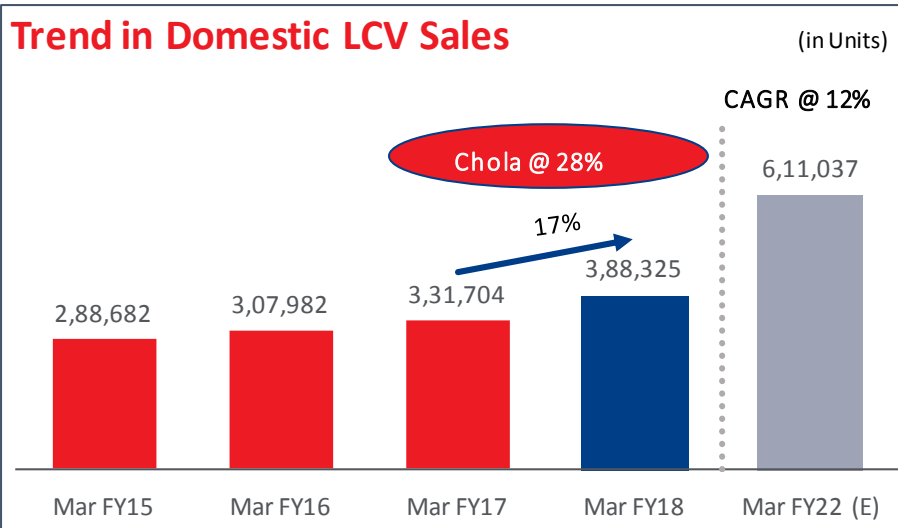


- Government's increased thrust on infrastructure and rural sectors in the recent budget will aid growth.
- Regulatory restrictions on overloading of vehicles, phasing out of old diesel vehicles will thereby help shift to higher tonnage vehicles.
- Pent up demand post GST and pick up in construction and mining activities in select states would also continue to drive demand.

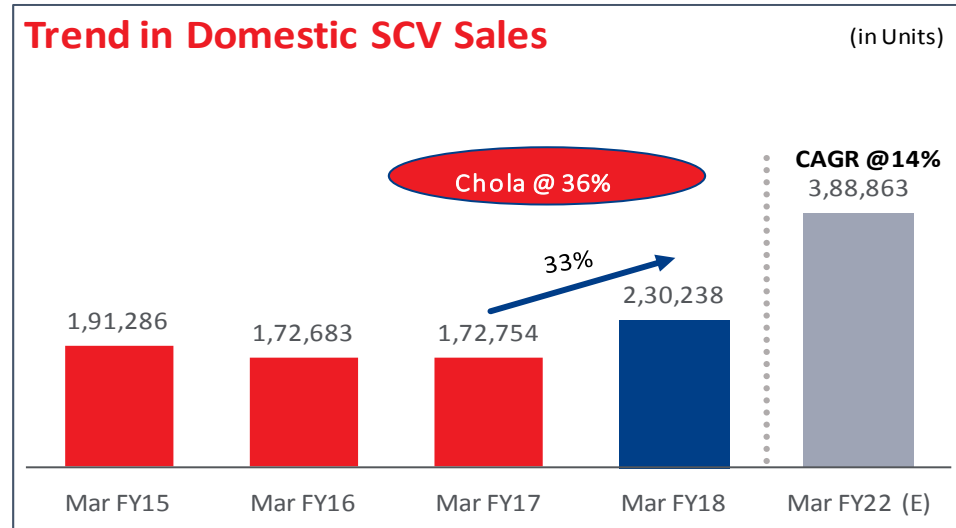
- Higher Income, lower penetration and lower cost of capital to boost long term demand
- Improved vehicle penetration by 35% in the next 5 years (20 vehicles per 1000 to 27 vehicles per 1000 population)
- Capacity utilization of passenger vehicle industry has increased to 77% in 17-18 from 68% in 15-16 and is expected to continue rising.

Vehicle Finance - Industry

Trend in Domestic LCV Sales

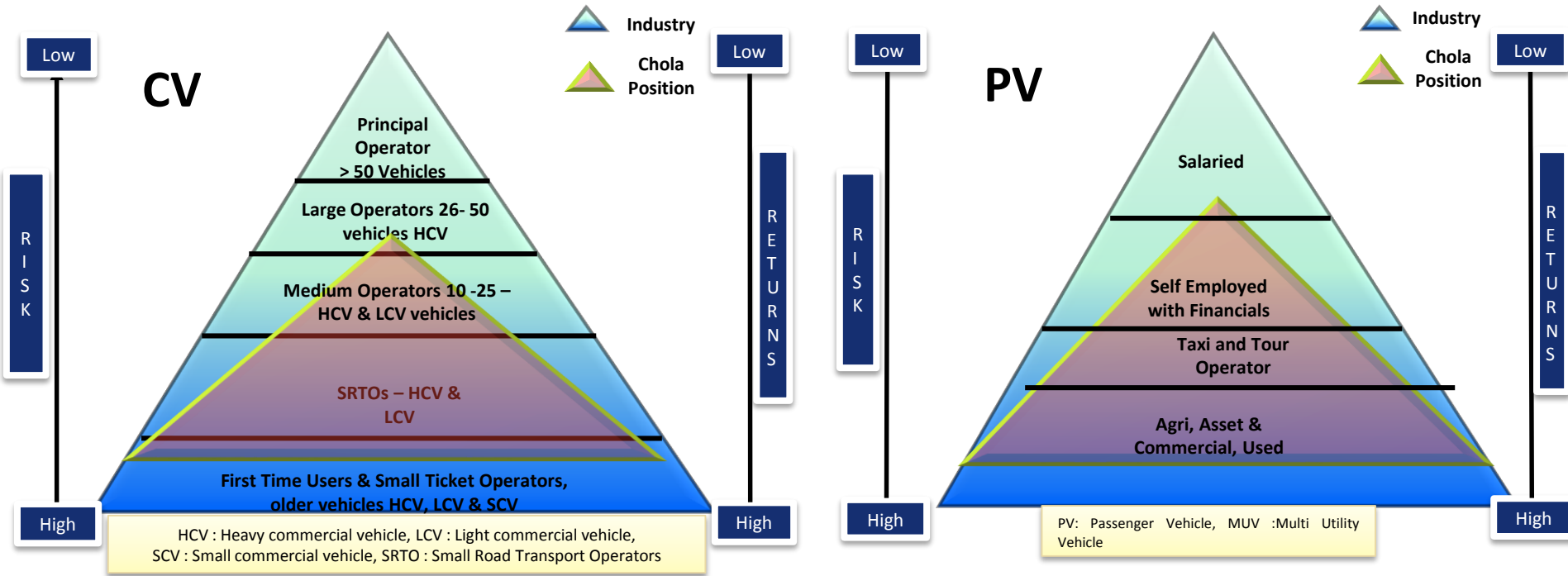


Trend in Domestic SCV Sales



- Stronger demand from Consumption-driven sectors and E-commerce focused logistic companies will drive for growth
- GST roll out and its impact on logistic sector is expected to aid growth in the medium term
- Changes in warehousing pattern post GST, through increasing adoption of hub and spoke model, is driving the need for faster and efficient trucks.
- 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.

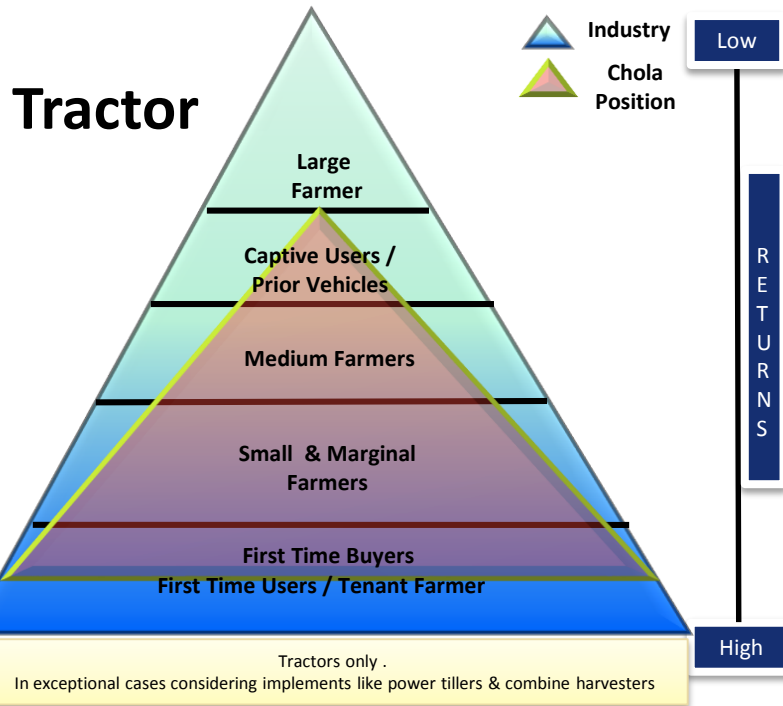
Vehicle Finance – Business Model & Positioning



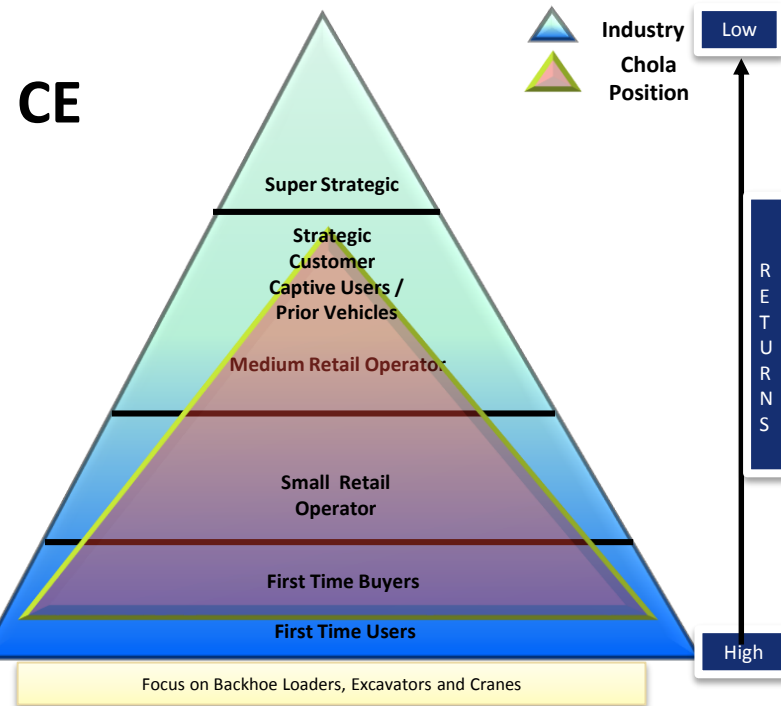
- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
 - Middle of the pyramid through New CVs, Used CVs
 - Top of the Bottom of the pyramid through SCV & older CVs Shubh

- ~ 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

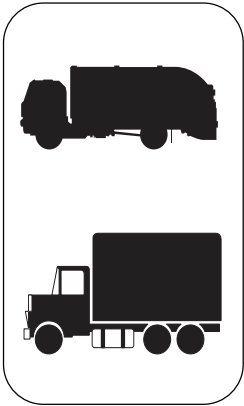


- ~65% of disbursements are to agri -based customer segment
- Application -
 - Agri usage
 - Commercial usage
 - Agri and Commercial usage
- New & Used



- ~ 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

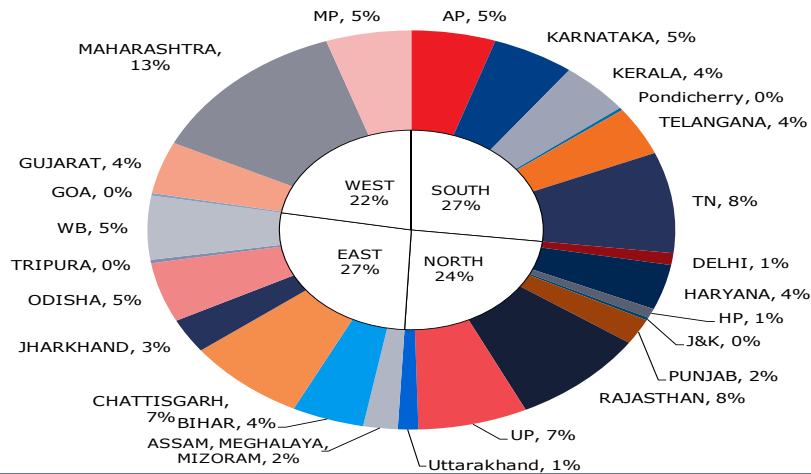
Strong collection management



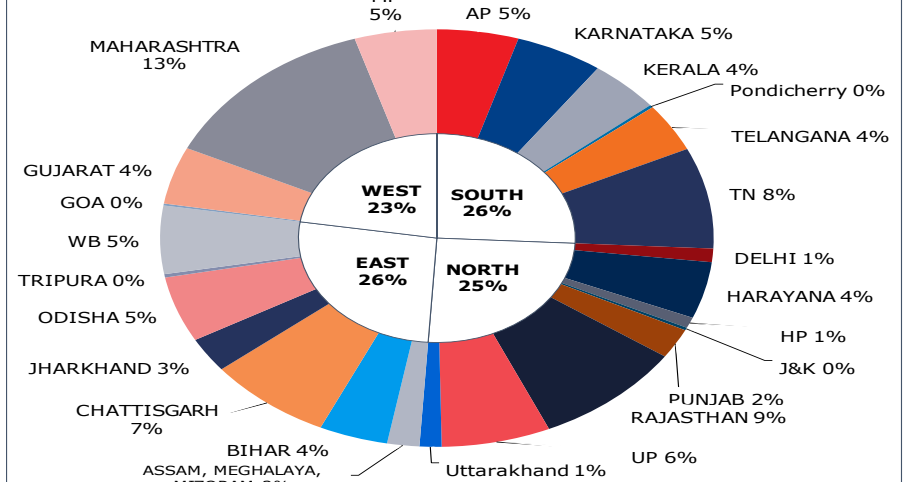
Vehicle Finance - Disbursement / Portfolio Mix – FY18

Well diversified across geography & product segments

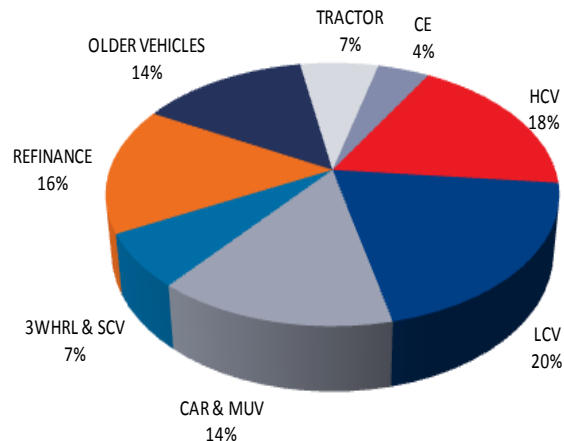
Disbursements - State wise



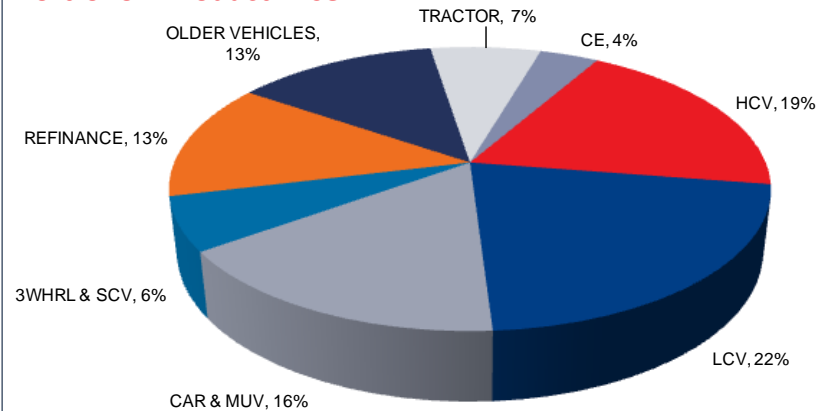
Portfolio – State wise



Disbursements - Product wise



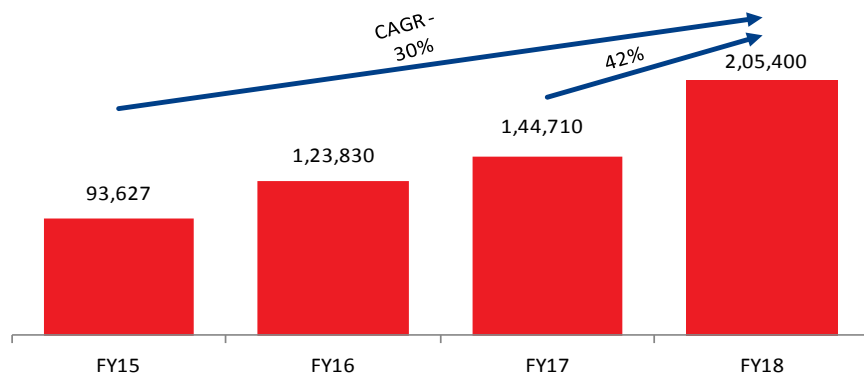
Portfolio – Product wise



Vehicle Finance - Financial Summary FY18

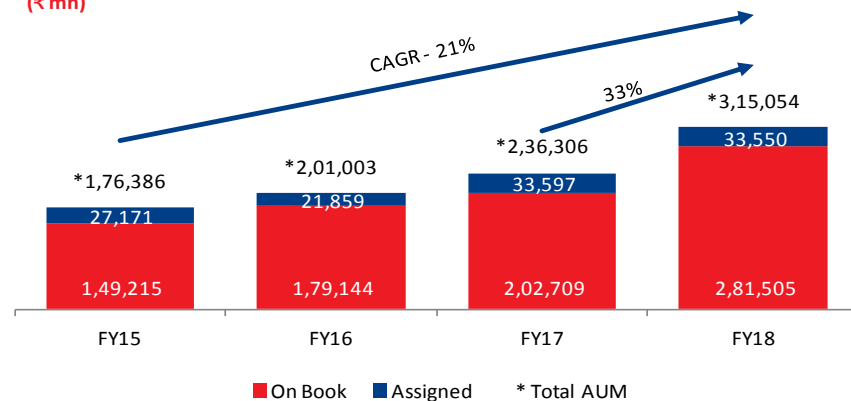
Disbursements

(₹ mn)



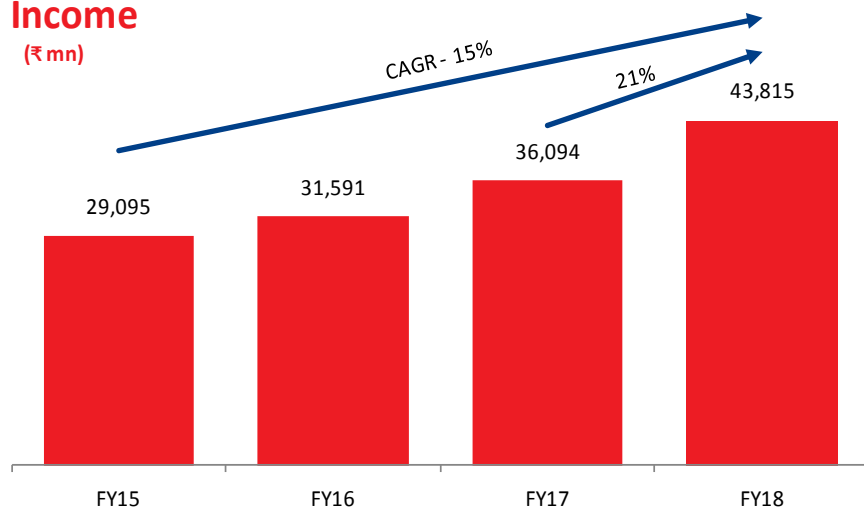
Assets Under Management

(₹ mn)



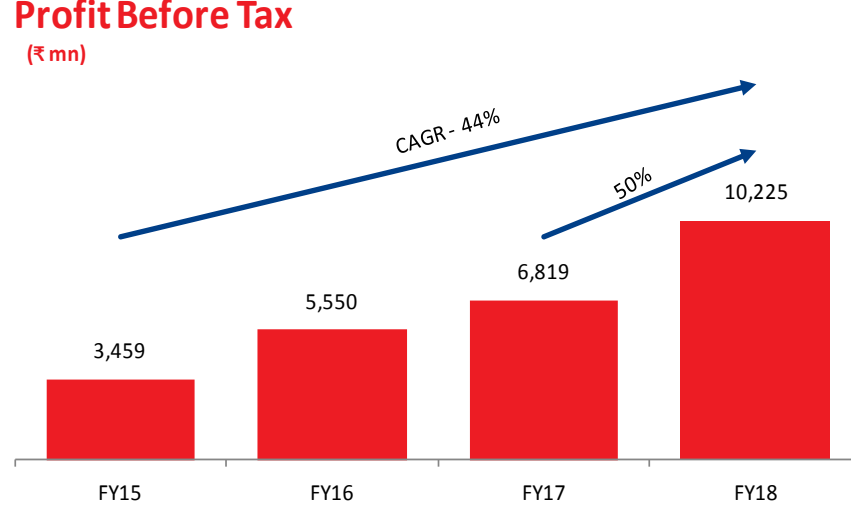
Income

(₹ mn)



Profit Before Tax

(₹ mn)



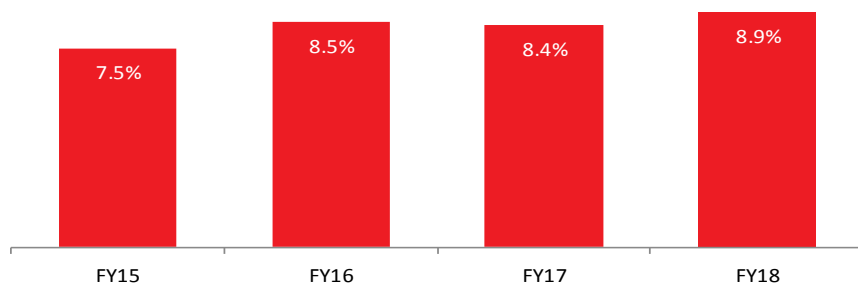
Note: PBT is after considering additional provisions as follows:

	FY15	FY16	FY17	FY18
• Provision for Loan Loss -	5 months+	4 months+	3 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	0.40%
AUM is Net of provisions.				

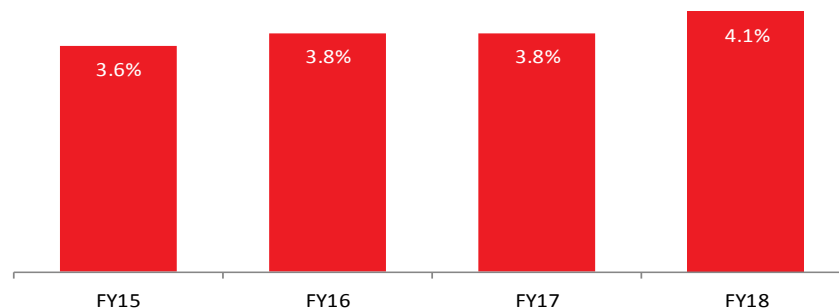
Vehicle Finance - Financial Summary FY18 (Cont'd)

Net Income Margin (A)

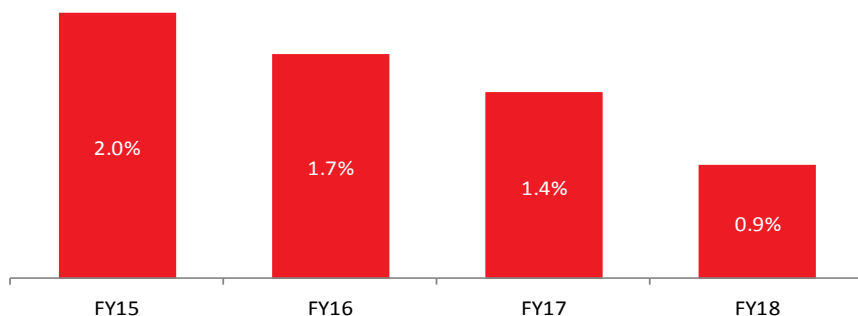
(Operating Income - Finance Charges)



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>FY18</u>
• Provision for Loan Loss -	5 months+	4 months+	3 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	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
- As the borrowing rates harden, the lending rates are likely stabilize over next 2 years



- CRISIL report pegs the growth for FY 2019 at 13-15% taking the total AUM to Rs 4.29 lakh crores
- Demand for formal credit among MSMEs would drive the demand for LAP loans
- Overall economic activity revival would be the key driver for LAP loans



- Negative effects of demonetisation and GST are progressively wearing off.
- Auto sector revival is seen as a positive impact on MSME sector.

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 – Q4 & FY18 Performance

Disbursements

- In FY 18, Disbursements has grown by 4%, over last year. However the business has grown by 48% in Q4, over same quarter last year

Asset under management

- The business has grown the Assets by 4% for FY 18(YoY). Pre-closures are being controlled by better engagement with customer, however it continues to be pain point for the business impacting the growth

Loss and provisions

- Collection results during this quarter has been good with SARFAESI resolutions started to yield results.
- Overall GNPA has dropped in this quarter
- NCL in FY 18, dropped by 40% (YoY) and by 50% in this quarter over same quarter last year.

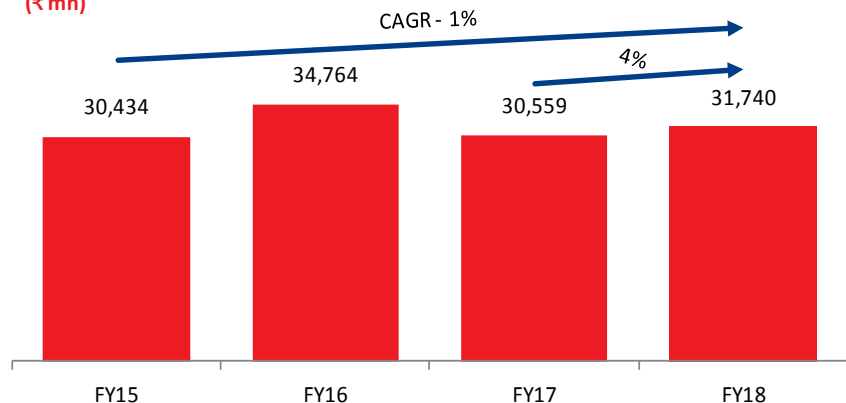
Profit before tax

- Profit for the year has grown by more than 15% on YOY basis and in Q4 it has grown by 35%

Home Equity - Financial Summary FY18

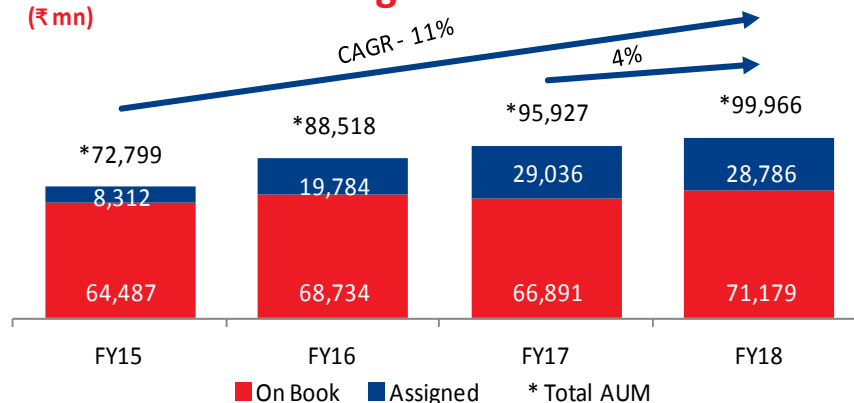
Disbursements

(₹ mn)



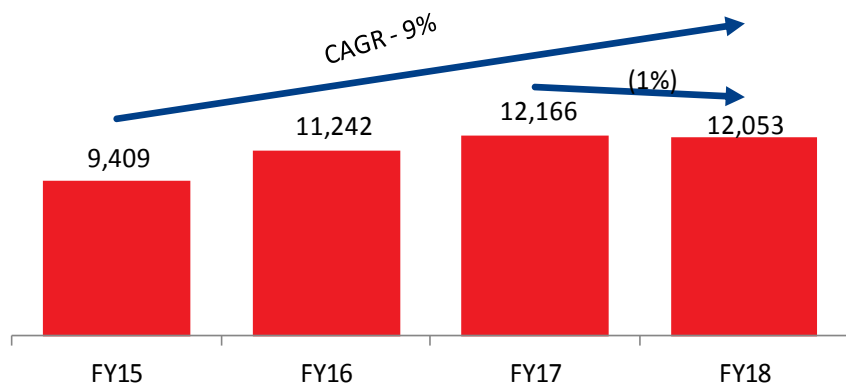
Assets Under Management

(₹ 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%

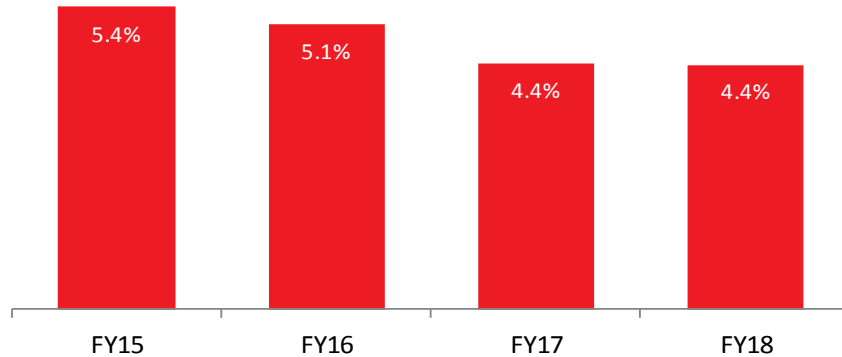
FY18

3 months+
0.40%

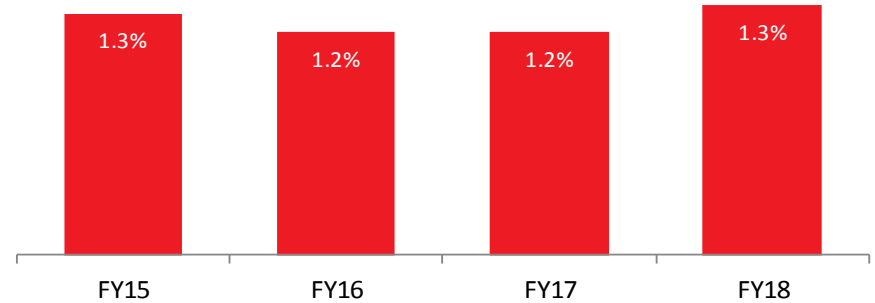
Home Equity - Financial Summary FY18 (Cont'd)

Net Income Margin (A)

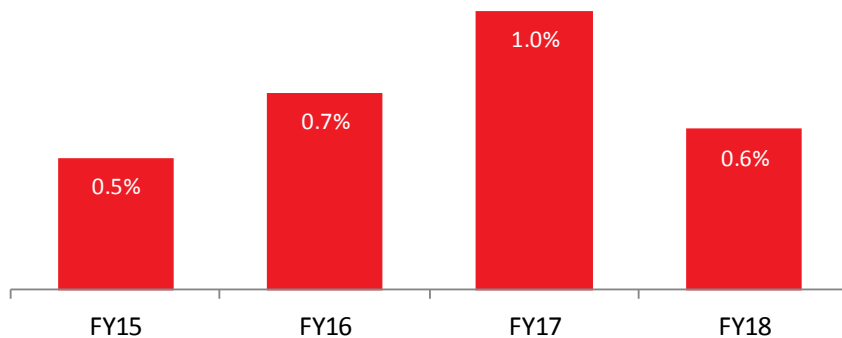
(Operating Income - Finance Charges)



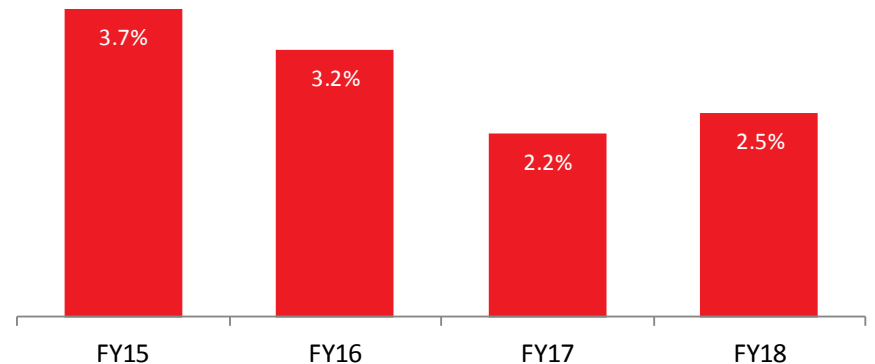
Expense Ratio (B)



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>FY18</u>
• Provision for Loan Loss -	5 months+	4 months+	3 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	0.40%



Funding Profile



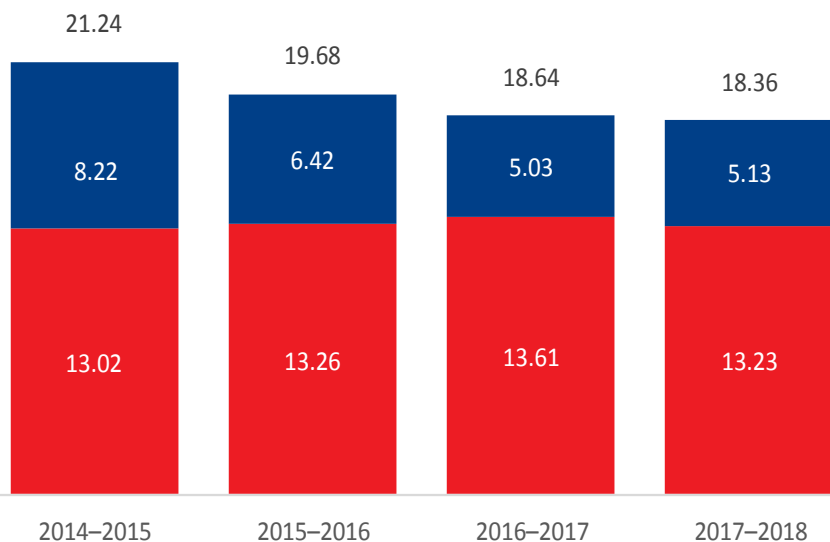
CAR, Credit Rating and ALM Statement

ALM Statement as on Mar 2018

₹ mn

Capital Adequacy Ratio

■ Tier I ■ Tier II



Minimum CAR Stipulated by RBI is 15%

Time Buckets	Outflows	Inflows	Mismatch	Cum Mismatch
1-14 Days	8,507	11,790	3,283	3,283
15-30/31 Days	3,367	4,191	824	4,108
Over 1-2 Months	19,612	19,639	28	4,135
Over 2-3 Months	16,926	16,939	13	4,148
Over 3-6 Months	23,781	24,407	627	4,775
Over 6 Months to 1 Year	57,508	59,969	2,461	7,236
Over 1-3 Years	1,57,778	1,68,172	10,395	17,630
Over 3-5 Years	35,137	41,982	6,845	24,476
Over 5 Years	16,323	41,889	25,565	50,041
Over 20 Years	51,310	1,269	(50,041)	-
Total	3,90,247	3,90,247	-	-

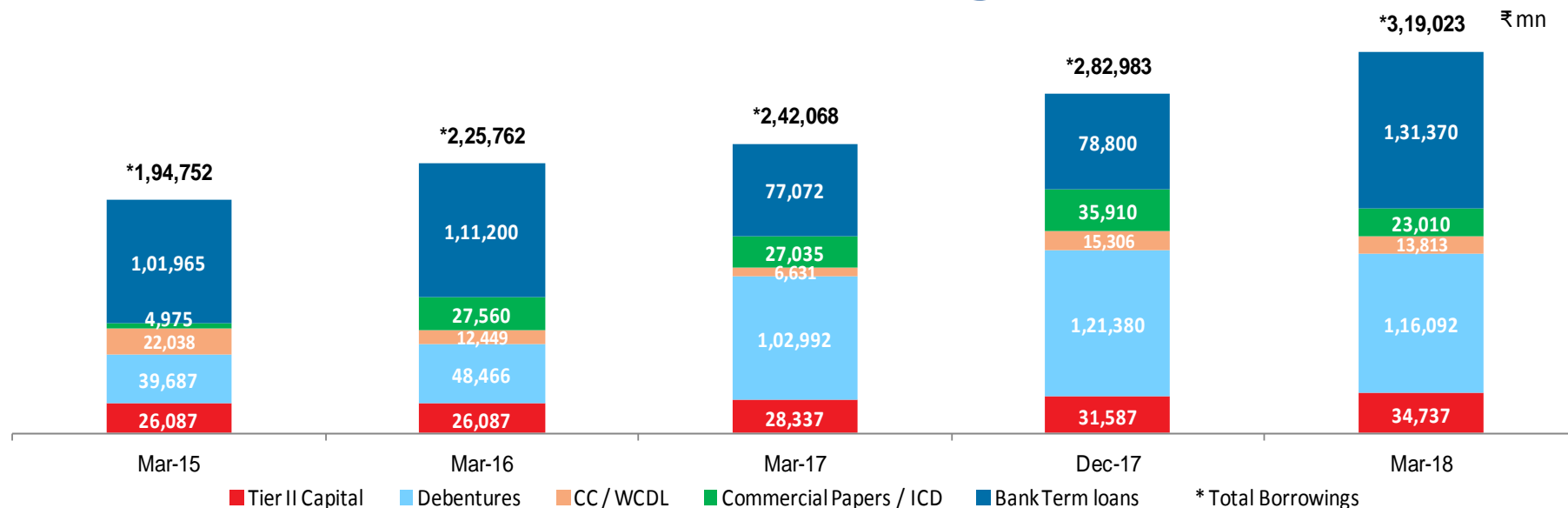
Positive cumulative mismatch in all buckets

Loan Type	INDIA RATINGS	CARE	ICRA	CRISIL
ST CP/WCDL	-	CARE A1+^	[ICRA]A1+	-
LT NCD/CC	IND AA + (ind) stable*	CARE AA+*	[ICRA]AA Positive	-
Tier II SD	IND AA + (ind) stable	CARE AA+	[ICRA]AA Positive	[CRISIL]AA/ Stable
Tier I PDI	IND AA (ind)	CARE AA	[ICRA]AA- Positive	-

^ CP Rating

* NCD Rating

Diversified Borrowings Profile



Particulars	Mar-15	Mar-16	Mar-17	Dec '17	Mar-18
Bank Term Loans	52%	49%	32%	28%	41%
Commercial papers/ ICD	3%	12%	11%	13%	7%
CC/WCDL	11%	6%	3%	5%	4%
Debentures	21%	21%	42%	43%	37%
Tier II Capital	13%	12%	12%	11%	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 ₹ 28,250 mn



Business Enablers



Technology Updates

Technology Infrastructure

Delivering resilient & scalable environment

- Environment tuning and automation to improve financial closing and reporting
- Network infrastructure upgraded to support higher bandwidth, improve resilience and be future ready
- Self-service capability provided for user management
- Refreshed compute and storage infrastructure to support higher volumes on core lending platforms

Systems of Record

Stable foundation for core products & services

- Design and launch MIS for usage by business and functional stakeholders
- NPA & ALM report automation
- Centralized GST solution including subsystem changes rolled out
- Streamlined process and improved automation for Suspicious Transaction Report regulatory submission

Systems of Engagement

Digitally connect employees, partners, & customers

- Customer Mobile Apps – Enhanced with additional payment options and user notifications; new iOS version for improved customer engagement
- Field Sales/Collection Mobility solutions – New functionalities to enhance business capabilities and support for new mobile 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

- Improve solution delivery efficiency through adoption of Agile methodology
- SIEM - Deliver Improved Security with infrastructure monitoring and management
- Continue effort for alignment to RBI guidelines for NBFCs
- Weekly round-table for knowledge sharing & employee engagement
- Implemented Risk based Data and Application protection for enterprise digital risk management

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

₹ mn

Particulars	Q4FY17	Q3FY18	Q4FY18	Growth % Q-o-Q	Growth % Y-o-Y
Disbursements	52,130	67,611	80,071	18%	54%
Closing Assets (Managed)	3,51,097	4,00,549	4,38,299	9%	25%
Closing Assets (Balance Sheet)	2,88,464	3,36,678	3,75,963	12%	30%
Operating Income	12,134	13,833	15,116	9%	25%
Finance Charges	5,475	5,903	6,199	5%	13%
Net Income	6,659	7,931	8,917	12%	34%
Expenses	2,754	3,237	3,793	17%	38%
Loan Losses and Std Assets Prov	529	902	737	-18%	39%
Profit Before Tax	3,376	3,792	4,388	16%	30%
Taxes	1,180	1,300	1,477	14%	25%
Profit After Tax	2,195	2,492	2,911	17%	33%
Key Asset Ratios					
Net Income to Avg. Assets	9.3%	9.6%	10.1%		
Operating exp. to Avg. Assets	3.9%	3.9%	4.3%		
NCL to Avg. Assets	0.7%	1.1%	0.8%		
ROTA–PBT	4.7%	4.6%	5.0%		
ROTA–PAT	3.1%	3.0%	3.3%		

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

Profit and Loss Statement – Year to Date

₹ mn

Particulars	FY15	FY16	FY17	FY18
Disbursements	1,28,076	1,63,803	1,85,913	2,51,135
Closing Assets (Managed)	2,61,906	3,03,624	3,51,097	4,38,299
Closing Assets (Balance Sheet)	2,26,423	2,61,980	2,88,464	3,75,963
Operating Income	36,912	41,937	46,603	54,258
Finance Charges	19,604	20,508	22,308	23,078
Net Income	17,308	21,429	24,295	31,179
Expenses	7,489	8,449	10,133	12,895
Loan Losses and Std Assets Prov	3,247	4,272	3,106	3,451
Profit Before Tax	6,572	8,708	11,056	14,833
Taxes	2,221	3,023	3,868	5,092
Profit After Tax	4,352	5,685	7,187	9,741
Key Income Ratios				
NIM to Income	46.9%	51.1%	52.1%	57.5%
Optg Exp to Income	20.3%	20.1%	21.7%	23.8%
Optg Exp to Net Income Margin	43.3%	39.4%	41.7%	41.4%
ROTA–PBT	3.0%	3.6%	3.9%	4.6%
ROTA–PAT	2.0%	2.3%	2.6%	3.0%

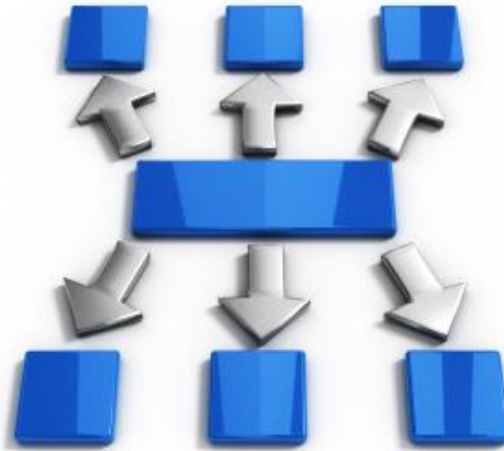
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	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
• Provision for Loan Loss -	5 months+	4 months+	3 months+	3 months+
• Standard Asset Provision -	0.30%	0.35%	0.40%	0.40%
• Addl Provision (for 3 months overdue)-	54 Cr.			

Balance Sheet

₹ mn

Particulars	Mar-15	Mar-16	Mar-17	Mar-18
Equity and Liabilities				
Shareholders' Funds	31,733	36,574	42,849	51,502
Current Liabilities	78,892	1,27,214	1,04,229	1,30,239
Non-current Liabilities	1,28,106	1,15,095	1,58,870	2,13,305
Total	2,38,732	2,78,883	3,05,948	3,95,046
Assets				
Non-current Assets				
Fixed Assets	683	1,113	1,400	1,608
Non-current Investments	602	647	1,925	2,383
Deferred Tax Asset (Net)	1,836	2,815	3,152	3,396
Receivable under Financing Activity	1,54,680	1,81,877	1,99,354	2,59,895
Other Non-current Assets & Loans and Advances	6,678	5,157	6,472	7,064
	1,64,479	1,91,608	2,12,303	2,74,344
Current Assets				
Current Investments	73	19	461	807
Cash and Bank Balances	3,407	4,905	4,706	3,925
Receivable under Financing Activity	67,156	77,225	84,790	1,12,117
Other Current Assets & Loans and Advances	3,618	5,126	3,687	3,852
	74,253	87,275	93,645	1,20,702
Total	2,38,732	2,78,883	3,05,948	3,95,046
De-recognised Assets	35,482	41,643	62,633	62,336
Total Assets Under Management	2,74,215	3,20,526	3,68,581	4,57,382



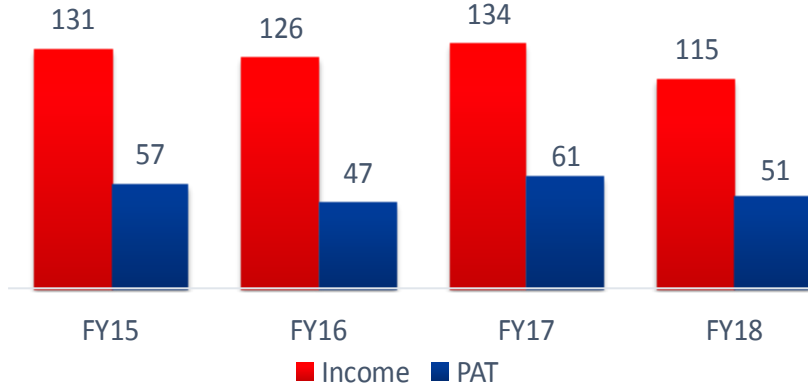
Subsidiaries



Subsidiaries

Cholamandam Distribution Services Ltd

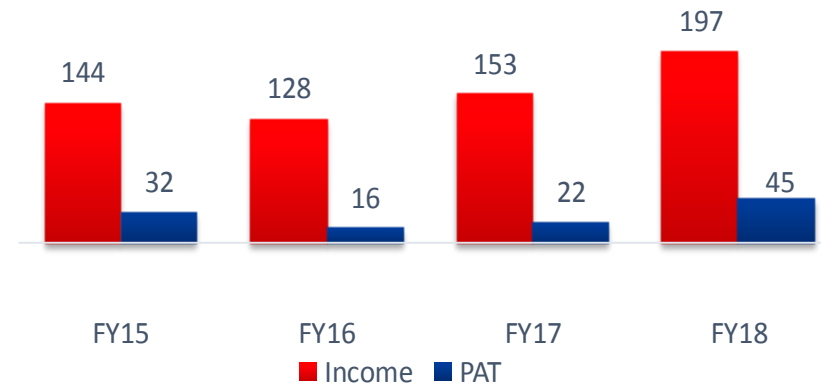
₹ mn



- 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.

Cholamandam Securities Ltd

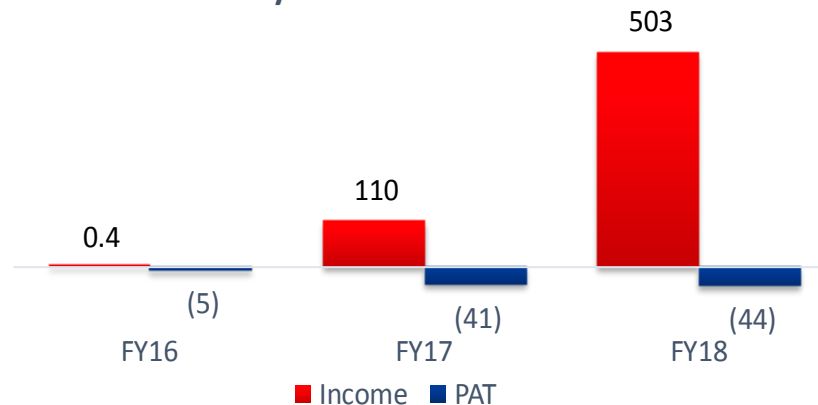
₹ mn



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

White Data Systems India Pvt Ltd

₹ mn



- 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

Bill Discounting, Trip Loan, Rural Finance & Unsecured Loans

3 to 5.99 Months – 10%
6 to 8.99 Months – 33%
9 to 11.99 Months – 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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Sujatha P-Sr. Vice President & Company Secretary – sujathap@chola.murugappa.com

Arulselvan D-Executive Vice President & CFO – arulselvanD@chola.murugappa.com

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Chola

Enter a better life



Thank You



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