

July 30, 2021

**The Secretary**  
**National Stock Exchange of India Limited**  
**Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound**  
**Senapati Bapat Marg, Lower Parel,**  
**Mumbai 400 013**

**The Secretary**  
**BSE Ltd.**  
**1<sup>st</sup> Floor, P.J. Towers**  
**Dalal Street, Fort,**  
**Mumbai 400 001**

**NSE SCRIP CODE: CHOLAFIN EQ**

**BSE SCRIP CODE: 511243**

**NSDL / CDSL / NSE-WDM / BSE-F Class**

Dear Sirs,

**Sub: Intimation on the outcome of the Board Meeting held on July 30, 2021 and disclosure under Regulation 30 of SEBI Listing Regulations.**

Kindly refer our letter dated 5<sup>th</sup> July, 2021, intimating you of the convening of the meeting of the Board of Directors to *inter alia* consider unaudited financial results for the quarter ended 30<sup>th</sup> June, 2021 and issue of non-convertible debentures.

In this regard, we wish to inform you that the Board of Directors at their meeting held today have approved the following:

**1. Unaudited financial results:**

Unaudited financial results (Standalone and Consolidated) for the quarter ended 30<sup>th</sup> June, 2021 in respect of which we enclose the following as prescribed under Regulation 33 of the Listing Regulations:

- The detailed format of the unaudited financial results being submitted as per the listing regulations. The said results will be uploaded on the stock exchange websites. The results will also be published as per the format prescribed in the listing regulations;
- Limited Review report from the statutory auditors, M/s. S.R.Batliboi and Associates LLP;
- Press release with regard to the above financial results being released for publication.

**2. Issuance of non-convertible debentures:**

Issue of secured / unsecured redeemable non-convertible debentures of a face value of Rs.10 lakhs each at par aggregating to Rs.28,000 crores in one or more tranches on private placement basis.

### 3. Resignation of statutory auditors:

Further to a communication dated June 21, 2021 regarding their intention to resign as auditors, taken note of the letter dated July 30, 2021 received from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants expressing their inability to continue as statutory auditors of the company effective today pursuant to the Guidelines dated April 27, 2021 for Appointment of Statutory Auditors for NBFCs issued by Reserve Bank of India and the circular CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities Exchange Board of India upon issuing the review reports on the standalone and consolidated financial results for the quarter ended June 30, 2021 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Audit Committee considered the above prior to the Board meeting and noted that the resignation is on account of regulatory requirement.

Information as required under Regulation 30 – Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and information from the statutory auditor as specified in Annexure A upon resignation as required under the above referred SEBI circular are annexed herewith.

### Schedule of Analysts / Investors call:

Pursuant to Regulation 30(2) of the Listing Regulations, details of the schedule of Analyst / Investors call in connection with the unaudited financial results (Standalone and Consolidated) for the quarter ended 30<sup>th</sup> June, 2021 is given below:

Date	Organised by	Link	Time
02-Aug-2021	Kotak Institutional Equities	<a href="#">Click here to join</a>	10 a.m.

The meeting of Board of Directors commenced at 1.00 p.m. and concluded at 3.30 p.m.

Kindly take the above information on record and acknowledge receipt.

Thanking you,

Yours faithfully,  
For Cholamandalam Investment and Finance Company Limited



P Sujatha  
Company Secretary

Encl.: as above



# ***BELIEF RELOADED***

*Discovering Power From Within!*

**Cholamandalam Investment and Finance Company Limited**

**CORPORATE PRESENTATION - JUNE 2021**

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*BELIEVED*  
*Discovering Power From Within!*

# Murugappa Group Overview



## Murugappa Group in a Nutshell



Years of  
Existence



Consolidated  
Turnover  
(FY21)



Group Market  
cap (as on  
30<sup>th</sup> Jun 2021)



Sectors



Businesses



Listed  
Companies



Geographical  
Presence

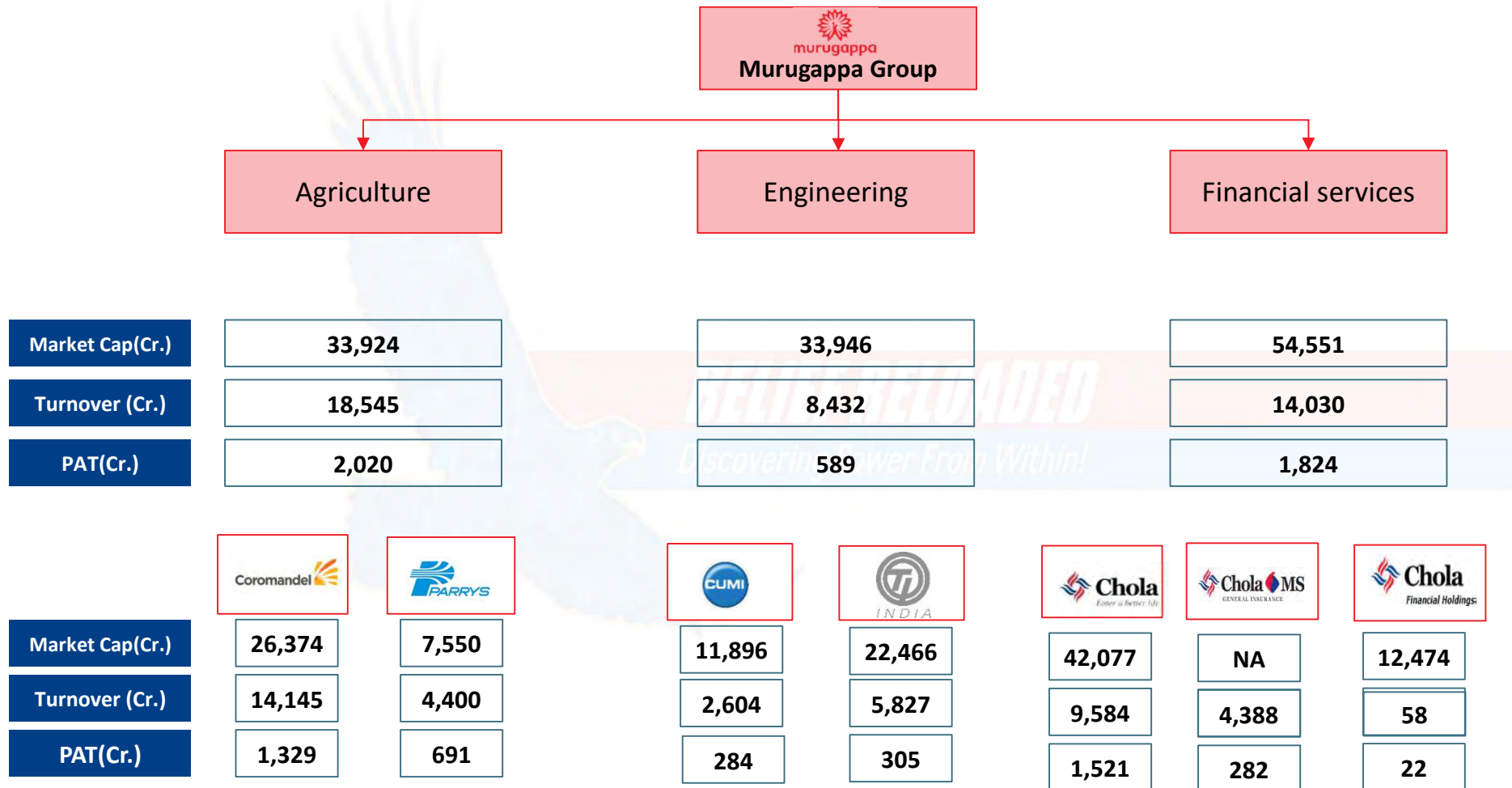


Manufacturing  
Locations



Work force

# Murugappa Group Overview



Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings.  
 Financial Performance are of FY 20-21.  
 Market data as on 30th June 2021. Source: BSE

# Corporate Overview





## SPIRIT OF MURUGAPPA



The diagram features a central white circle with the text "The five lights" and a subtitle "The values, principles and beliefs that have always guided us and continue to show the way forward." Five light trails radiate from the center, each labeled with a value: Integrity (top), Passion (top-right), Quality (bottom-right), Respect (bottom-left), and Responsibility (left).

**The five lights**  
The values, principles and beliefs that have always guided us and continue to show the way forward.

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

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

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

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

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

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

# Cholamandalam Investment & Finance Company Limited



16.6 lakh + customers

Helping customers enter better life

2 lakh customers in year 2000 to 16.6 lakh plus customers till date



27,584 employees

Strong employees force to serve more customers

200 plus employees in year 2000 to 27,500+ employees today



Rs. 67+k Cr. AUM

Healthy ROA of 2.5%

PAT - CAGR of 20% from FY17 to FY21



Rs. 42+k Cr. market cap

Rapid market cap growth

From Rs. 840 Cr. in year 2008 to Rs. 42K Cr. in 2021



1137 branches

Strong geographical presence

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



Diversified product portfolio

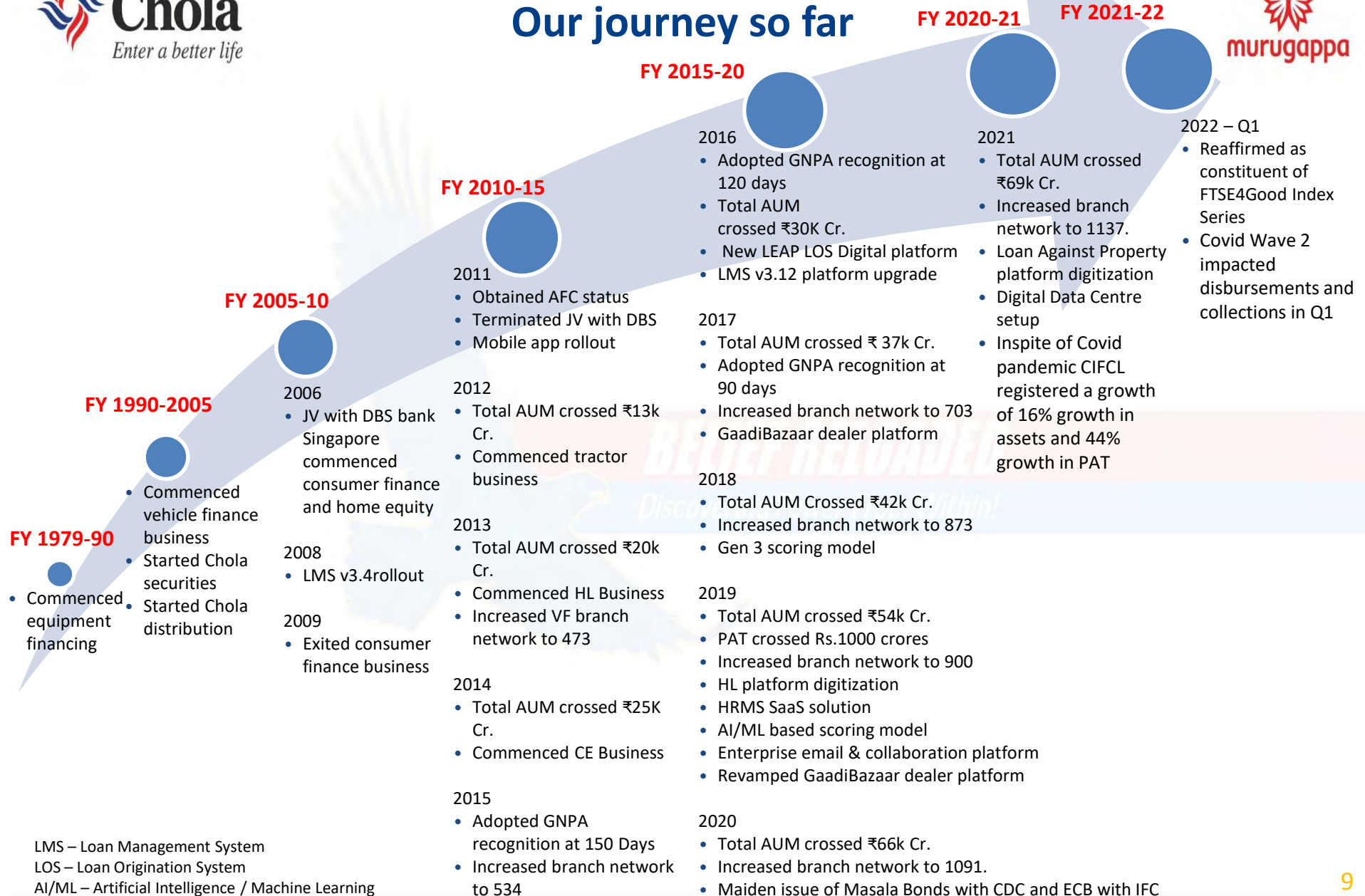
- Presence across Vehicle Finance, Loan Against Property, Home Loans, Stock broking & distribution of financial products



Highly experienced management

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

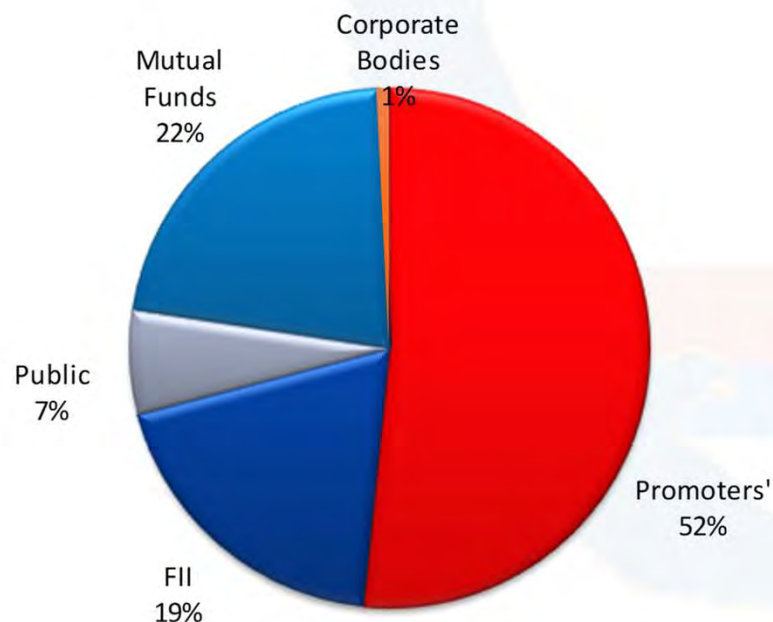
# Our journey so far



LMS – Loan Management System  
 LOS – Loan Origination System  
 AI/ML – Artificial Intelligence / Machine Learning

## Shareholding

### Shareholding Pattern



- Promoters' share holding of 51.61% includes
  - Cholamandalam Financial Holdings Limited – 45.46%,
  - Ambadi Investments Limited – 4.11%
  - Others - 2.04%

### Institutional Holders (More than 1%)

#### Top Domestic Institutional Holding

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

#### Top Foreign Institutional Holding

- Capital World
- Vanguard
- Blackrock

Note: As on 16th Jul 2021

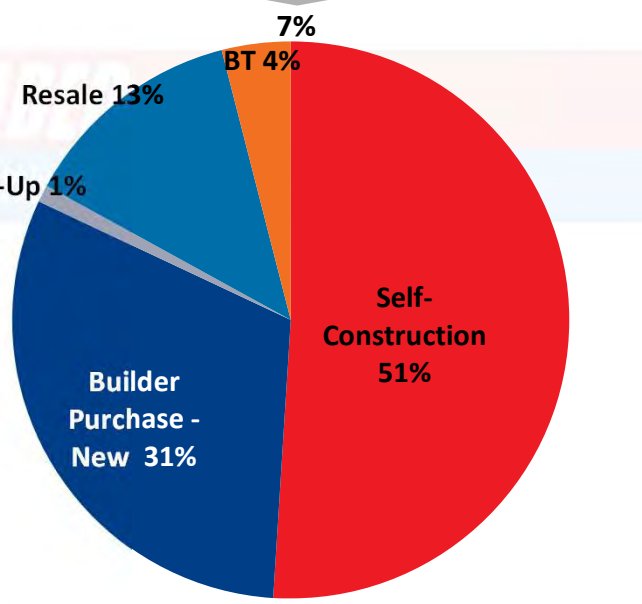
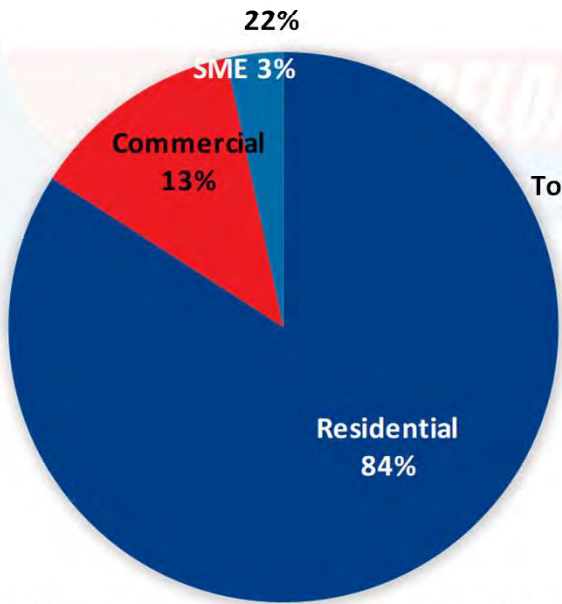
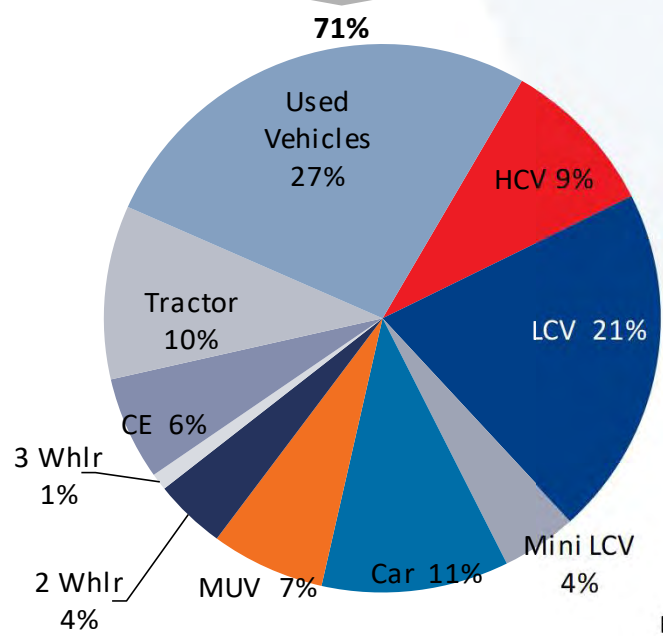
# Business Profile and AUM as on 30th Jun 2021

**Business AUM**  
Rs. 67,821Cr

**Vehicle Finance**  
Rs. 48,403Cr

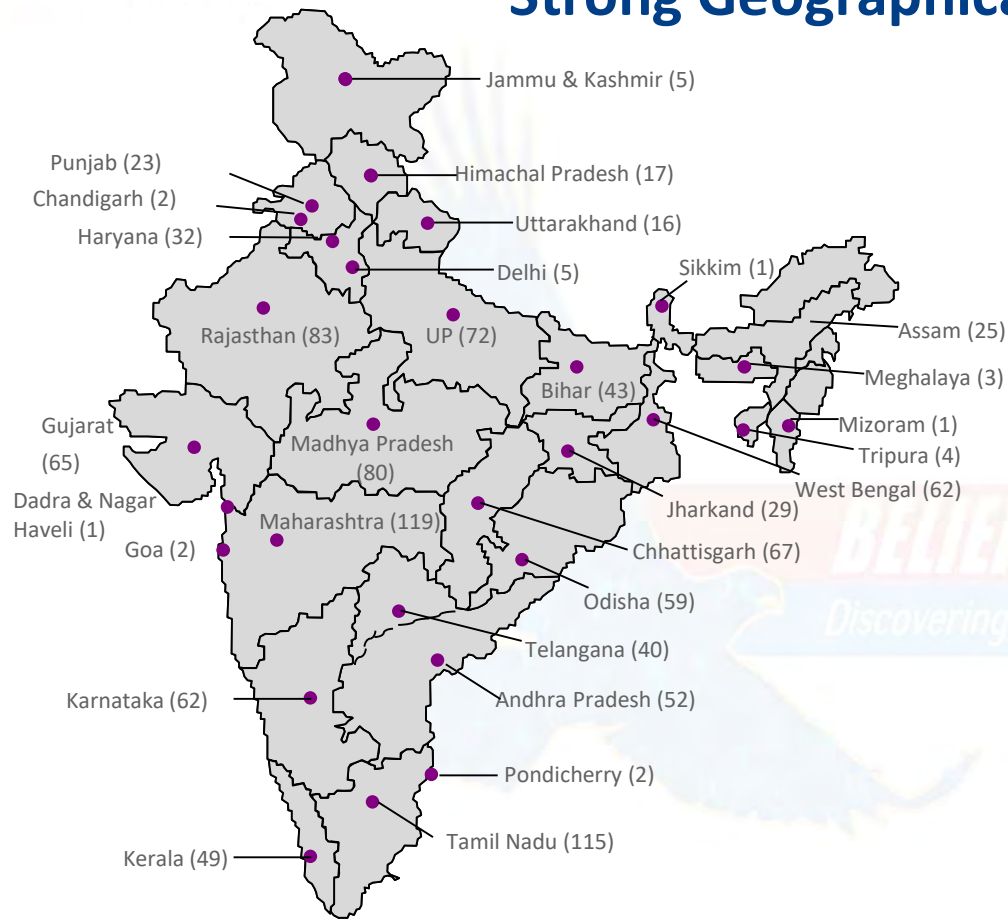
**LAP & SME**  
Rs. 15,015Cr

**Home Loan**  
Rs. 4,402Cr

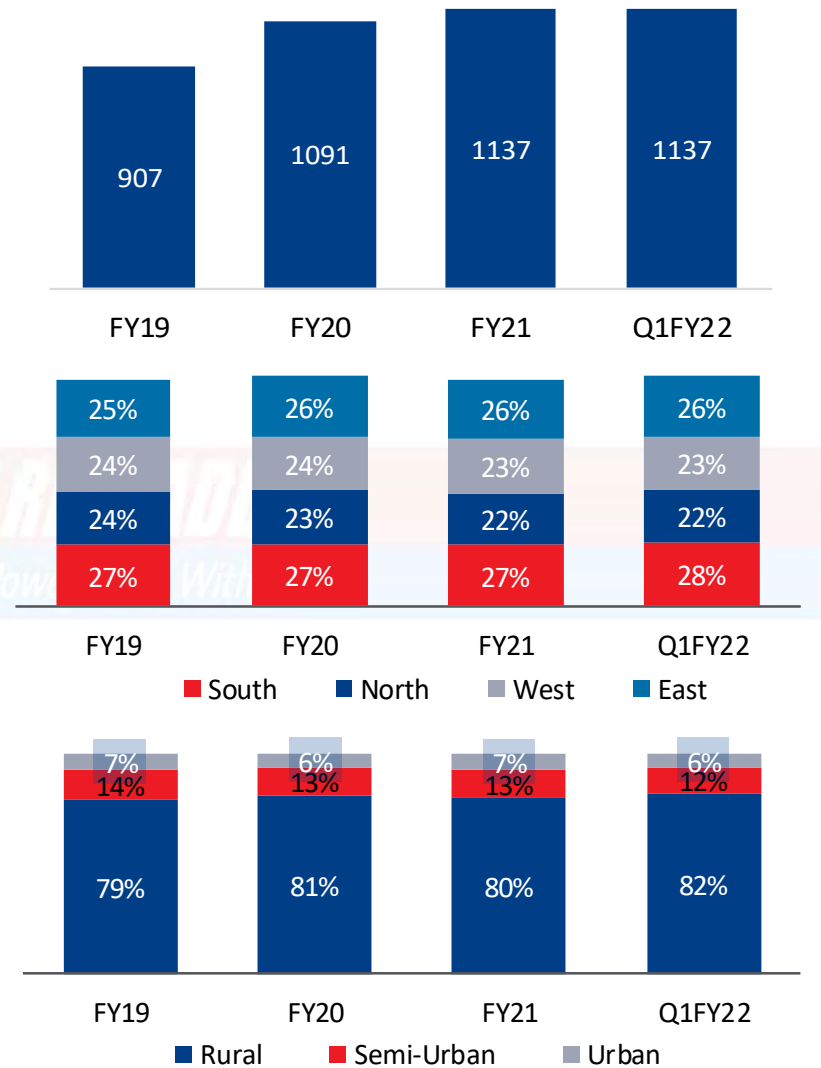


HCV: Heavy Commercial Vehicle  
 LCV: Light Commercial Vehicle  
 MUV: Multi Utility Vehicle  
 3 Whlr: Three Wheeler  
 2 Whlr: Two Wheeler  
 CE: Construction Equipment  
 SME: Small & Medium Enterprise  
 SORP: Self Occupied Residential Property  
 LAP: Loan Against Property  
 BT – Balance Transfer

## Strong Geographical Presence



- 1137 branches across 29 states/Union territories: 1093 VF, 365 LAP (359 co-located with VF), 177 HL (144 co-located with VF) & 4 Regional offices in Tamil Nadu
- 80% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns



Note: Figures in brackets represents total no. of branches as on 30th Jun 2021.

# Financial Performance



## Financial Snapshot — 10 Years

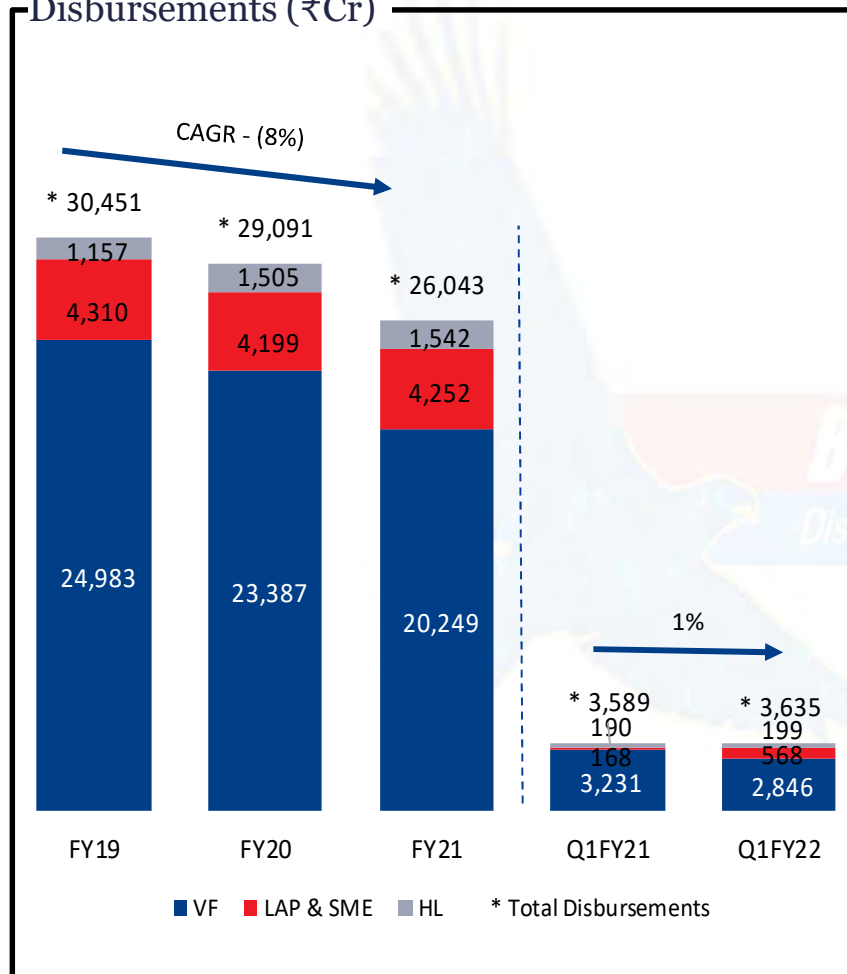
Financials Snapshot	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	YoY	CAGR (5 years)	CAGR (10 years)
	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP	INDAS	INDAS	INDAS	INDAS			
<b>Disbursements</b>	<b>8,889</b>	<b>12,118</b>	<b>13,114</b>	<b>12,808</b>	<b>16,380</b>	<b>18,591</b>	<b>25,114</b>	<b>30,451</b>	<b>29,091</b>	<b>26,043</b>	<b>-10%</b>	<b>9%</b>	<b>13%</b>
<b>Assets under management</b>	<b>13,462</b>	<b>18,998</b>	<b>23,253</b>	<b>25,452</b>	<b>29,650</b>	<b>34,167</b>	<b>42,924</b>	<b>54,279</b>	<b>60,549</b>	<b>69,996</b>	<b>16%</b>	<b>20%</b>	<b>20%</b>
Total Income	1,767	2,556	3,263	3,691	4,194	4,660	5,480	6,993	8,653	9,520	10%	20%	21%
Interest expenses	988	1,411	1,771	1,960	2,051	2,231	2,659	3,589	4,592	4,576	0%	20%	19%
<b>Net Income</b>	<b>778</b>	<b>1,145</b>	<b>1,492</b>	<b>1,731</b>	<b>2,143</b>	<b>2,430</b>	<b>2,820</b>	<b>3,404</b>	<b>4,061</b>	<b>4,944</b>	<b>22%</b>	<b>19%</b>	<b>23%</b>
Operating Expenses	437	570	658	749	845	1,013	1,115	1,270	1,578	1,583	0.4%	12%	15%
<b>Operating Profit Before Loan Losses</b>	<b>342</b>	<b>575</b>	<b>834</b>	<b>982</b>	<b>1,298</b>	<b>1,416</b>	<b>1,705</b>	<b>2,134</b>	<b>2,483</b>	<b>3,360</b>	<b>35%</b>	<b>24%</b>	<b>29%</b>
Loan Losses & Provision	18	124	283	325	427	311	304	311	897	1,322	47%	44%	61%
<b>Profit before tax</b>	<b>290</b>	<b>451</b>	<b>550</b>	<b>657</b>	<b>871</b>	<b>1,106</b>	<b>1,401</b>	<b>1,823</b>	<b>1,586</b>	<b>2,038</b>	<b>29%</b>	<b>17%</b>	<b>24%</b>
<b>Profit after tax</b>	<b>173</b>	<b>307</b>	<b>364</b>	<b>435</b>	<b>568</b>	<b>719</b>	<b>918</b>	<b>1,186</b>	<b>1,052</b>	<b>1,515</b>	<b>44%</b>	<b>20%</b>	<b>27%</b>
<b>Ratios</b>													
Net Income to assets (%)	7.2	7.6	7.7	6.9	7.7	7.5	7.5	6.8	6.8	7.2			
Expense to assets (%)	4.1	3.8	3.4	3.0	3.0	3.1	3.0	2.6	2.6	2.3			
Losses and provisions (%)	0.2	0.8	1.5	1.3	1.5	1.0	0.8	0.6	1.5	1.9			
Return on assets (PBT) (%)	2.7	3.0	2.8	2.6	3.1	3.4	3.7	3.7	2.7	3.0			
Networth	*1417	*1965	2295	*3173	3657	4285	5098	6176	*8172	9794			
Tier I	11.0	11.1	10.5	13.0	13.3	13.6	13.2	12.6	15.3	15.1			
CAR (%)	*18.1	*19.0	17.2	*21.2	19.7	18.6	18.4	17.4	*20.68	19.1			
Return on equity (%)	13.9	18.1	17.1	15.8	16.7	18.1	19.6	20.9	15.2	16.9			
Earnings per share (Basic)	2.9	4.6	5.1	6.0	7.5	9.2	11.8	15.2	13.4	18.5			
Dividend	25%	35%	35%	35%	45%	55%	65%	65%	85%	100%			
Market Capitalisation	2453	3883	4125	8423	11140	15072	22667	22624	12535	45824			
<b>GNPA (%)</b>	<b>0.9</b>	<b>1.0</b>	<b>1.9</b>	<b>3.1</b>	<b>3.5</b>	<b>4.7</b>	<b>3.4</b>	<b>2.7</b>	<b>3.8</b>	<b>4.0</b>			
<b>NNPA (%)</b>	<b>0.3</b>	<b>0.2</b>	<b>0.7</b>	<b>2.0</b>	<b>2.1</b>	<b>3.2</b>	<b>2.2</b>	<b>1.7</b>	<b>2.2</b>	<b>2.2</b>			
NPA Recognition	6month	6month	6month	5month	4month	3month	3month	3month	3month	3month			
Branch Network	375	518	574	534	534	703	873	900	1091	1137			

- Capital Infusion
- Loan losses includes an additional provision of Rs.504 Crores and Rs.566 Crores due to COVID & Macro Provision in FY20 and FY21 respectively.

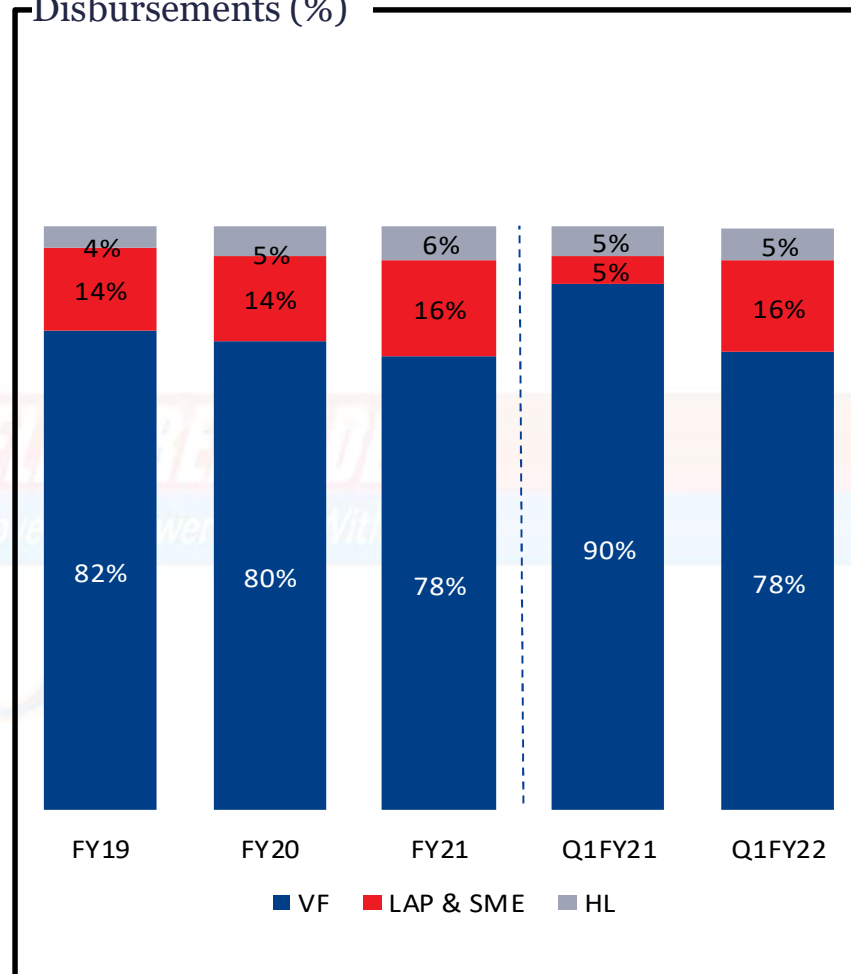


# Disbursements

Disbursements (₹Cr)

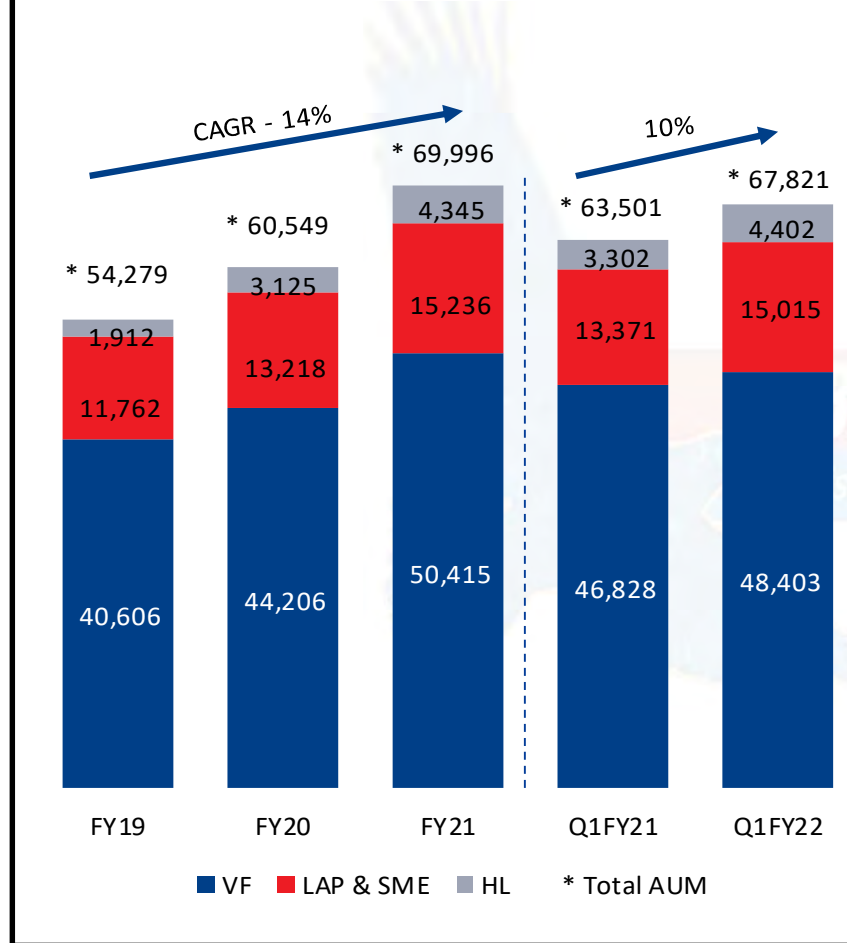


Disbursements (%)

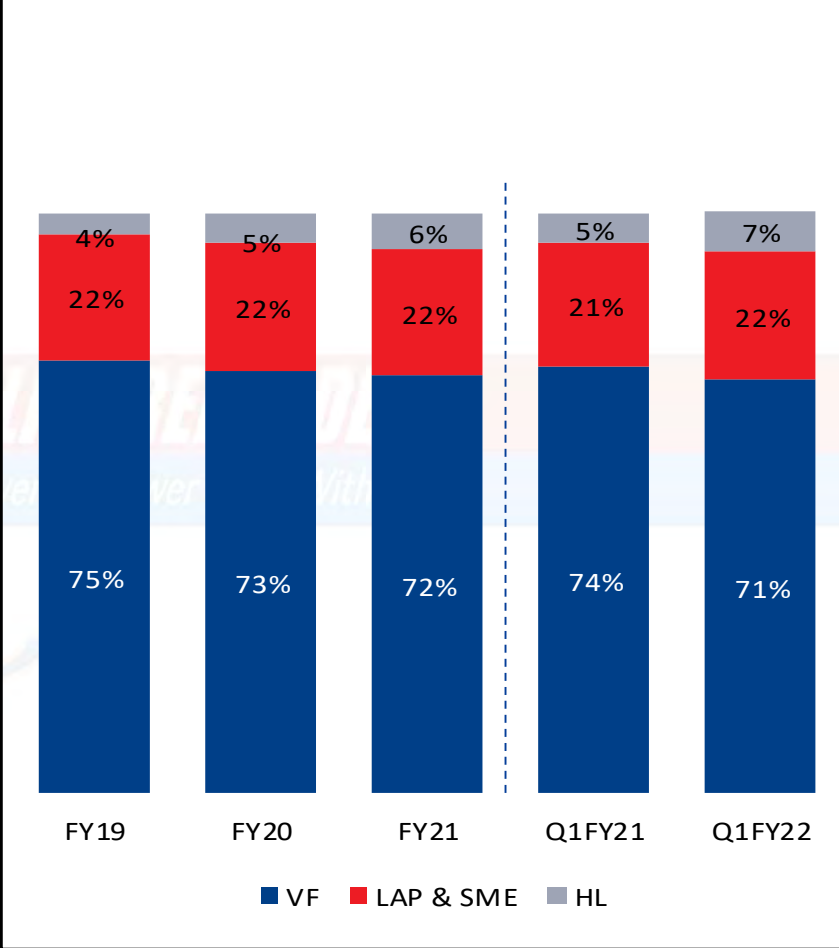


## Assets Under Management

Business - Assets under Management (₹Cr)

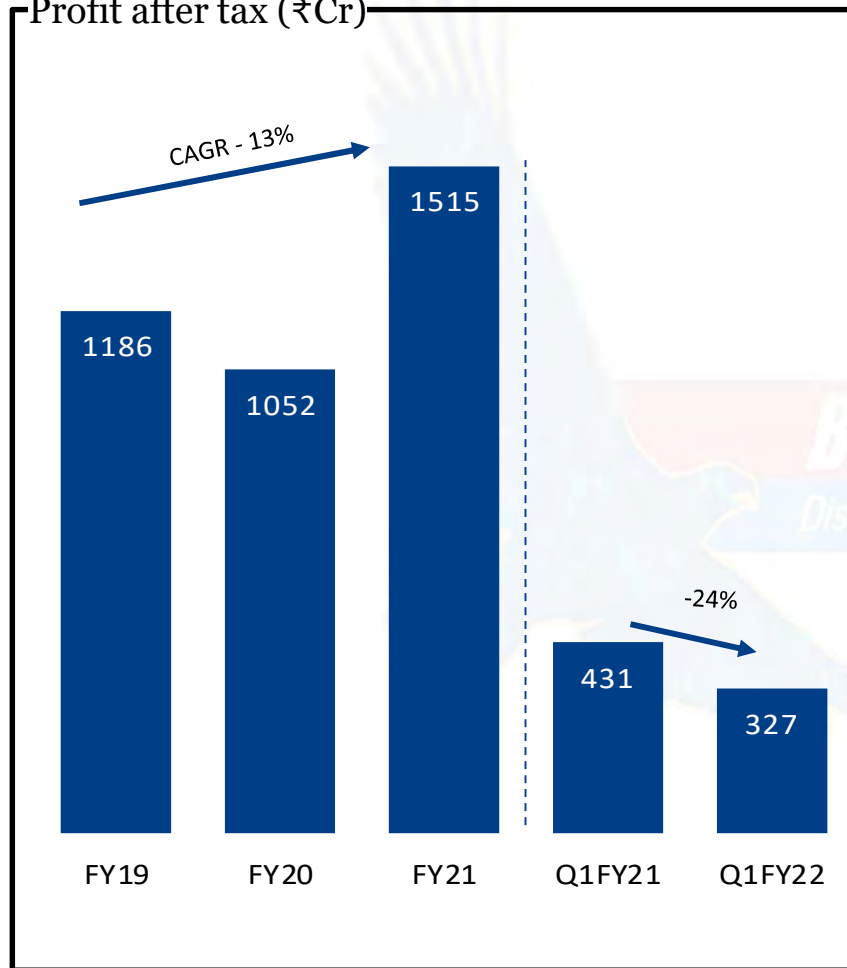


Business - Assets under Management (%)

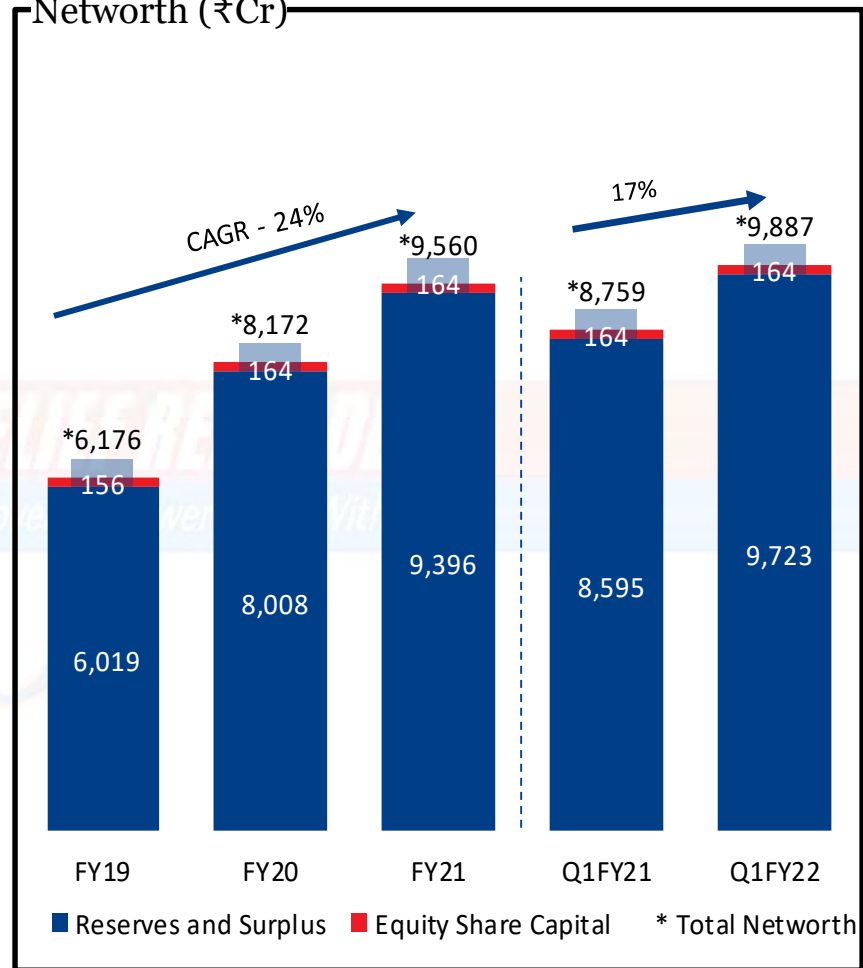


## Profitability and Net worth

Profit after tax (₹Cr)

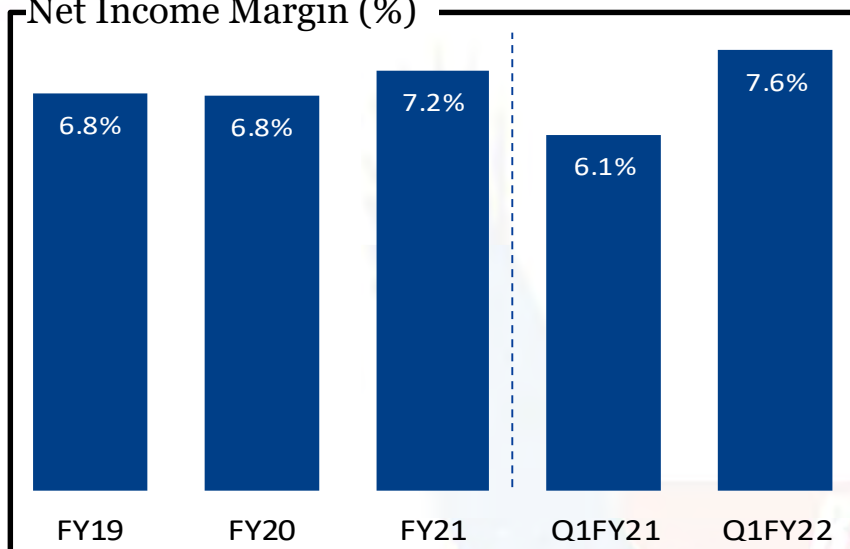


Networth (₹Cr)

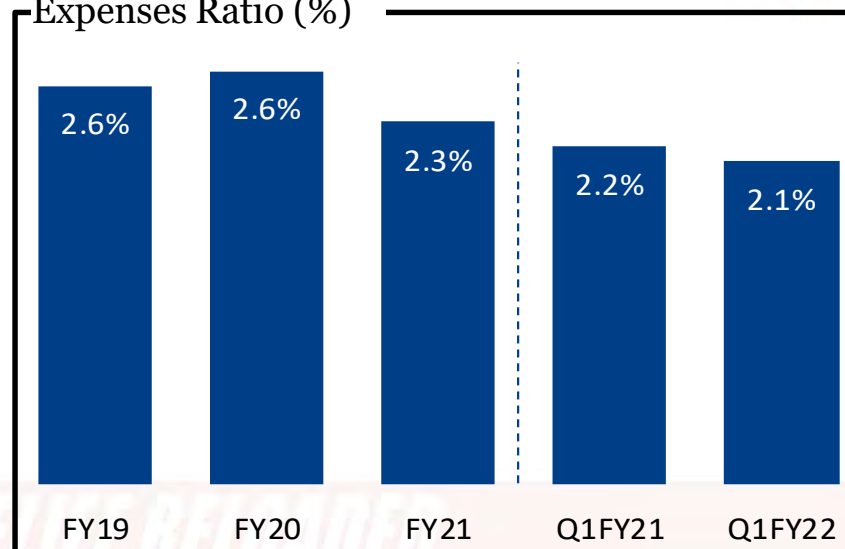


## Asset Ratios

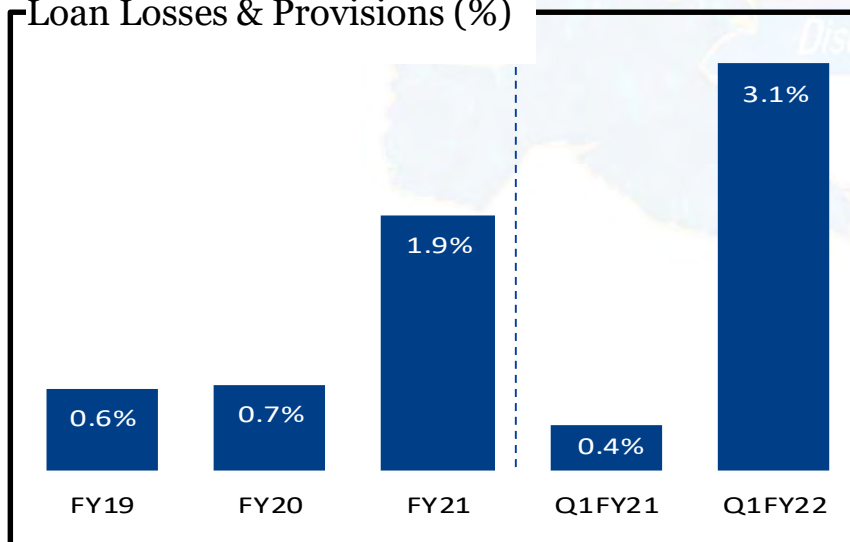
Net Income Margin (%)



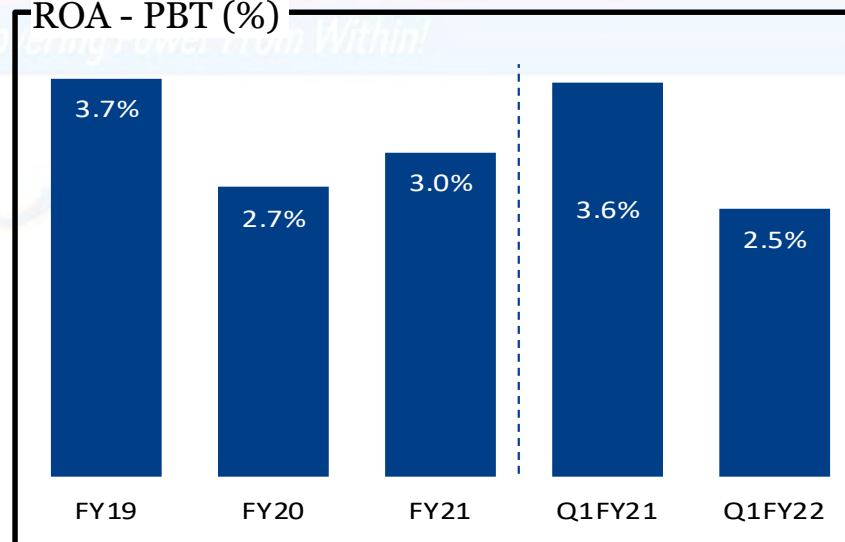
Expenses Ratio (%)



Loan Losses & Provisions (%)

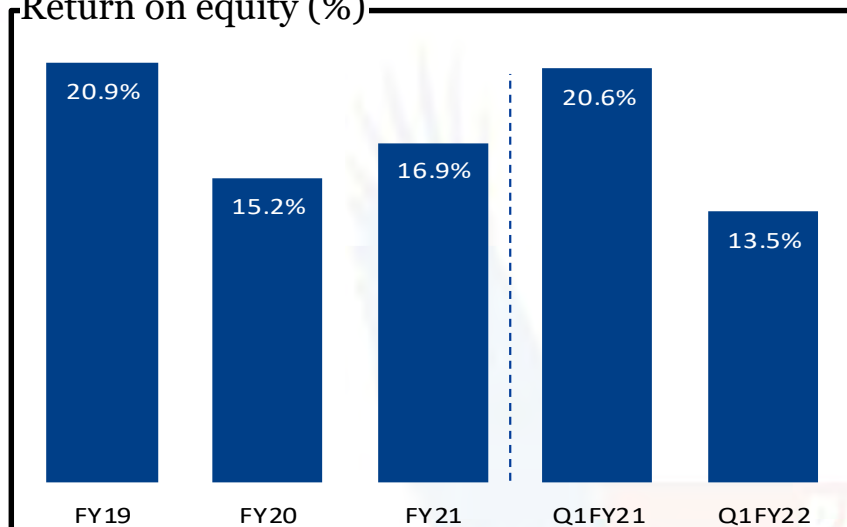


ROA - PBT (%)

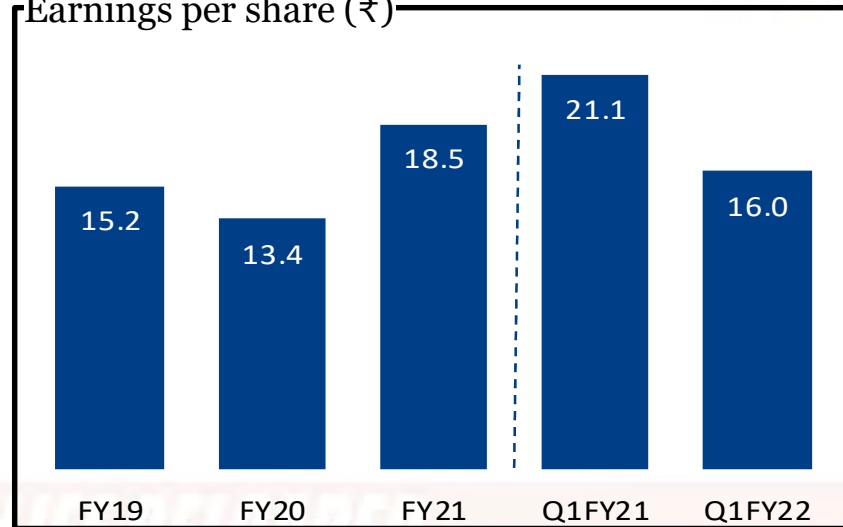


## Shareholders' Returns Ratios

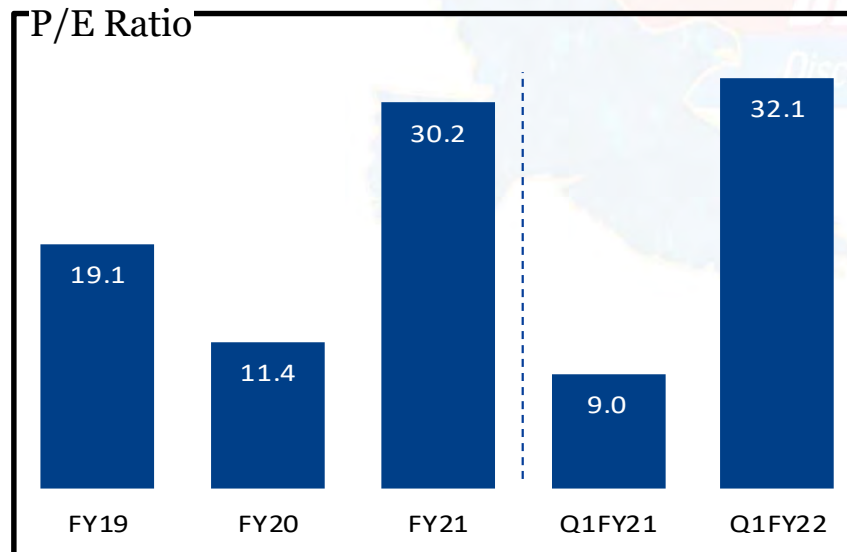
Return on equity (%)



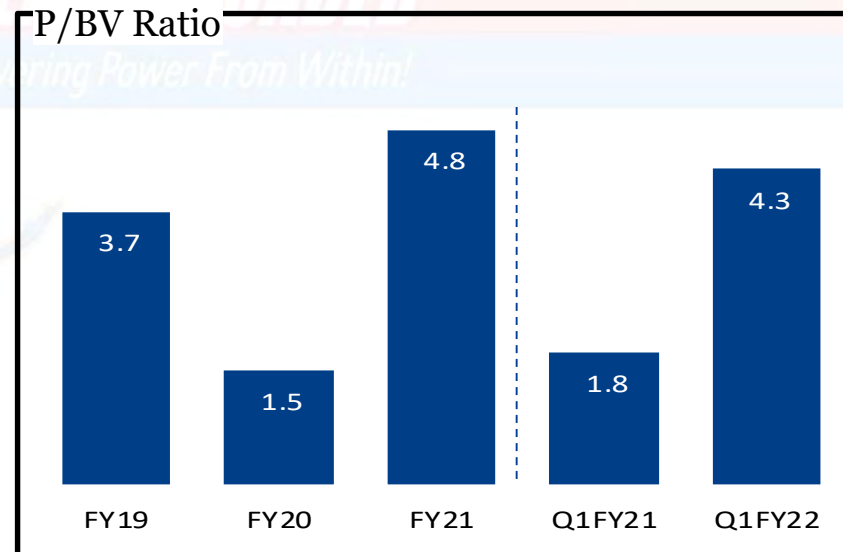
Earnings per share (₹)



P/E Ratio



P/BV Ratio



## Profit and Loss Statement (As per IND AS)

₹ Cr

Particulars	Q1FY21	Q4FY21	Q1FY22	Growth % Q1-o-Q1	Growth % Q4-o-Q1	FY21
<b>Disbursements</b>	<b>3,589</b>	<b>8,071</b>	<b>3,635</b>	<b>1%</b>	<b>-55%</b>	<b>26,043</b>
<b>Closing Assets (Managed)</b>	<b>70,826</b>	<b>76,518</b>	<b>75,763</b>	<b>7%</b>	<b>-1%</b>	<b>76,518</b>
Operating Income	2,114	2,461	2,467	17%	0%	9,520
Finance Charges	1,131	1,120	1,104	-2%	-1%	4,576
<b>Net Income</b>	<b>983</b>	<b>1,342</b>	<b>1,363</b>	<b>39%</b>	<b>2%</b>	<b>4,944</b>
Expenses	346	514	371	7%	-28%	1,583
Net Credit Losses	56	504	552	883%	10%	1,322
<b>PBT</b>	<b>581</b>	<b>324</b>	<b>441</b>	<b>-24%</b>	<b>36%</b>	<b>2,038</b>
<b>PAT</b>	<b>431</b>	<b>243</b>	<b>327</b>	<b>-24%</b>	<b>34%</b>	<b>1,515</b>
<b>Asset Ratios</b>						
Income	13.2%	14.0%	13.7%			13.9%
Cost of Funds	7.1%	6.3%	6.1%			6.7%
<b>Net Income Margin</b>	<b>6.1%</b>	<b>7.6%</b>	<b>7.6%</b>			<b>7.2%</b>
Expense	2.2%	2.9%	2.1%			2.3%
Losses & Provisions	0.4%	2.9%	3.1%			1.9%
<b>ROA-PBT</b>	<b>3.6%</b>	<b>1.8%</b>	<b>2.5%</b>			<b>3.0%</b>
<b>ROA-PAT</b>	<b>2.7%</b>	<b>1.4%</b>	<b>1.8%</b>			<b>2.2%</b>
Gross - Stage 3	1,996	2,705	4,545			2,705
ECL Provisions - Stage 3	831	1,197	1,614			1,197
<b>Coverage Ratio - Stage 3</b>	<b>41.6%</b>	<b>44.3%</b>	<b>35.5%</b>			<b>44.3%</b>

**Note:** Though Q1 of FY 21 was also impacted by Covid first wave, based on RBI guidelines and Board approved policy, moratorium was offered to more than 75% of our customers. The DPD positions of these customers hence remained static during the moratorium period and Loan Losses were thus minimal in Q1 of last year. In Q1 FY 22, due to second wave and localized lockdowns, there had been roll-forwards to higher buckets and hence a higher NCL, and considering the reasons specified, the quarters are not comparable. This position in Q1 FY 22 is temporary, and we expect the loan losses to get to normal levels in subsequent quarters, as it happened in Q3 and Q4 of FY 21 where the customers started paying up once the lockdown was lifted, and normalcy returned.

## Balance Sheet (As per IND AS)

₹ Cr

Particulars	Jun-20	Mar-21	Jun-21
<b>ASSETS</b>			
<b>Financial Assets</b>	<b>66,996</b>	<b>73,365</b>	<b>72,981</b>
Cash and Bank balance	8,052	5,232	6,696
Derivative financial instruments	91	46	89
Receivables	44	66	61
Loans	58,336	65,839	63,966
Investments	73	1,619	1,631
Other Financial Assets	401	563	538
<b>Non- Financial Assets</b>	<b>880</b>	<b>1,183</b>	<b>1,184</b>
Current tax assets (Net)	47	146	70
Deferred tax assets (Net)	551	764	814
Property, Plant and Equipment	241	203	205
Intangible assets	26	26	26
Other Non-Financial Assets	16	44	68
<b>TOTAL</b>	<b>67,875</b>	<b>74,548</b>	<b>74,165</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Financial Liabilities</b>	<b>59,155</b>	<b>64,791</b>	<b>64,080</b>
Derivative financial instruments	-	127	116
Trade Payables - Others	232	236	230
Other Payables - Others	121	205	145
Borrowings	58,513	63,730	63,197
Other Financial Liabilities	290	492	391
<b>Non-Financial Liabilities</b>	<b>125</b>	<b>198</b>	<b>198</b>
<b>Shareholder's fund</b>	<b>8,595</b>	<b>9,560</b>	<b>9,887</b>
<b>TOTAL</b>	<b>67,875</b>	<b>74,548</b>	<b>74,165</b>

## Stagewise Assets & Provision Summary

Particulars	Mar-21	Mar-21	Mar-21	Jun-21	Jun-21	Jun-21	Mar-21	Mar-21	Mar-21	Jun-21	Jun-21	Jun-21
	Normal	Covid	Total	Normal	Covid	Total	Normal	Covid	Total	Normal	Covid	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
<b>Gross Assets</b>	<b>68,284</b>		<b>68,284</b>	<b>66,892</b>		<b>66,892</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>
Stage 1	61,348		61,348	52,960		52,960	89.84%		89.84%	79.17%		79.17%
Stage 2	4,231		4,231	9,387		9,387	6.20%		6.20%	14.03%		14.03%
Stage 3	2,705		2,705	4,545		4,545	3.96%		3.96%	6.79%		6.79%
<b>Provision</b>	<b>1,344</b>	<b>1,100</b>	<b>2,444</b>	<b>2,226</b>	<b>700</b>	<b>2,926</b>	<b>1.97%</b>	<b>1.61%</b>	<b>3.58%</b>	<b>3.33%</b>	<b>1.05%</b>	<b>4.37%</b>
Stage 1	167	371	537	138	-	138	0.27%	0.60%	0.88%	0.26%	-	0.26%
Stage 2	413	297	710	903	271	1,175	9.76%	7.01%	16.77%	9.62%	2.89%	12.51%
Stage 3	765	433	1,197	1,185	429	1,614	28.27%	16.00%	44.27%	26.07%	9.44%	35.51%
<b>Net Assets</b>	<b>66,940</b>		<b>65,839</b>	<b>64,666</b>		<b>63,966</b>	<b>98.03%</b>		<b>96.42%</b>	<b>96.67%</b>		<b>95.63%</b>
Stage 1	61,181		60,810	52,822		52,822	89.60%		89.06%	78.97%		78.97%
Stage 2	3,818		3,521	8,484		8,213	5.59%		5.16%	12.68%		12.28%
Stage 3	1,940		1,508	3,360		2,931	2.84%		2.21%	5.02%		4.38%

Note: For ECL purposes under INDAS, we have classified one-time restructuring cases in Stage 2 as a matter of prudence in Jun'21, even if there had been no overdues and it amounts to Rs.3,636 Cr & 5.4% of the book and out of which restructuring 2.0 is Rs.2579 Cr and 3.9% of the book.



# Business Overview



# Vehicle Finance



## Vehicle Finance: Q1FY22 Performance

### Disbursements

- Disbursements have grown by 1% in Q1FY22 as compared to Q1FY21.

### Assets under management

- Assets have grown by 7% as compared to Q1FY21.

### Loss and provisions

- Loan losses is at 3.1% in Q1FY22 as compared to 0.4% in Q1FY21.

### Profit before tax

- PBT declined by 24% in Q1FY22 as compared to Q1FY21.

## Sector Outlook

## Chola's Position

- The Tractor industry witnessed a growth of 39% in Q1 FY'22. The sales momentum in tractors is expected to marginally drop in the coming quarters of FY'22 considering the high base of last year and reduced replacement demand.
- The Light commercial vehicle segment had a growth of 163% in Q1 FY'22 on account of a low base last year. However, improved consumption and rising replacement volume in the coming quarters will be the driving factors for LCV demand this fiscal.
- The Small commercial vehicle segment had a growth of 242% in Q1 FY'22 on account of a low base last year. The impact on account of the pandemic is minimal in this segment due to its nature of deployment in last mile connectivity and faster recovery in sales is expected in the coming quarters.
- The Heavy commercial vehicle segment had a growth of 591% in Q1 FY'22 on account of a very low base last year. The segment will benefit from any pickup in economic activity and infra spends by the government post the second wave of COVID 19. The recovery is expected to start from early Q3 this year provided there is no further COVID impact.
- More than 80% of our branches are present in the rural areas, towns and semi urban areas which gives us a clear advantage to capitalize on the rural demand along with a clear watch on portfolio performance given the pandemic situation.
- Any uptick in demand for Light commercial vehicle will help us garner increased market share due to our presence in rural areas with a balanced collection approach.
- Any improvement in demand for Small commercial vehicles will help us maintain market share coupled with a cautious approach to funding based on vehicle viability and earning capacity.
- Our exposure in this segment is around 10% at a portfolio level. We are closely monitoring this segment for further improvement in market conditions and fleet owner sentiments.

### Sector Outlook

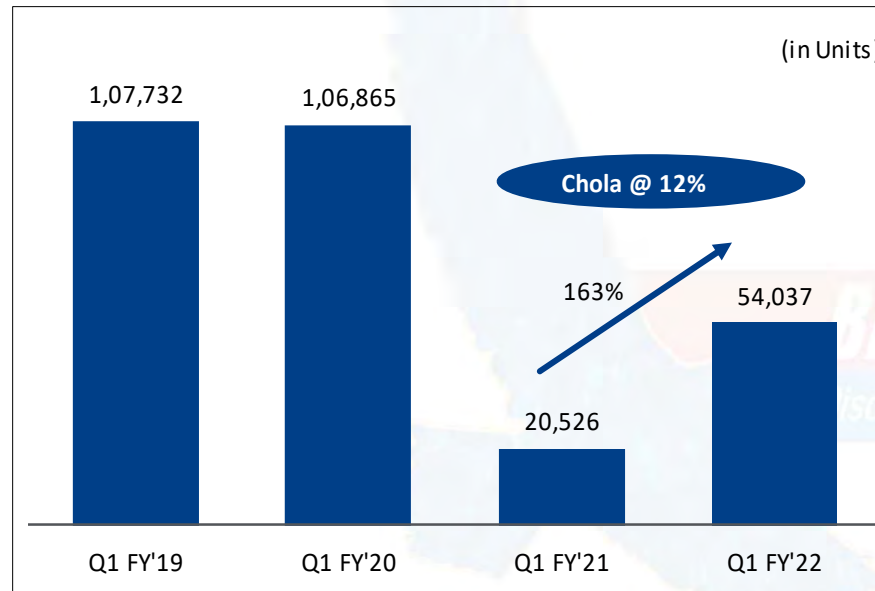
- The Passenger vehicle (Car & MUV) segment had a growth of 321% in Q1 FY'22 with a low base effect. The second wave of the pandemic will lead to subdued demand in Q2 and this segment is expected to have a positive recovery from the start of festive season in Q3 this year.
- The Two-wheeler industry had a growth of 86% in Q1 FY'22. The rebound in two-wheeler volumes is expected from Q2 FY'22 provided there is no third wave of COVID 19. The launch of new electric two wheelers is expected to create a buzz in the two-wheeler market in this fiscal.
- Used vehicle business is likely to be least impacted in this year except in Q1 where we had lockdown restrictions. Factors favouring this segment are lower market prices of used vehicles and extended time gap in regularization of the new vehicles supply chain on account of the pandemic.
- The Construction Equipment industry had a growth of 93% in Q1 FY'22 owing to a low base due to halt in construction activity in Q1 of last year. This segment will reap benefits from pickup in construction, mining activity and increased infra spends by government during the next 3 quarters.

### Chola's Position

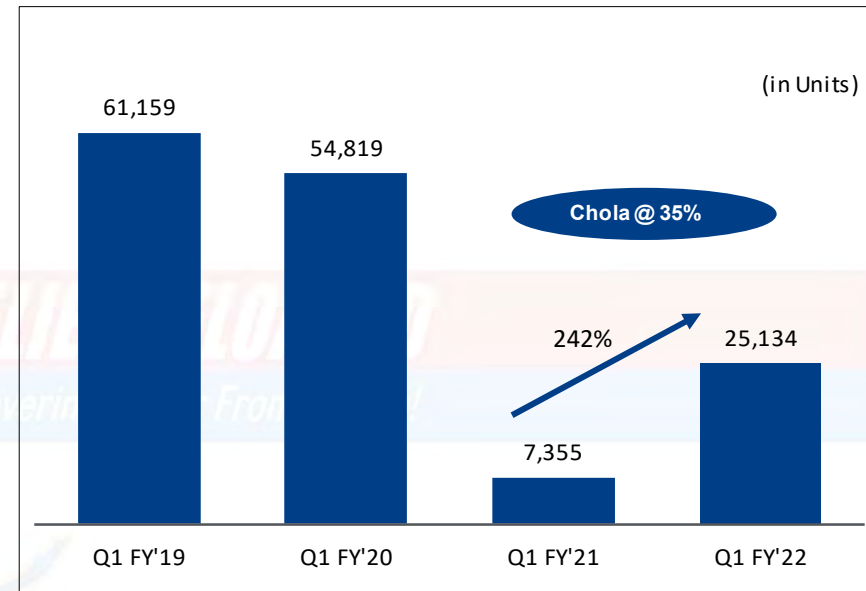
- Our focus is predominantly on retail customers mainly in smaller towns and rural market. Our exposure to tour operators is minimal. We will continue to focus on this segment as and when the market recovers.
- The company intends to maintain its focus on two-wheeler funding with a clear eye for credit underwriting to maintain portfolio performance. We have created a robust collection mechanism to overcome any pressure due to the impact of second wave of COVID 19.
- We are one of the key players in the used vehicle financing business. We will continue to maintain a vigilant approach in this segment with a razor-sharp focus on collections.
- Our exposure in this segment is around 6% at a portfolio level. We are closely monitoring this segment for improvement in market conditions to further growth and market share.

## Auto Industry Outlook

**Trend in Domestic LCV Sales**



**Trend in Domestic SCV Sales**

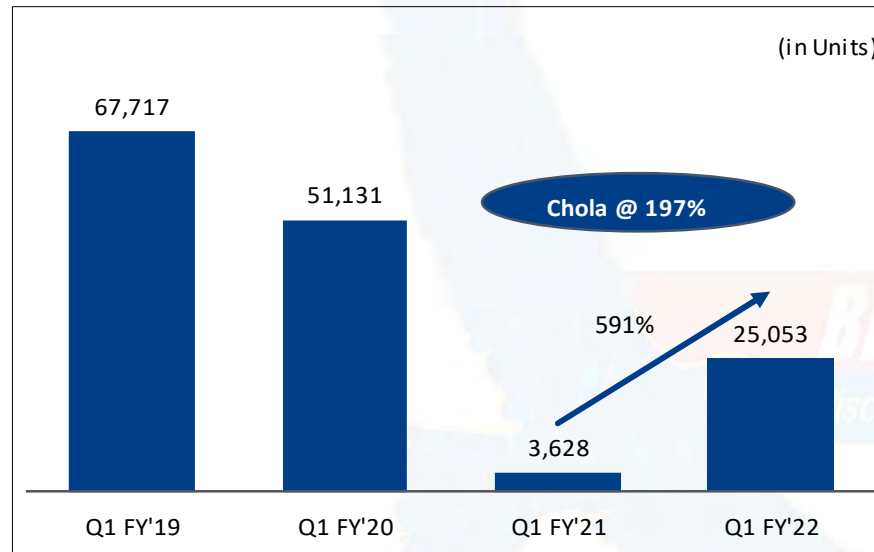


- Stronger demand from Consumption-driven sectors and E-commerce focused logistic companies will aid growth in the long term post COVID recovery.
- Demand for Pickups will increase in long term due to higher flexibility in usage over sub one tonne vehicles.

Source: FY19 to FY22 numbers are from SIAM

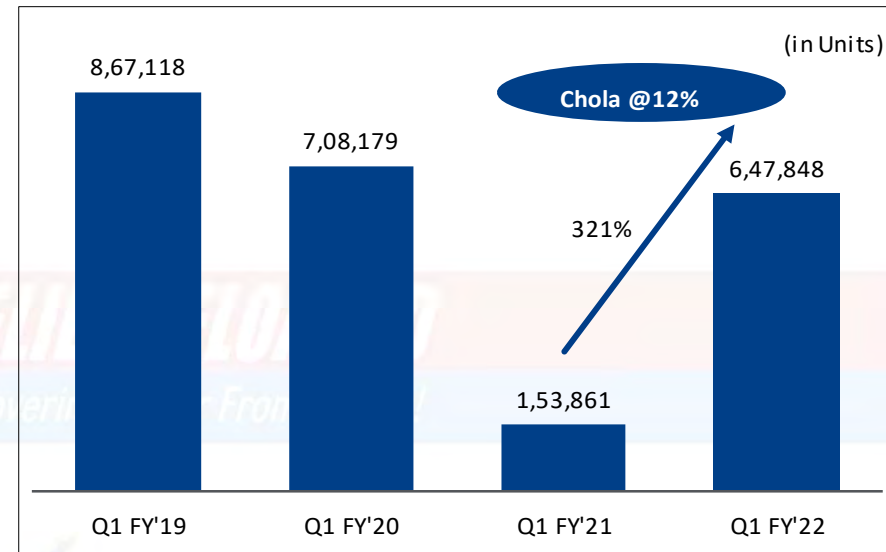
## Auto Industry Outlook

### Trend in Domestic HCV Sales



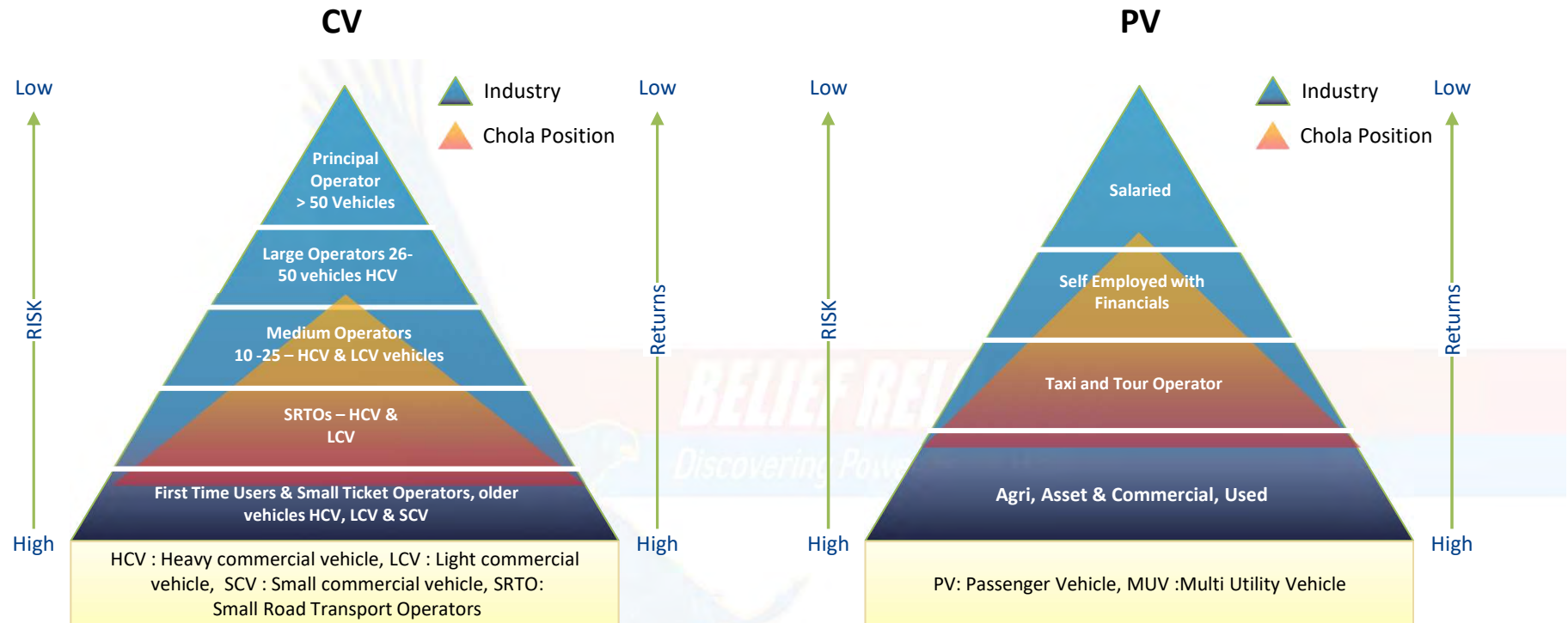
- Improved industrial activity, steady agricultural output, and the government's focus on infrastructure will aid growth in the long-term considering a lower base currently.
- Bus sales to be aided by the growth in urban population and demand from schools post the pandemic.
- Pick up in construction and mining activities over the long term would drive demand.
- Improvement in road infrastructure will lead to increased demand for higher tonnage vehicles.

### Trend in Domestic Car & MUV Sales



- Higher Income, lower penetration and lower cost of capital to boost long term demand.
- Improved vehicle penetration from 23 vehicles per 1000 to upto 28 vehicles per 1000 population over the next 5 years.
- Government support in higher farm incomes will bolster rural demand for passenger vehicles in the coming years.

# Vehicle Finance—Business Model & Positioning

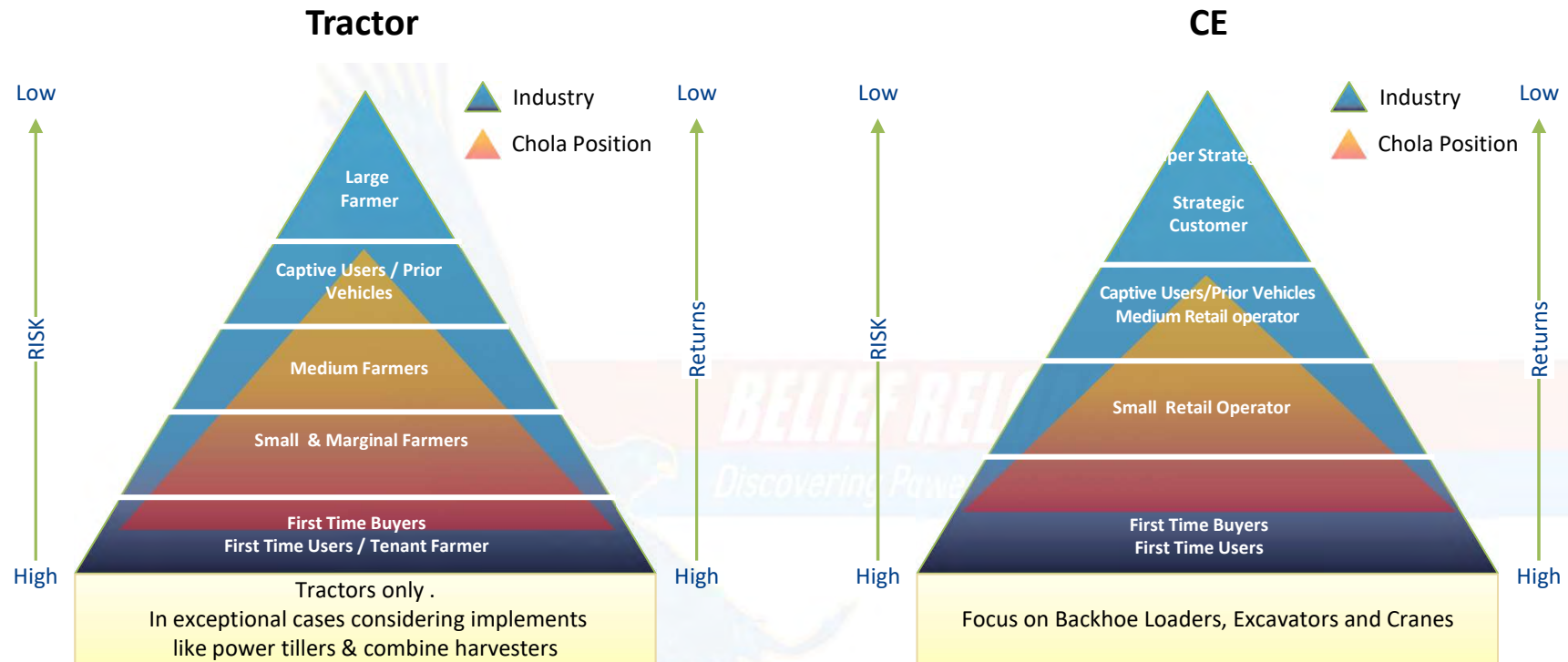


- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
  - Middle of the pyramid through New CVs, Used CVs
  - Top of the Bottom of the pyramid through SCV & older CVs Shubh

- ~ 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



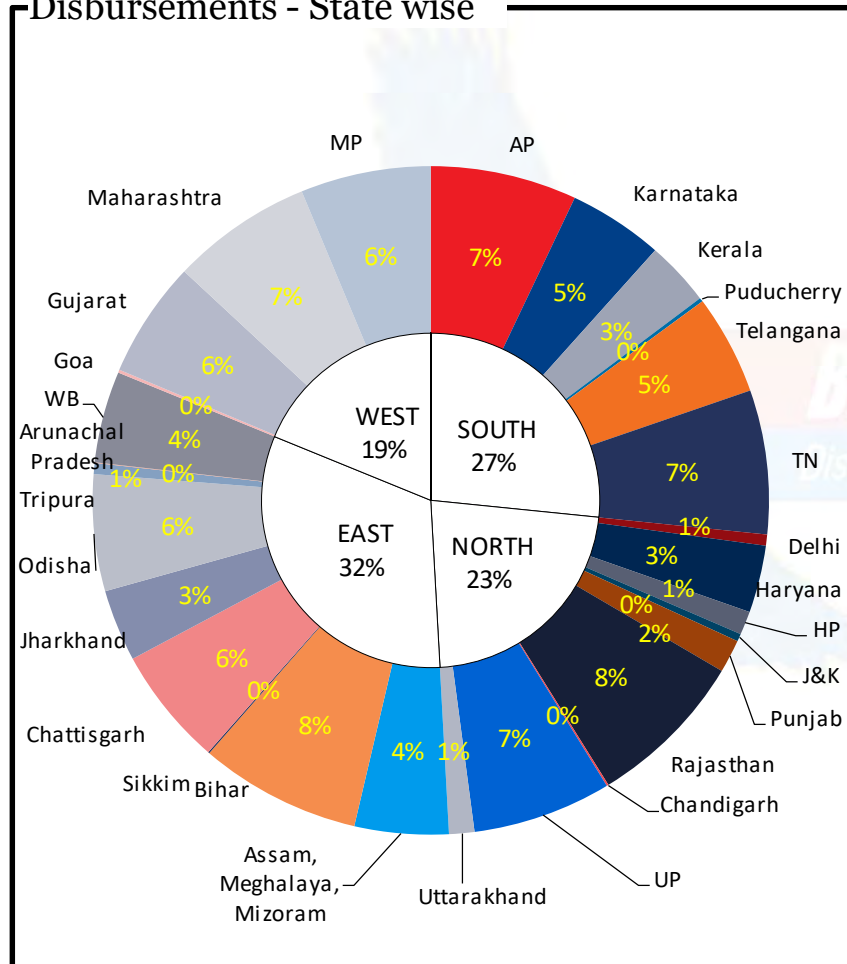
- ~65% of disbursements are to agri -based customer segment
- Application -
  - Agri usage
  - Commercial usage
  - Agri and Commercial usage
- New & Used

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

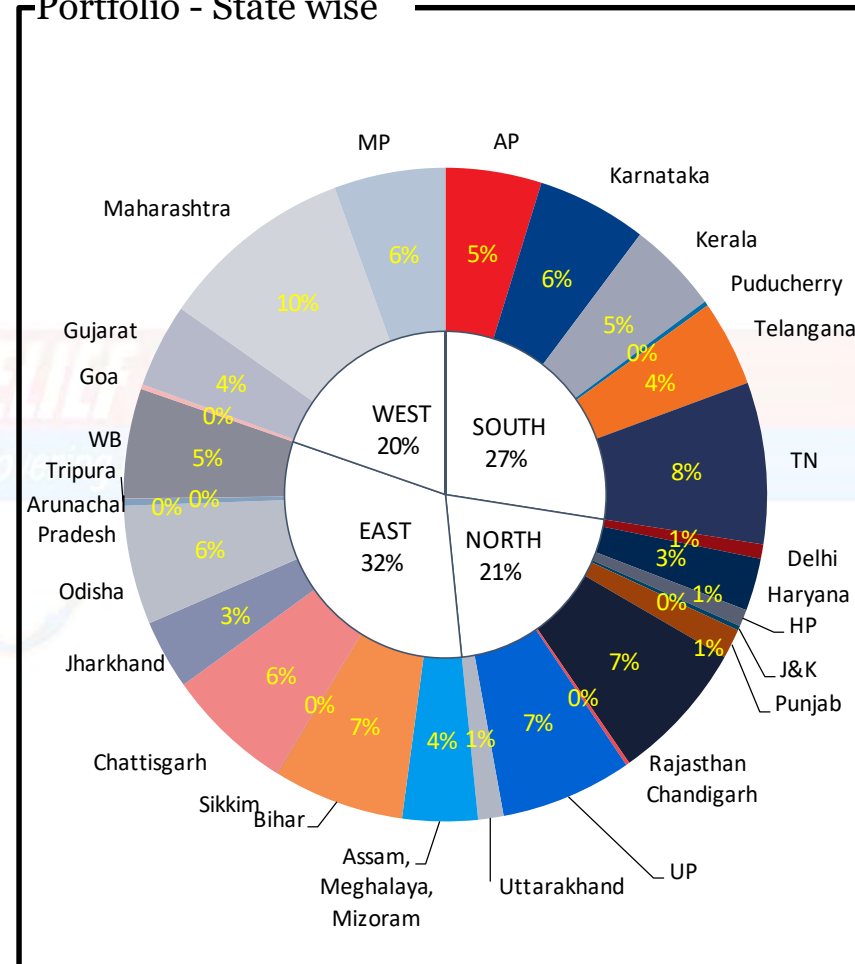
## Vehicle Finance - Disbursement/Portfolio Mix – Q1FY22

Well diversified across geography

Disbursements - State wise



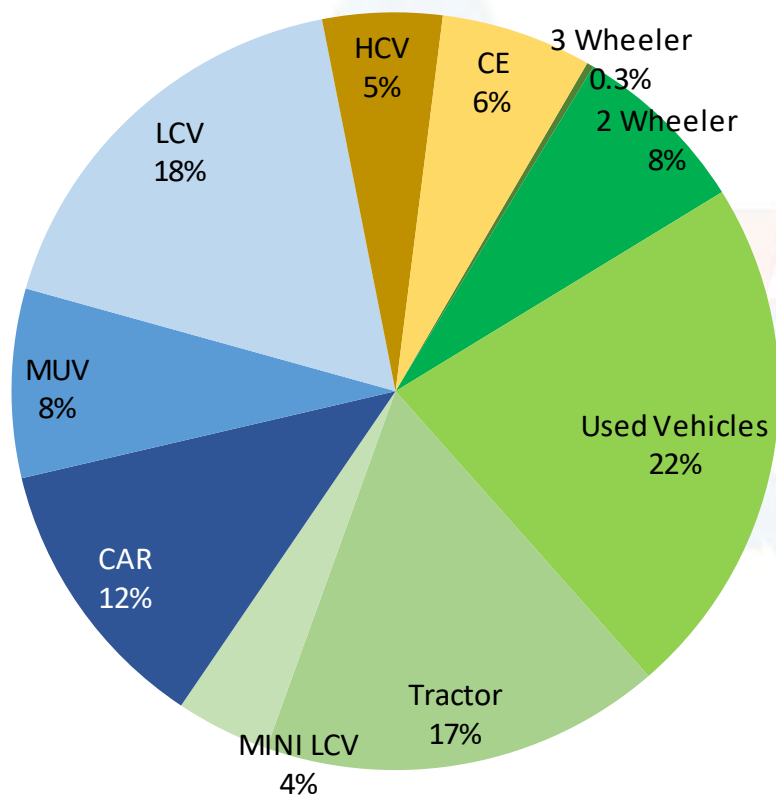
Portfolio - State wise



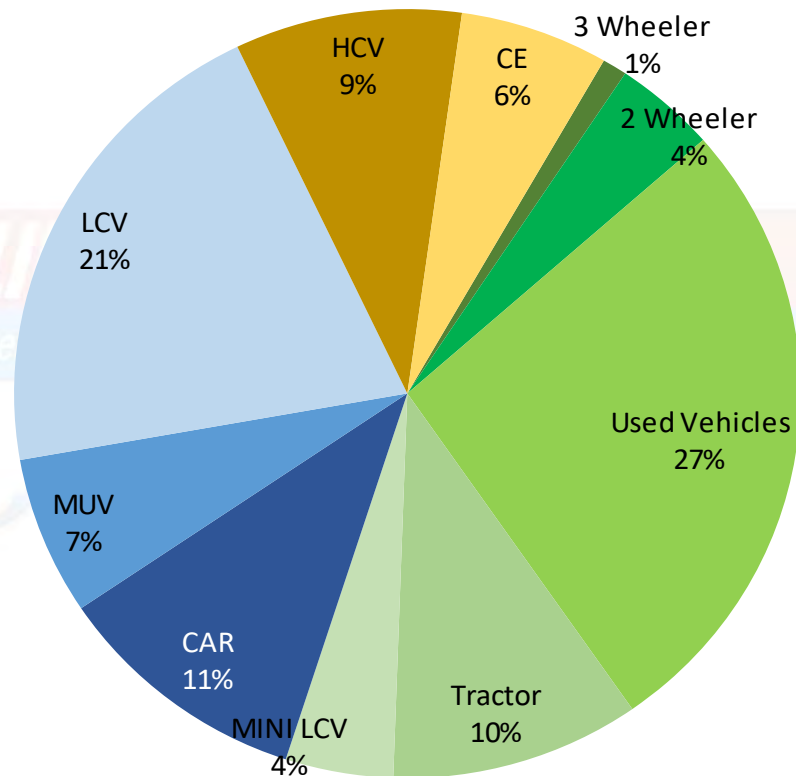
## Vehicle Finance - Disbursement/Portfolio Mix – Q1FY22

### Well diversified product segments

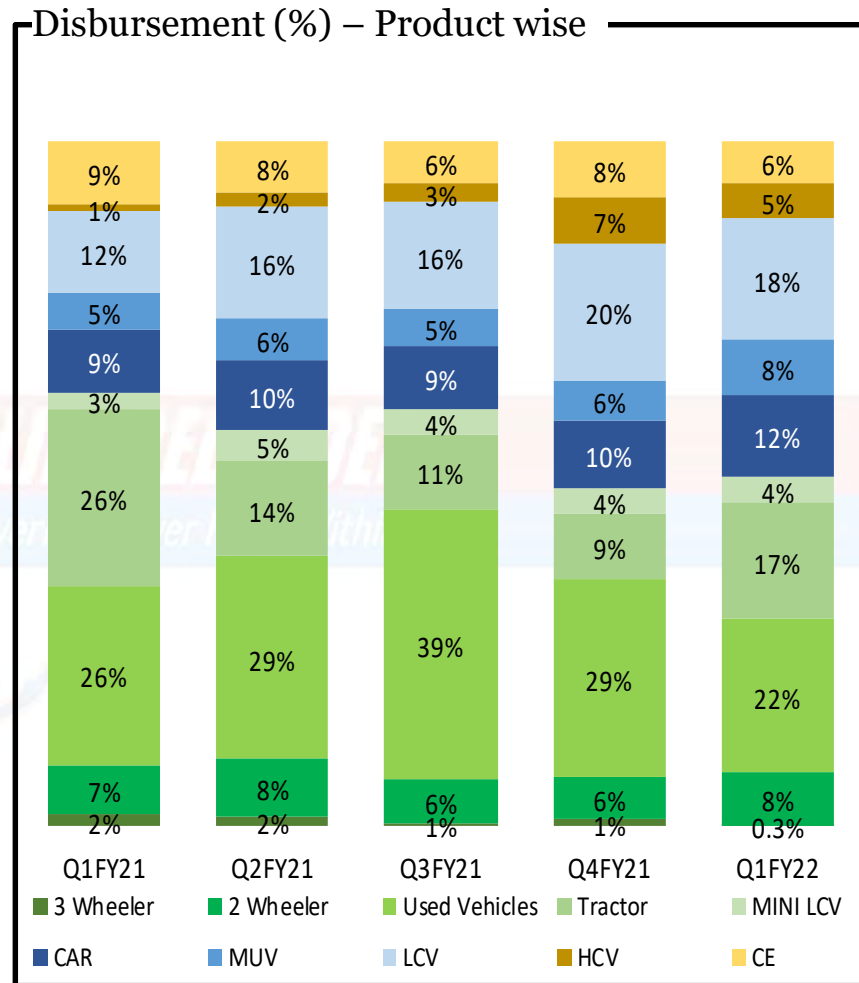
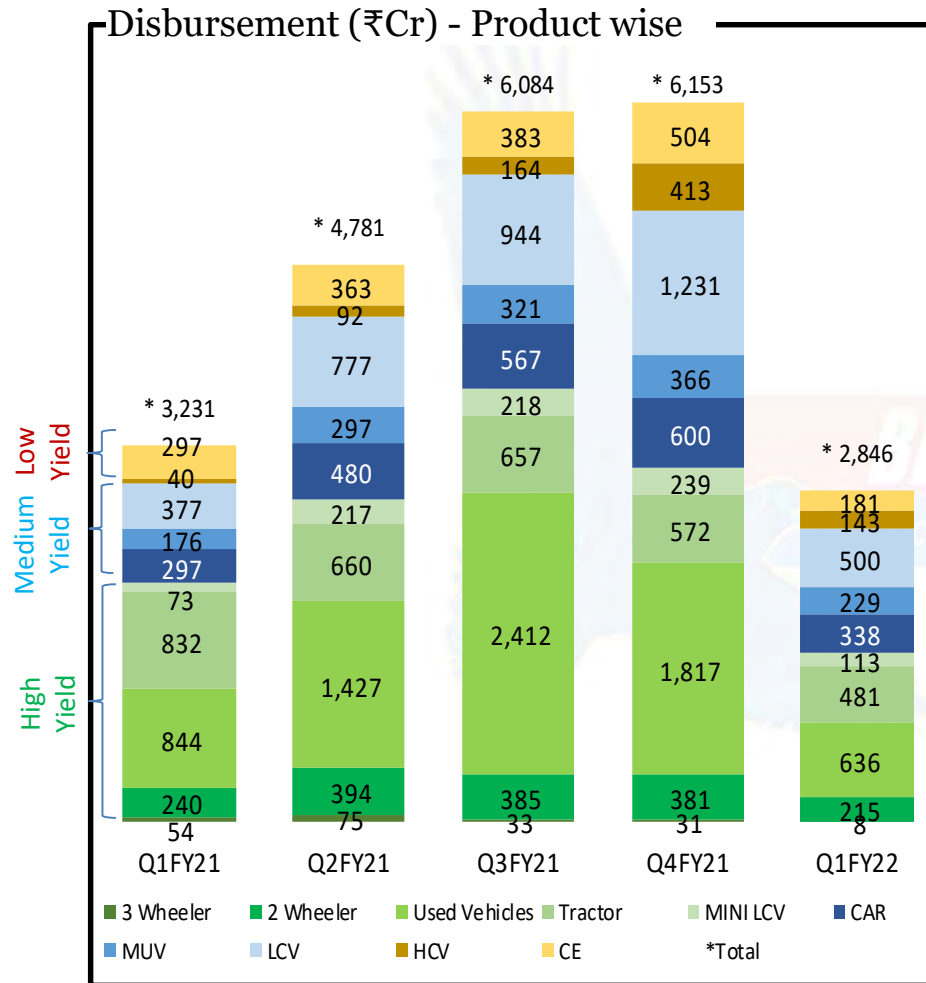
Disbursements (₹Cr) - Product wise



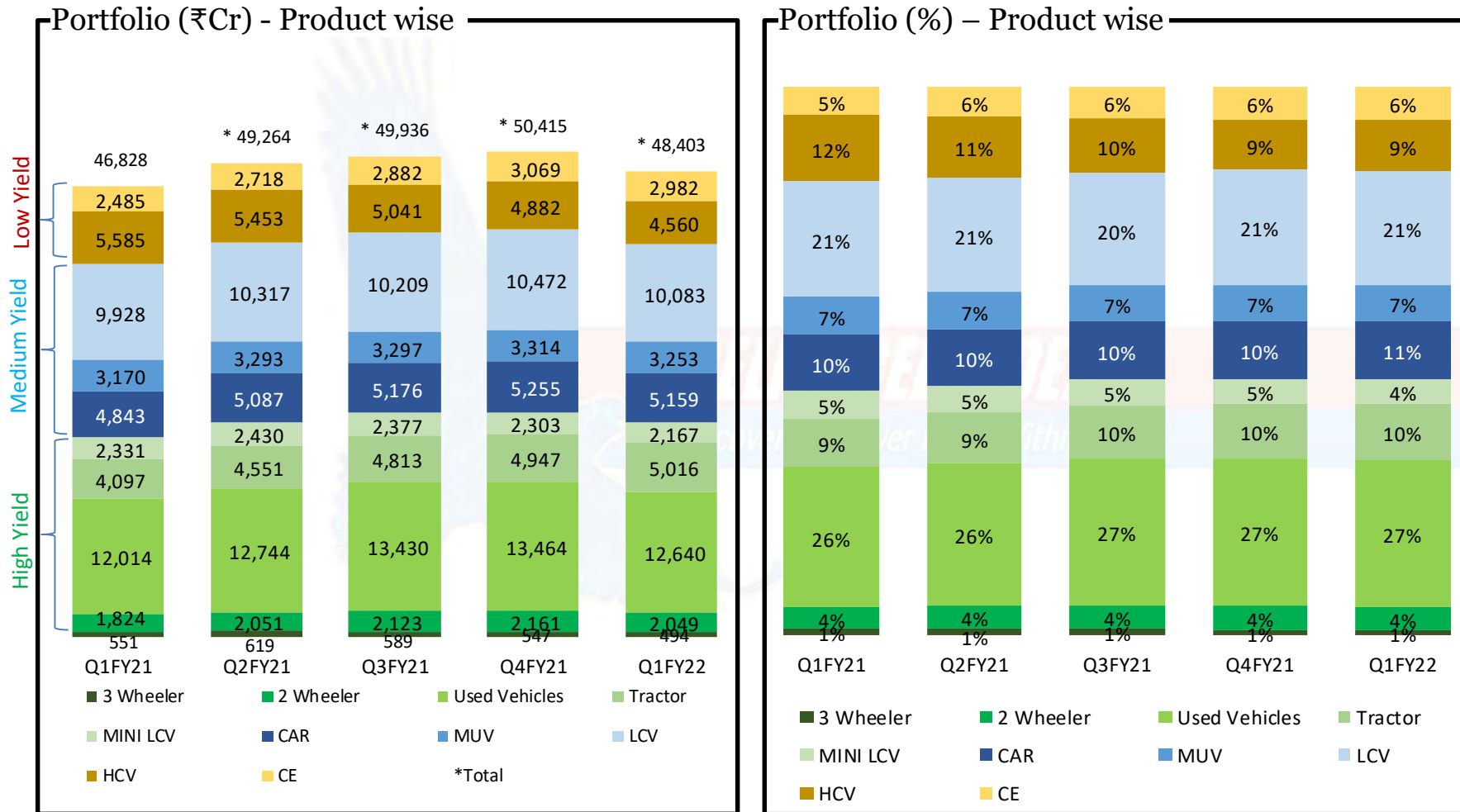
Portfolio (₹Cr) - Product wise



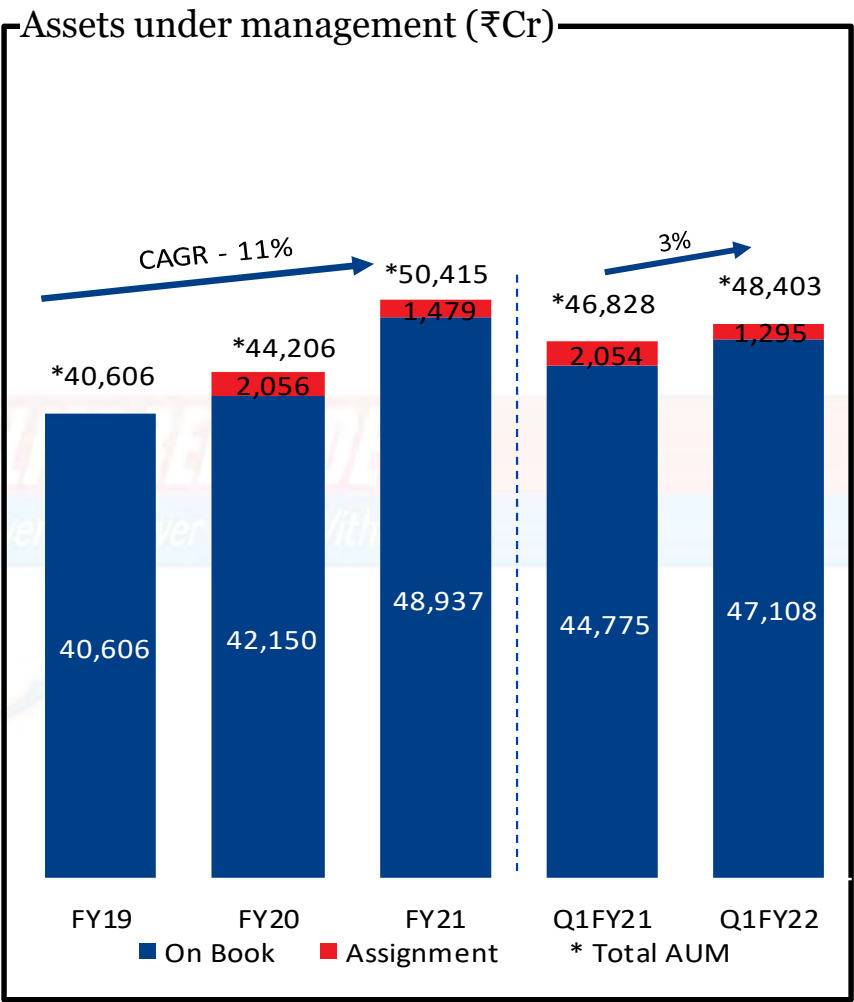
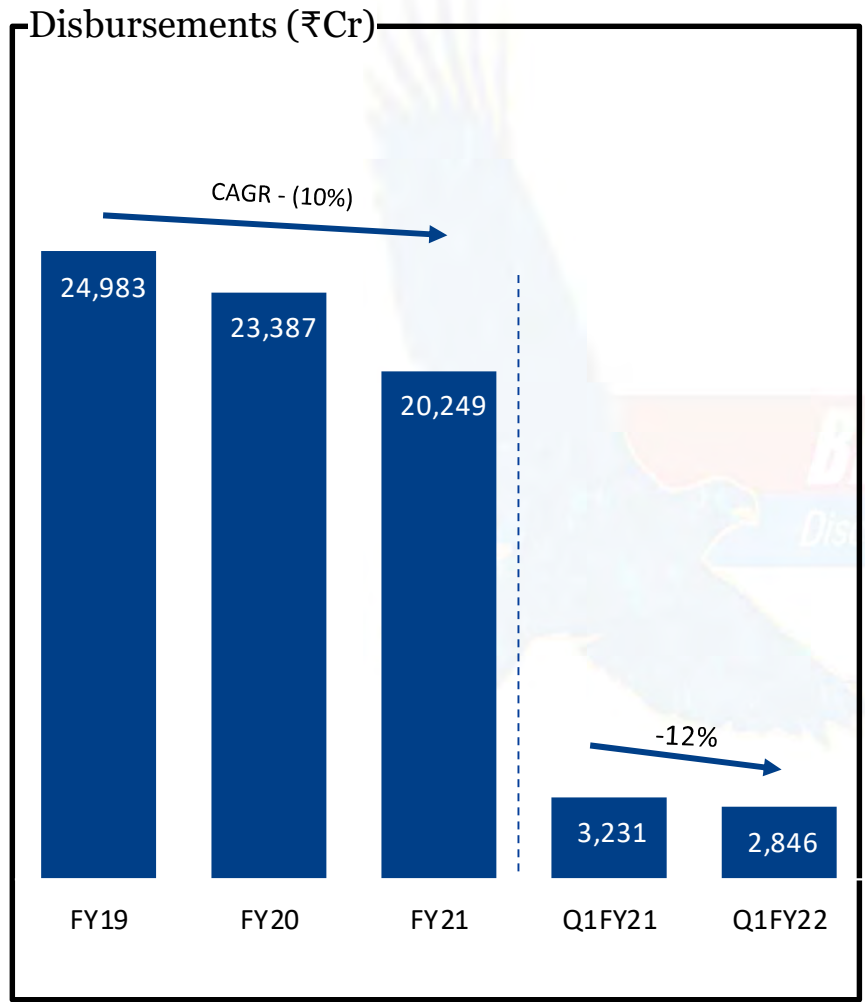
## Vehicle Finance - Disbursement Mix – Quarter-wise



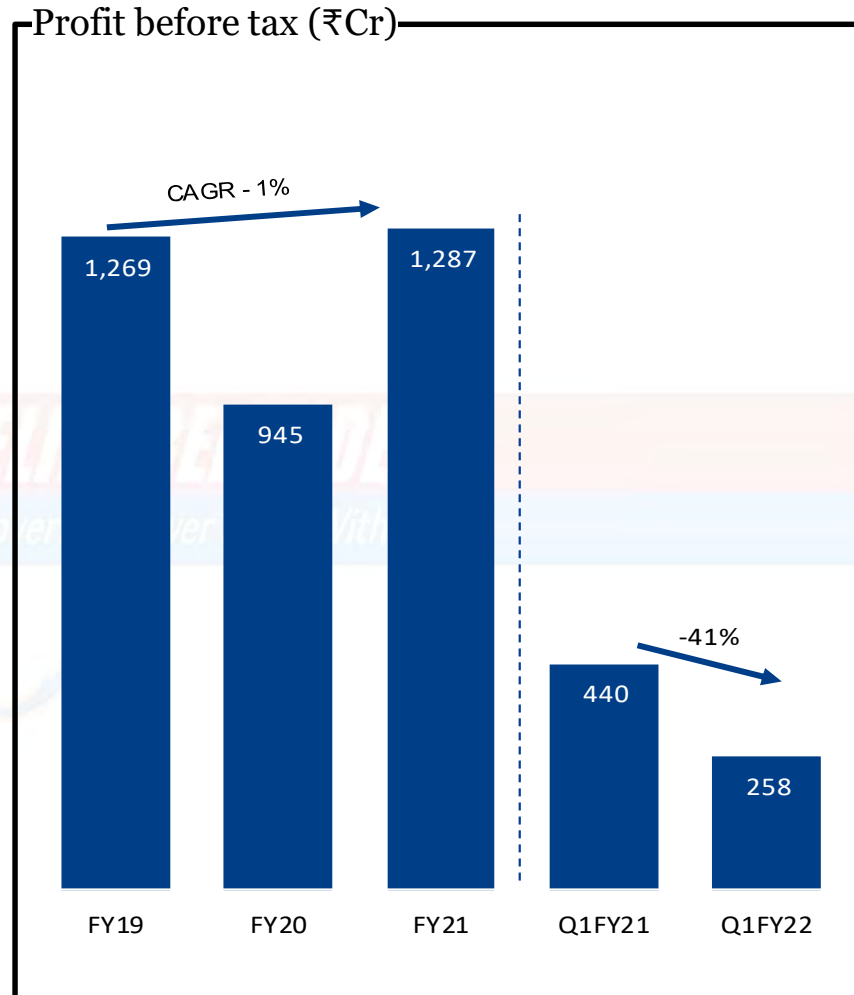
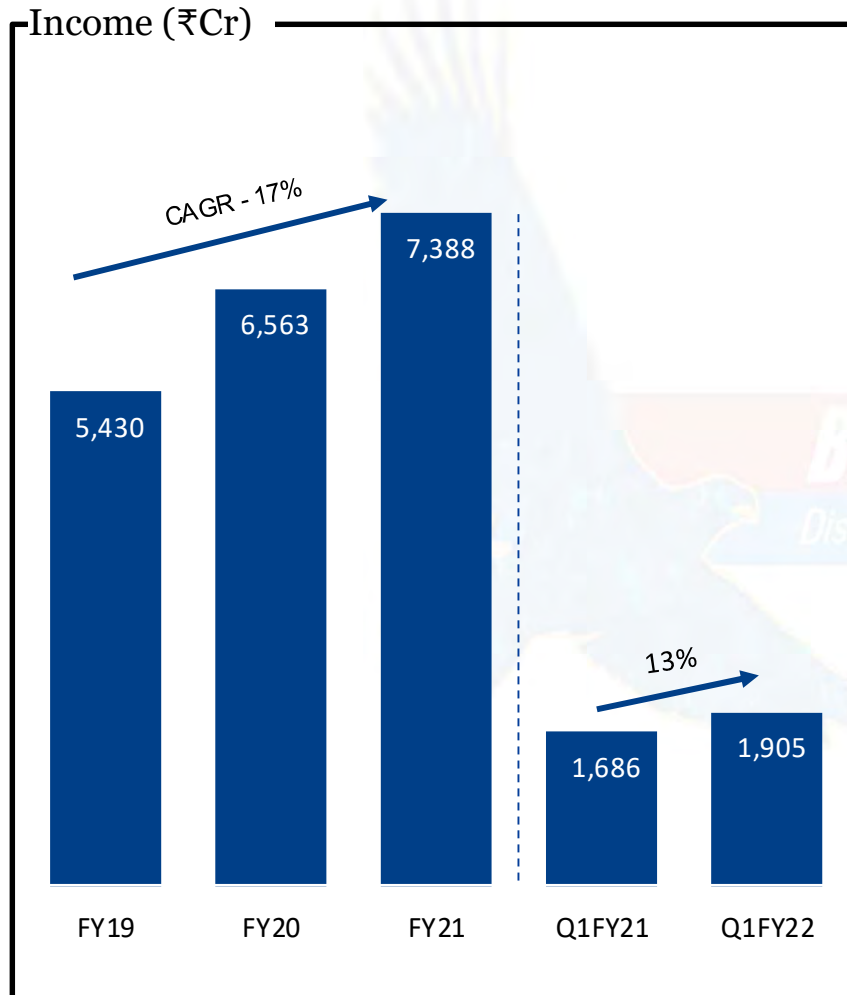
## Vehicle Finance - Portfolio Mix – Quarter-wise



# Vehicle Finance - Disbursements and Asset Under Management

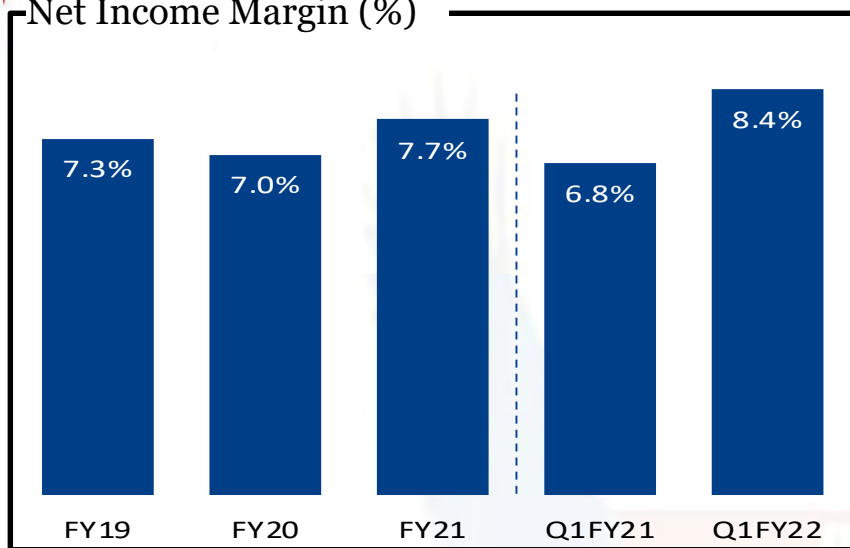


## Vehicle Finance - Income and Profit before tax

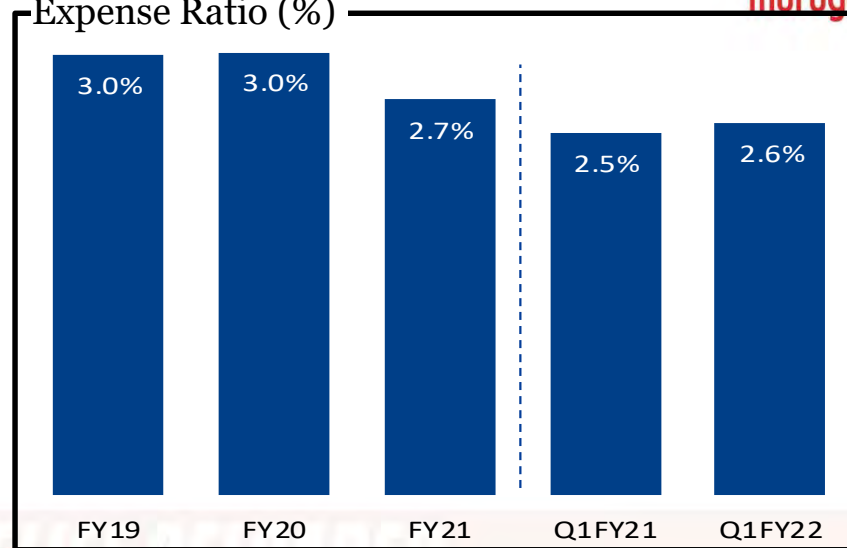


## Vehicle Finance - Asset Ratios

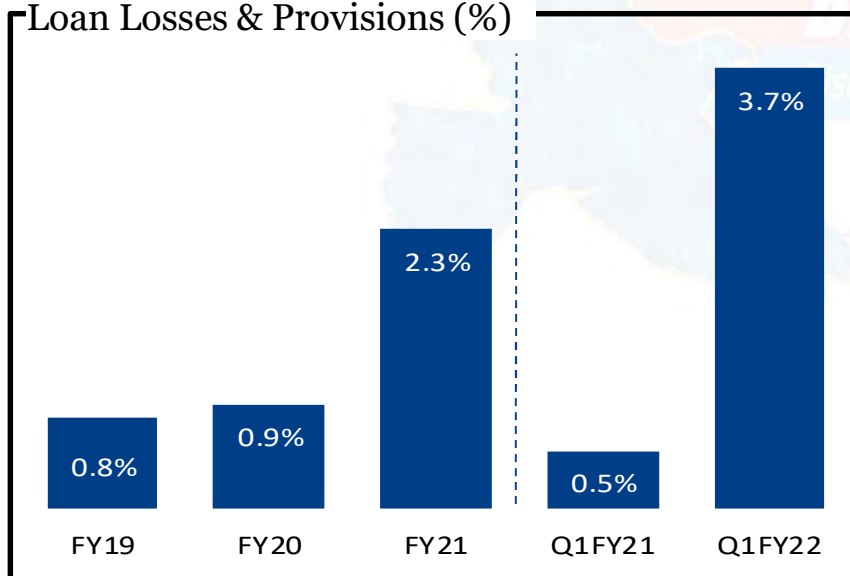
Net Income Margin (%)



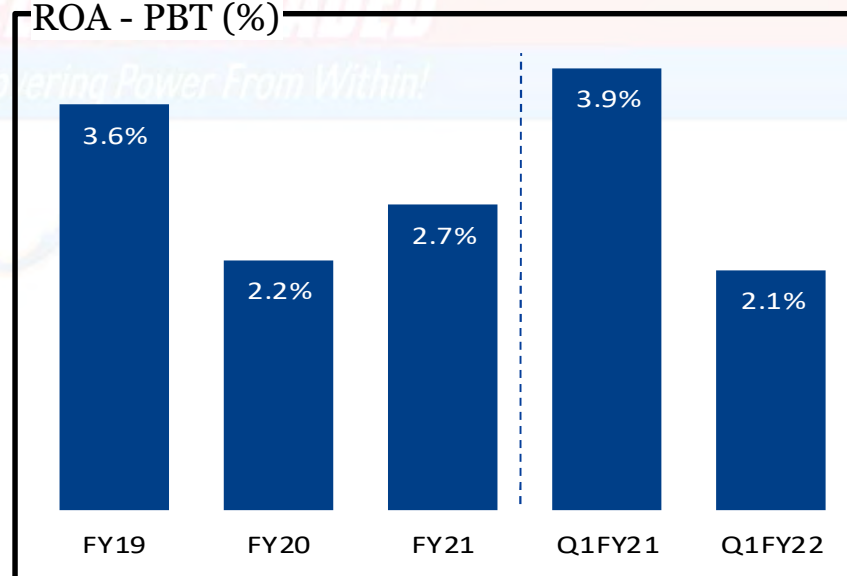
Expense Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)





## Profit and Loss Statement - Vehicle Finance (Managed)

₹ Cr

Particulars	Q1FY21	Q4FY21	Q1FY22	Growth % Q1-o-Q1	Growth % Q4-o-Q1	FY21
<b>Disbursements</b>	<b>3,231</b>	<b>6,153</b>	<b>2,846</b>	<b>-12%</b>	<b>-54%</b>	<b>20,249</b>
<b>Closing Assets (Managed)</b>	<b>46,828</b>	<b>50,415</b>	<b>48,403</b>	<b>3%</b>	<b>-4%</b>	<b>50,415</b>
Operating Income	1,686	1,895	1,905	13%	1%	7,388
Finance Charges	910	871	875	-4%	0%	3,665
<b>Net Income</b>	<b>776</b>	<b>1,025</b>	<b>1,030</b>	<b>33%</b>	<b>1%</b>	<b>3,723</b>
Expenses	282	416	315	12%	-24%	1,308
Net Credit Losses	54	429	457	738%	6%	1,128
<b>PBT</b>	<b>440</b>	<b>179</b>	<b>258</b>	<b>-41%</b>	<b>44%</b>	<b>1,287</b>
<b>Asset Ratios</b>						
Income	14.9%	15.3%	15.5%			15.4%
Cost of Funds	8.0%	7.0%	7.1%			7.6%
Net Income Margin	6.8%	8.3%	8.4%			7.7%
Expense	2.5%	3.4%	2.6%			2.7%
Losses & Provisions	0.5%	3.5%	3.7%			2.3%
<b>ROA-PBT</b>	<b>3.9%</b>	<b>1.4%</b>	<b>2.1%</b>			<b>2.7%</b>

## Profit and Loss Statement - Vehicle Finance (On Book) ₹ Cr

Particulars	Q1FY21	Q4FY21	Q1FY22	Growth % Q1-o-Q1	Growth % Q4-o-Q1	FY21
<b>Disbursements</b>	<b>3,231</b>	<b>6,153</b>	<b>2,846</b>	<b>-12%</b>	<b>-54%</b>	<b>20,249</b>
<b>Closing Assets (On B/S)</b>	<b>44,775</b>	<b>48,937</b>	<b>47,108</b>	<b>5%</b>	<b>-4%</b>	<b>48,937</b>
Operating Income	1,623	1,853	1,865	15%	1%	7,188
Finance Charges	868	839	847	-2%	1%	3,510
<b>Net Income</b>	<b>755</b>	<b>1,014</b>	<b>1,017</b>	<b>35%</b>	<b>0%</b>	<b>3,678</b>
Expenses	282	416	315	12%	-24%	1,308
Net Credit Losses	54	429	457	738%	6%	1,128
<b>PBT</b>	<b>418</b>	<b>169</b>	<b>245</b>	<b>-41%</b>	<b>46%</b>	<b>1,242</b>
<b>Asset Ratios</b>						
Income	15.0%	15.5%	15.6%			15.5%
Cost of Funds	8.0%	7.0%	7.1%			7.6%
Net Income Margin	7.0%	8.5%	8.5%			7.9%
Expense	2.6%	3.5%	2.6%			2.8%
Losses & Provisions	0.5%	3.6%	3.8%			2.4%
<b>ROA-PBT</b>	<b>3.9%</b>	<b>1.4%</b>	<b>2.0%</b>			<b>2.7%</b>

# Loan Against Property



## Loan Against Property – Q1FY22 Performance

### Disbursements

- Disbursements has grown by 225% in Q1FY22 as compared to Q1FY21.

### Asset under management

- The business has grown the assets by 11% in Q1FY22.

### Loss and provisions

- Loan losses is at 2.1% in Q1FY22 as against 0.3% in Q1FY21.

### Profit before tax

- PBT declined by 25% in Q1FY22 as compared to Q1FY21.

## Loan Against Property - Industry outlook

### Sector Outlook

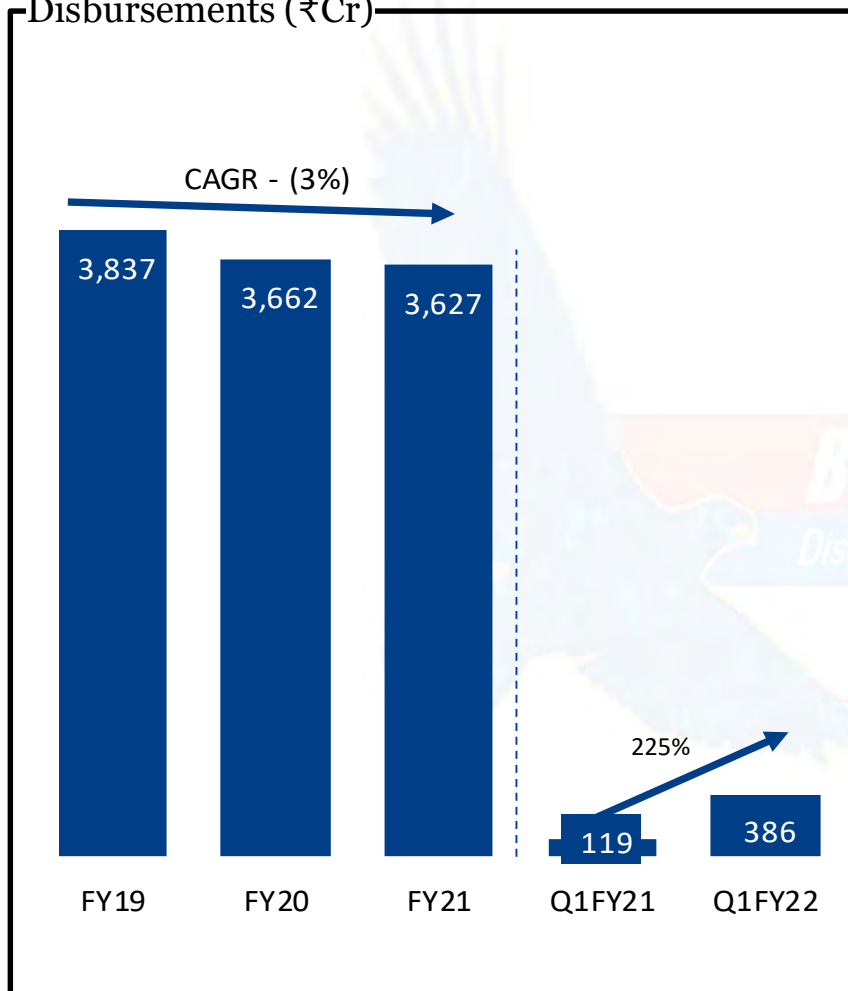
- As per CRISIL, pick-up in economic activity with favourable government measures supported MSMEs in FY21. Also, MSME borrowers preferred LAP on the back of lower interest rates, lower EMIs and higher tenure loans reducing their immediate financial burden. The same is expected to continue in FY22, however second wave has impacted Q1 business.
- CRISIL Research expects the outstanding book of NBFCs in the MSME segment to grow at CAGR of 6-7% in fiscals 2022 and 2023.
- RBI has come up with the updated measures for restructuring for MSMEs, which will aid in maintaining asset quality. CRISIL expects around 3-5% of the overall MSME finance book to be restructured.

### Chola's Position

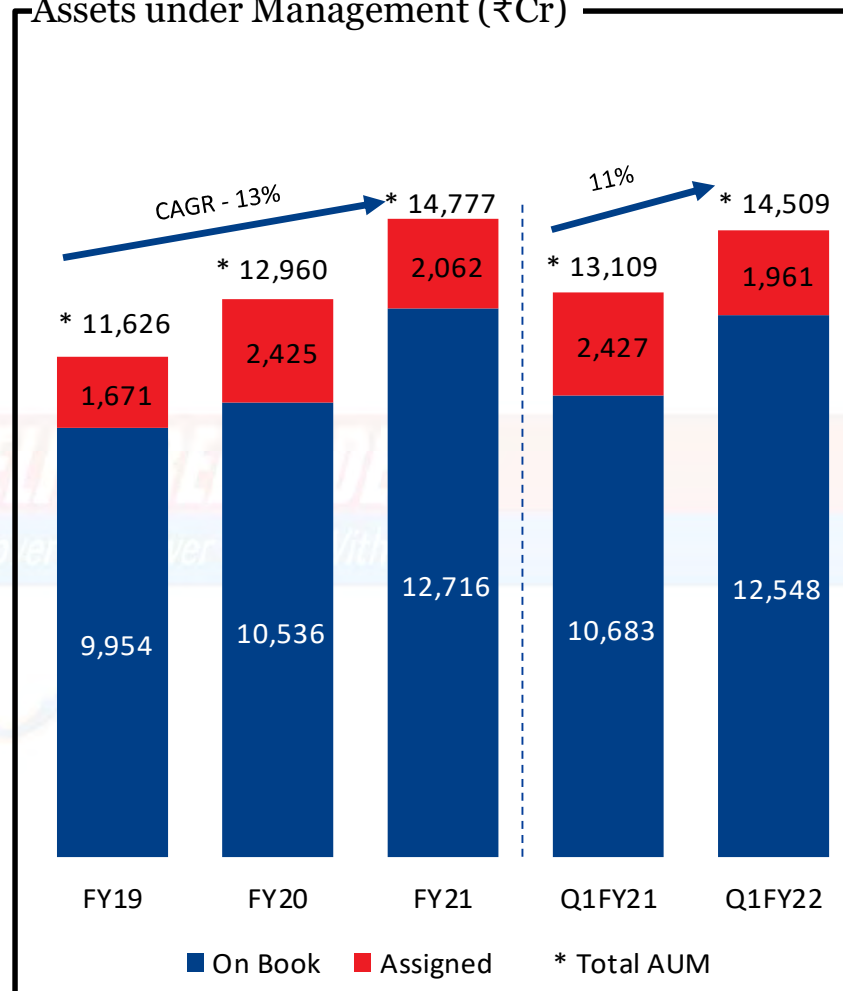
- Business has implemented a renewed credit policy and is well equipped to capitalize on the demand in market for LAP in upcoming quarters.
- Business is utilizing the lockdown period to operationalize branch expansion in tier 2/3/4 cities to diversify the portfolio.
- Collections remain a priority for the business with activities like strengthening collections team and digitizing collections channels. In addition, Chola has provided adequate provisions.
- Portfolio LTV at origination stands low at 52% which provides adequate security cover.
- Business has taken cautious approach with respect to extending restructuring facility to required customers as per RBI guidelines.

## Loan Against Property - Disbursements and Asset Under Management

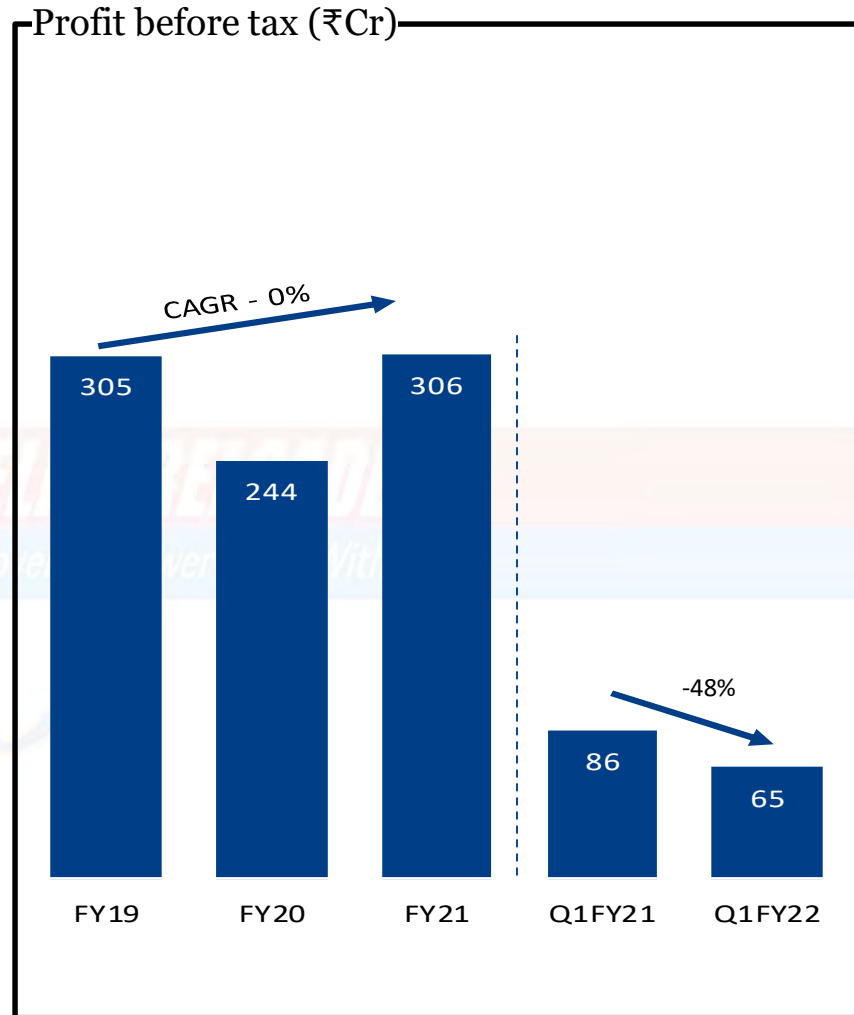
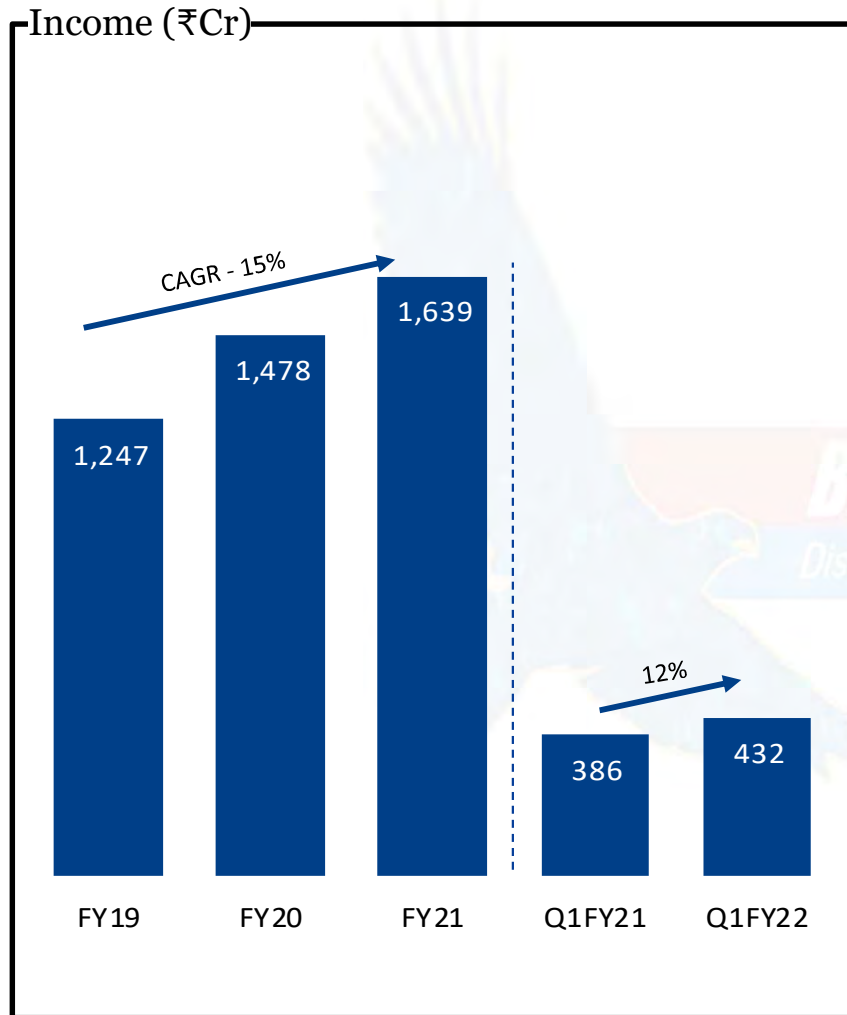
Disbursements (₹Cr)



Assets under Management (₹Cr)

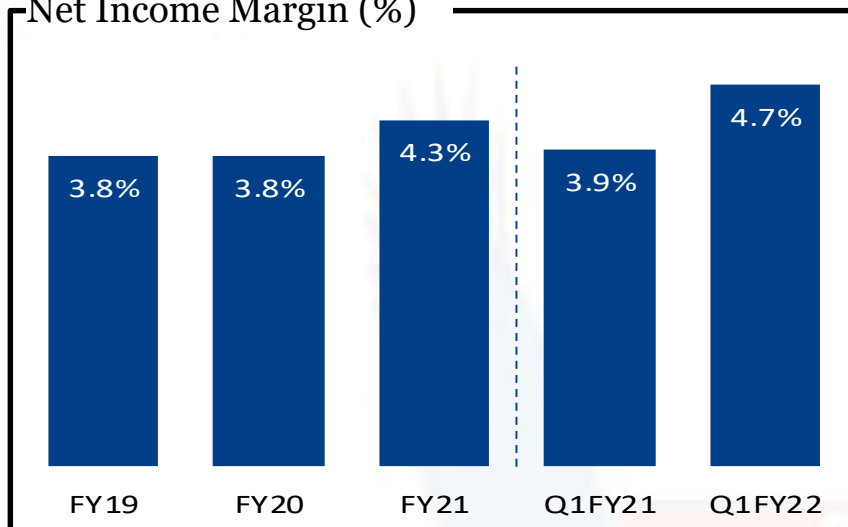


## Loan Against Property – Income and Profit before tax

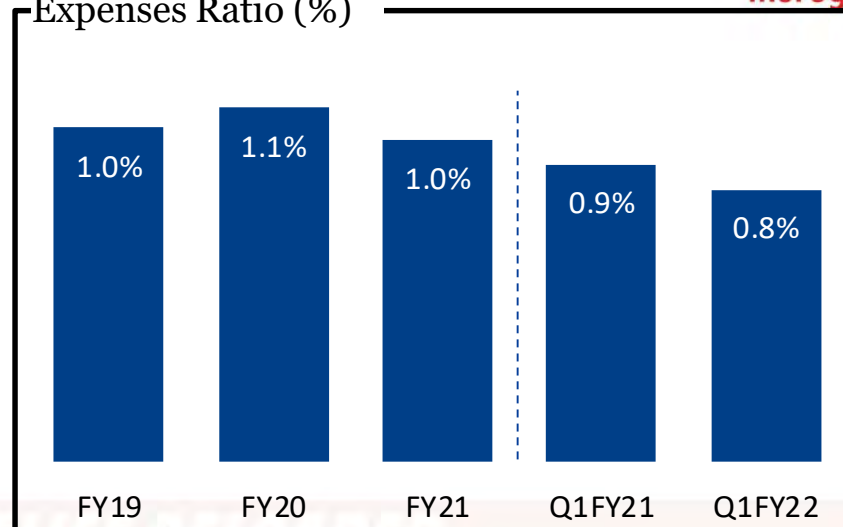


## Loan Against Property – Asset Ratios

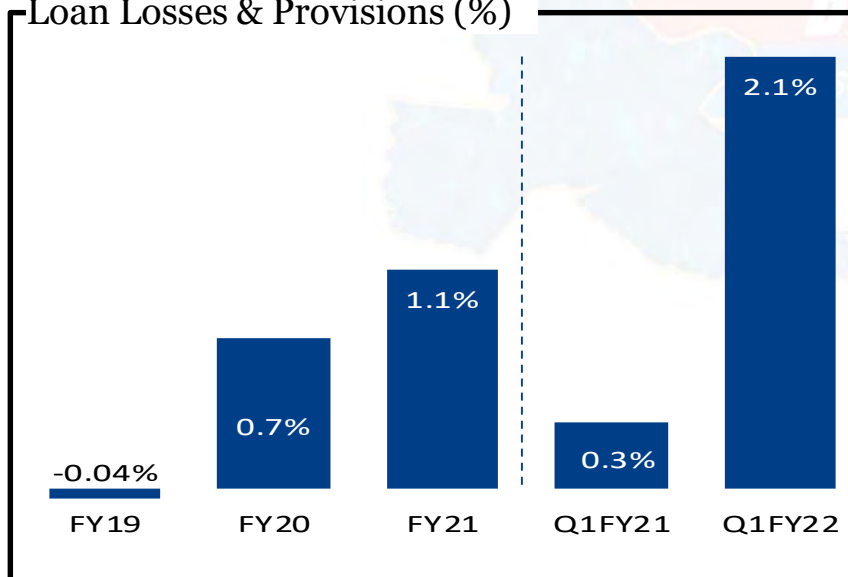
Net Income Margin (%)



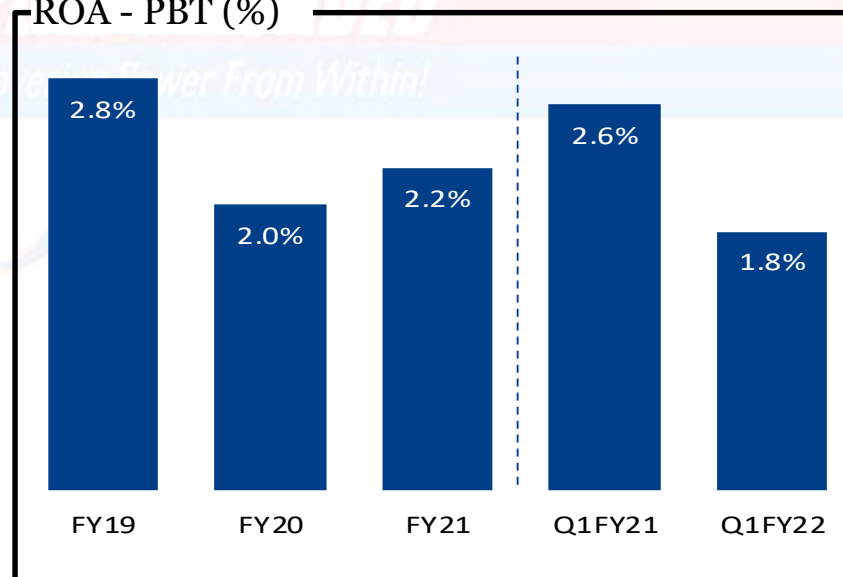
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)





## Profit and Loss Statement - Loan Against Property (Managed)

₹ Cr

Particulars	Q1FY21	Q4FY21	Q1FY22	Growth % Q1-o-Q1	Growth % Q4-o-Q1	FY21
<b>Disbursements</b>	<b>119</b>	<b>1,191</b>	<b>386</b>	<b>225%</b>	<b>-68%</b>	<b>3,627</b>
<b>Closing Assets (Managed)</b>	<b>13,109</b>	<b>14,777</b>	<b>14,513</b>	<b>11%</b>	<b>-2%</b>	<b>14,777</b>
Operating Income	386	431	432	12%	0%	1,639
Finance Charges	260	262	261	1%	0%	1,051
<b>Net Income</b>	<b>126</b>	<b>169</b>	<b>171</b>	<b>36%</b>	<b>1%</b>	<b>588</b>
Expenses	30	47	31	3%	-35%	137
Net Credit Losses	10	55	76	634%	38%	146
<b>PBT</b>	<b>86</b>	<b>68</b>	<b>65</b>	<b>-25%</b>	<b>-4%</b>	<b>306</b>
<b>Asset Ratios</b>						
Income	11.9%	12.0%	11.8%			11.8%
Cost of Funds	8.0%	7.3%	7.2%			7.6%
Net Income Margin	3.9%	4.7%	4.7%			4.3%
Expense	0.9%	1.3%	0.8%			1.0%
Losses & Provisions	0.3%	1.5%	2.1%			1.1%
<b>ROA-PBT</b>	<b>2.6%</b>	<b>1.9%</b>	<b>1.8%</b>			<b>2.2%</b>

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

₹ Cr

Particulars	Q1FY21	Q4FY21	Q1FY22	Growth % Q1-o-Q1	Growth % Q4-o-Q1	FY21
<b>Disbursements</b>	119	1,191	386	225%	-68%	3,627
<b>Closing Assets (On B/S)</b>	10,683	12,716	12,552	17%	-1%	12,716
Operating Income	314	382	379	21%	-1%	1,470
Finance Charges	204	218	221	8%	1%	849
<b>Net Income</b>	110	163	158	44%	-3%	622
Expenses	30	47	31	3%	-35%	137
Net Credit Losses	10	55	76	634%	38%	146
<b>PBT</b>	70	61	52	-26%	-16%	339
<b>Asset Ratios</b>						
Income	11.9%	12.4%	12.0%			12.7%
Cost of Funds	7.7%	7.1%	7.0%			7.4%
Net Income Margin	4.2%	5.3%	5.0%			5.4%
Expense	1.1%	1.5%	1.0%			1.2%
Losses & Provisions	0.4%	1.8%	2.4%			1.3%
<b>ROA-PBT</b>	2.6%	2.0%	1.6%			2.9%

# Home Loans



## Home Loans – Q1FY22 Performance

### Disbursements

- Disbursements has grown 5% in Q1FY22 as compared to Q1FY21.

### Asset under management

- The business has grown the assets by 33% in Q1FY22.

### Loss and provisions

- Loan losses is at 0.3% in Q1FY22 as against 1.9% in Q1FY21.

### Profit before tax

- PBT has grown 50% in Q1FY22 as compared to Q1FY21.

## Sector Outlook

## Chola's Position

### Immediate term:

- While marginal demand recovery is expected in Q2, affordable housing demand may pick up only by Q3 driven by reduced supply, increase in costs of materials and labour
- With relaxation in lockdowns in most markets small businesses are slowly seeing recovery in cash flows (although not at pre-covid levels); without a third covid wave collections may ease by Q3

### Medium term

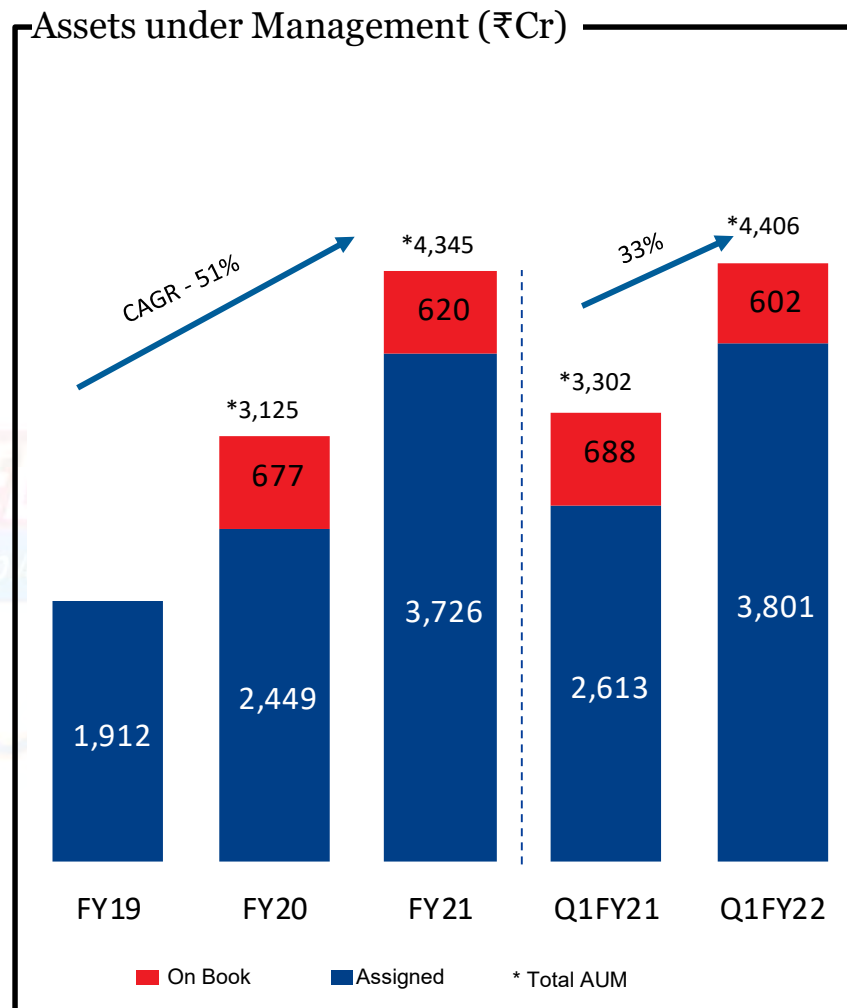
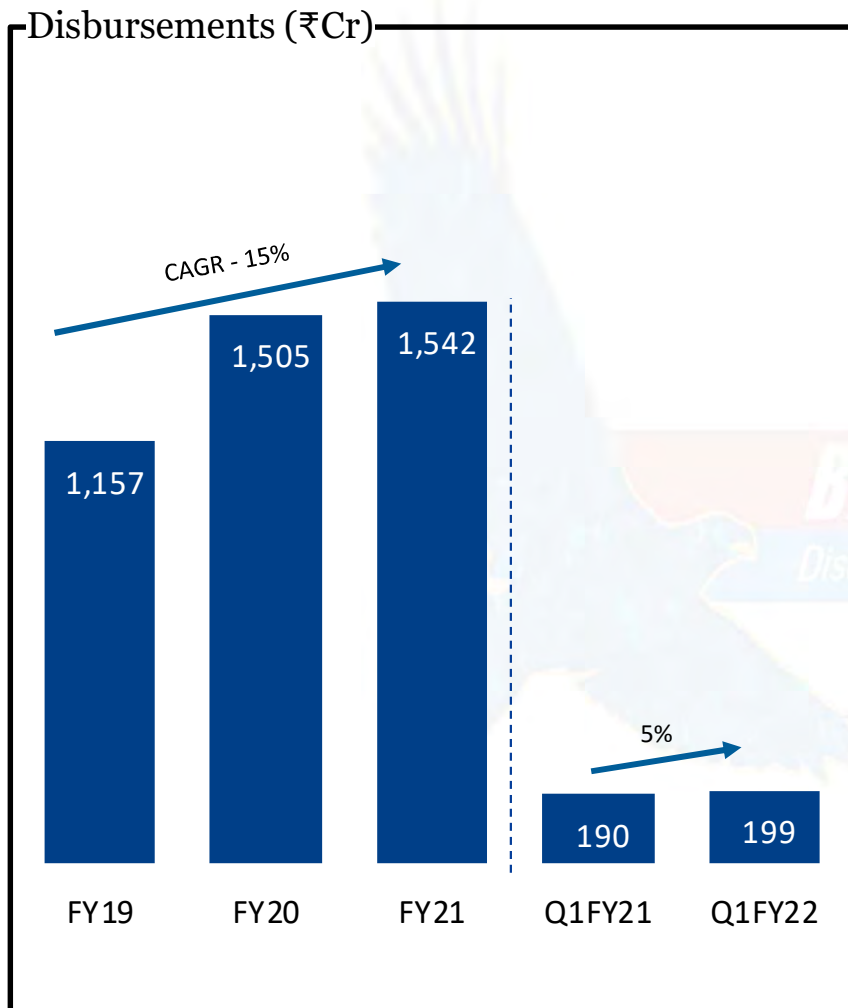
- Overall housing credit is estimated to grow ~8-10%
- Retail segment demand is likely to continue to be for ready property and self-construction
- Analysts expect Stage 3 levels to remain 50 – 100 bps higher than FY21 in FY22

- Chola does not have Construction Finance exposure
- Chola does not have material under construction exposure to developer supplied houses
- Chola's LTV at a portfolio level is ~58% at origination – indicates adequate security cover
- ~88% of assets are in tier 2,3,4 cities and suburbs of tier 1 cities. While these cities were also impacted by the second wave early green shoots are visible in these markets
- Average ticket size of ~14 lacs – predominantly in tier 2,3,4 cities indicate quality and marketability of portfolio assets
- End use driven funding
- Chola has further fortified its collections teams and is actively pursuing resolution of NPAs through SARFAESI as applicable

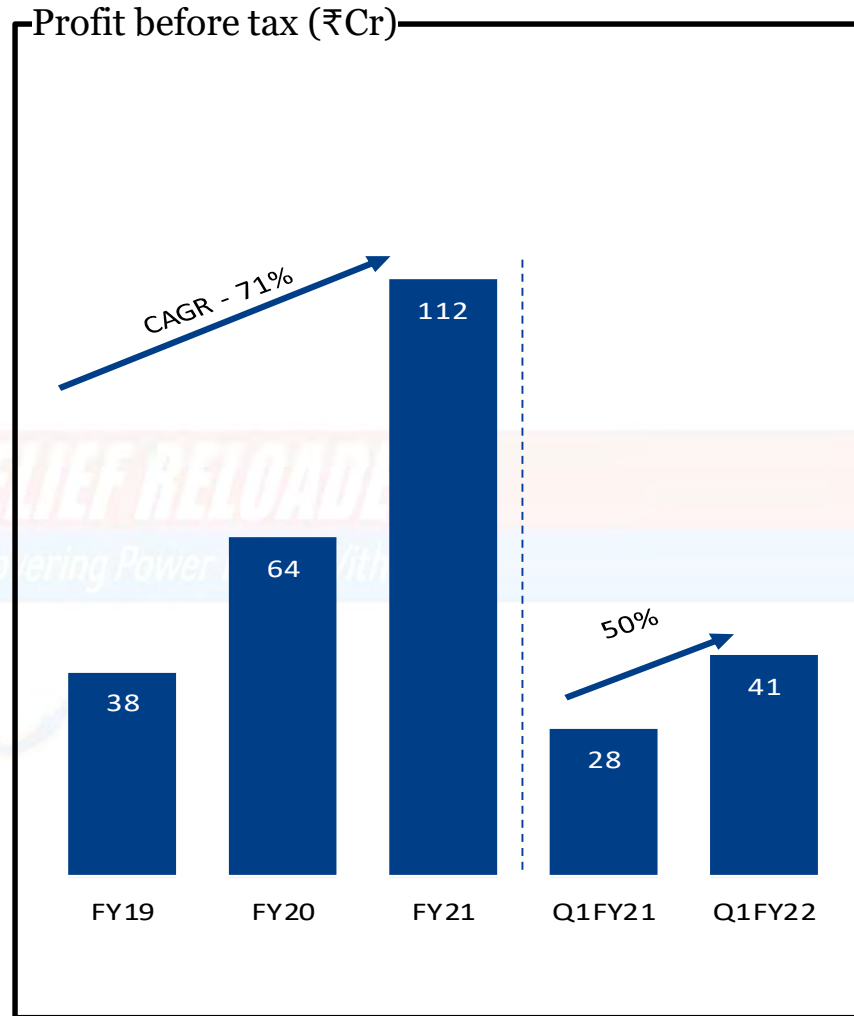
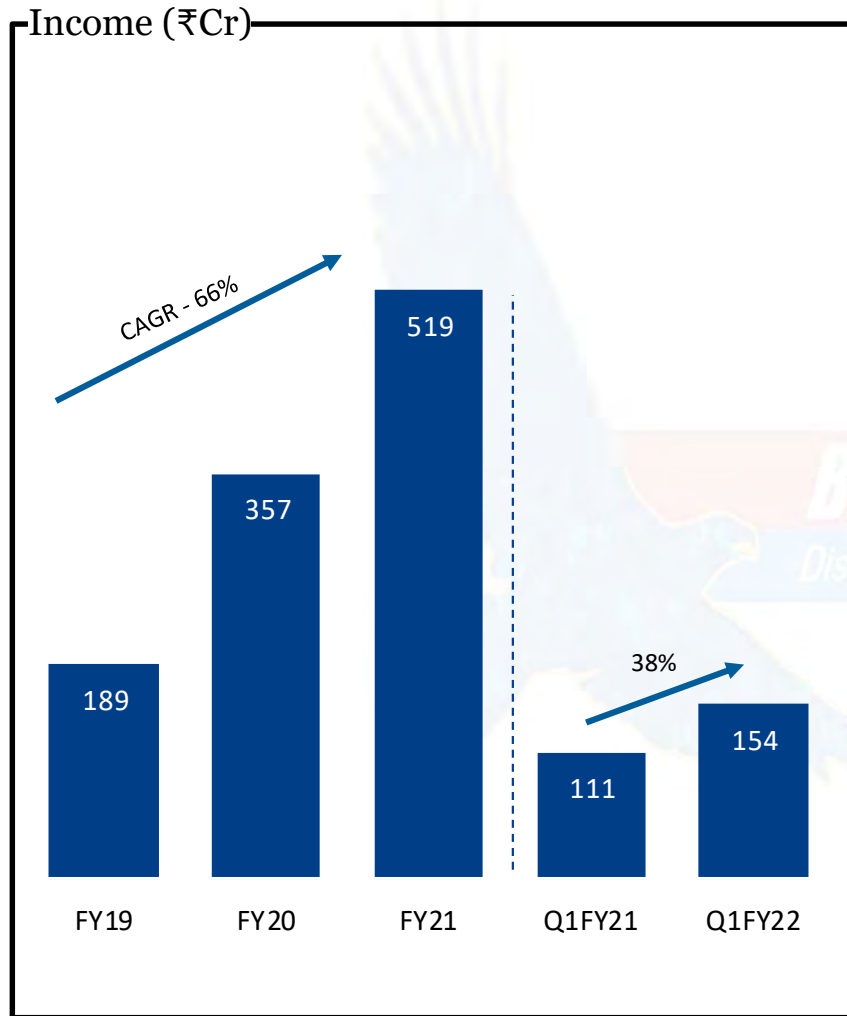
### Chola's immediate future outlook:

- With lockdowns eased in most markets, Chola expects a mild recovery in demand in Q2
- Collections remains a key focus area. Customers' business cash flows were severely impacted due to the lockdowns in various markets which resulted in flow forward to higher buckets. With cash flows gradually improving, roll backs and resolutions are expected by Q4 FY22

# Home Loans - Disbursements and Asset Under Management

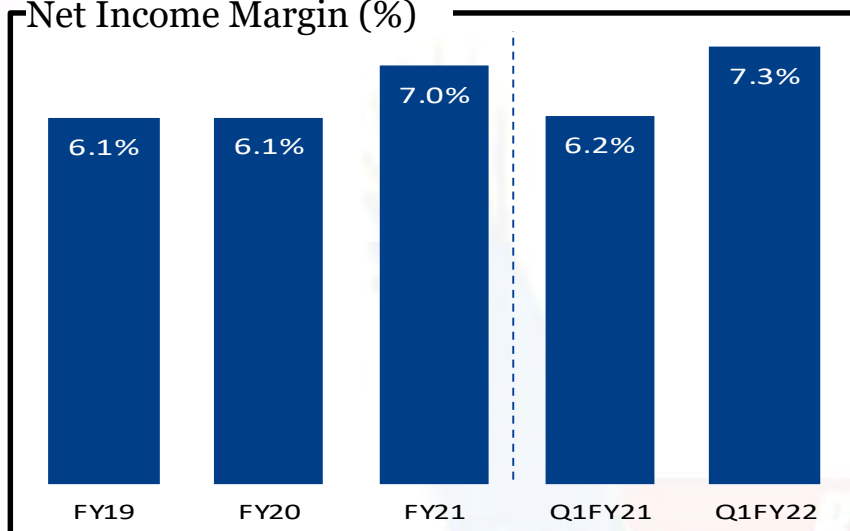


## Home Loans - Income and Profit before tax

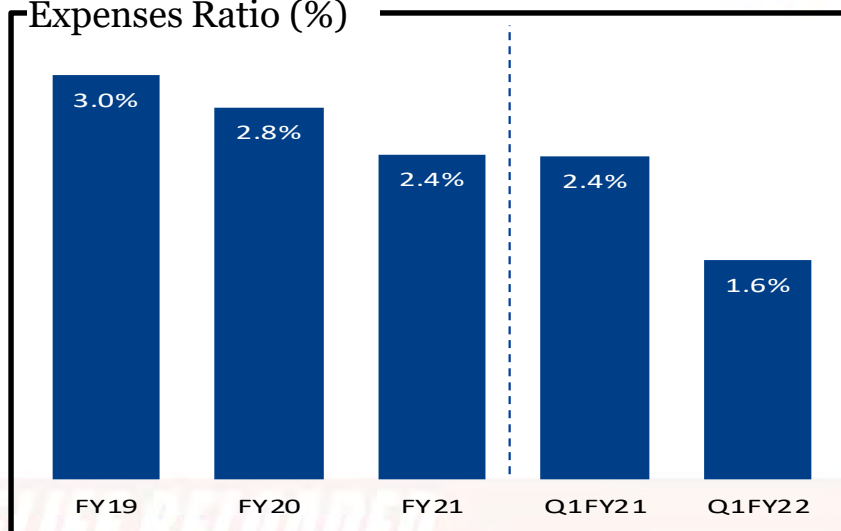


## Home Loans – Asset Ratios

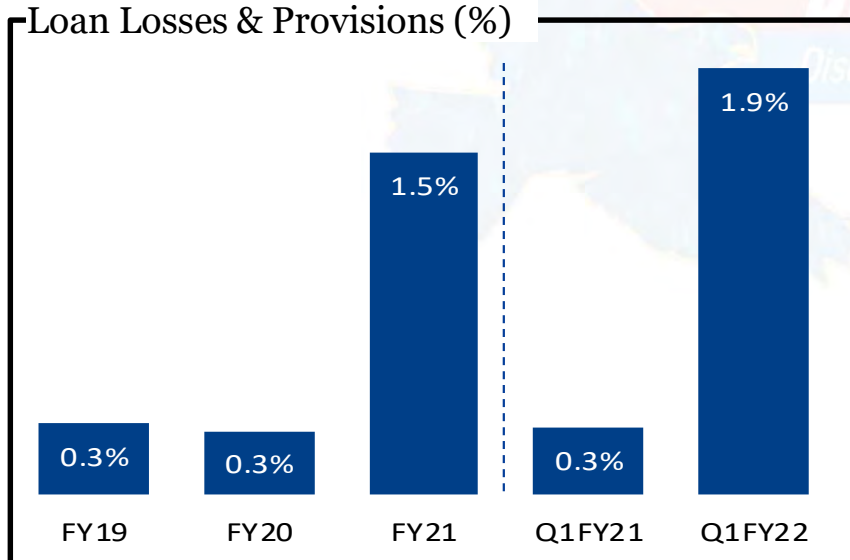
Net Income Margin (%)



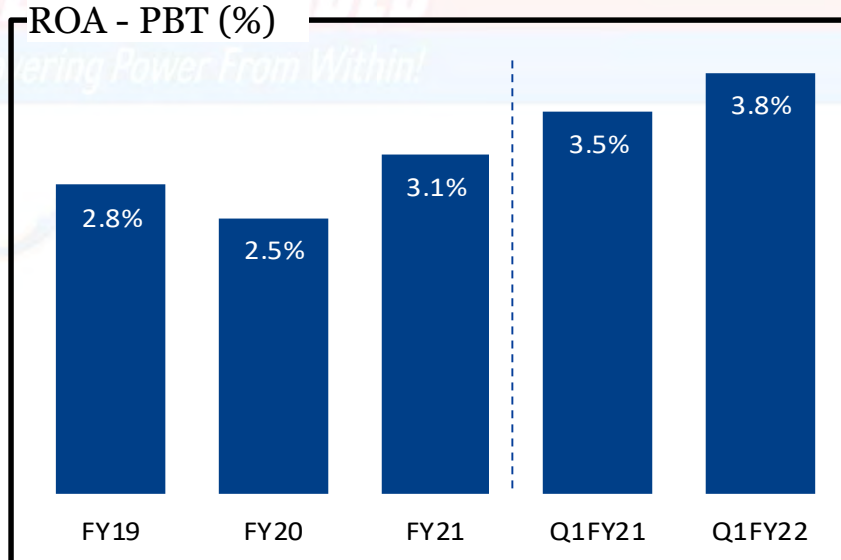
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)





## Profit and Loss Statement - Home Loans (Managed)

₹ Cr

Particulars	Q1FY21	Q4FY21	Q1FY22	Growth % Q1-o-Q1	Growth % Q4-o-Q1	FY21
<b>Disbursements</b>	<b>190</b>	<b>538</b>	<b>199</b>	<b>5%</b>	<b>-63%</b>	<b>1,542</b>
<b>Closing Assets (Managed)</b>	<b>3,302</b>	<b>4,345</b>	<b>4,402</b>	<b>33%</b>	<b>1%</b>	<b>4,345</b>
Operating Income	111	152	154	38%	1%	519
Finance Charges	62	70	74	20%	5%	262
<b>Net Income</b>	<b>49</b>	<b>82</b>	<b>80</b>	<b>61%</b>	<b>-2%</b>	<b>257</b>
Expenses	19	30	18	-8%	-41%	89
Net Credit Losses	2	17	20	782%	18%	55
<b>PBT</b>	<b>28</b>	<b>34</b>	<b>41</b>	<b>50%</b>	<b>21%</b>	<b>112</b>
<b>Asset Ratios</b>						
Income	13.9%	14.9%	14.1%			14.2%
Cost of Funds	7.7%	6.9%	6.8%			7.2%
Net Income Margin	6.2%	8.0%	7.3%			7.0%
Expense	2.4%	2.9%	1.6%			2.4%
Losses & Provisions	0.3%	1.7%	1.9%			1.5%
<b>ROA-PBT</b>	<b>3.5%</b>	<b>3.4%</b>	<b>3.8%</b>			<b>3.1%</b>

## Profit and Loss Statement - Home Loans (On Book)

₹ Cr

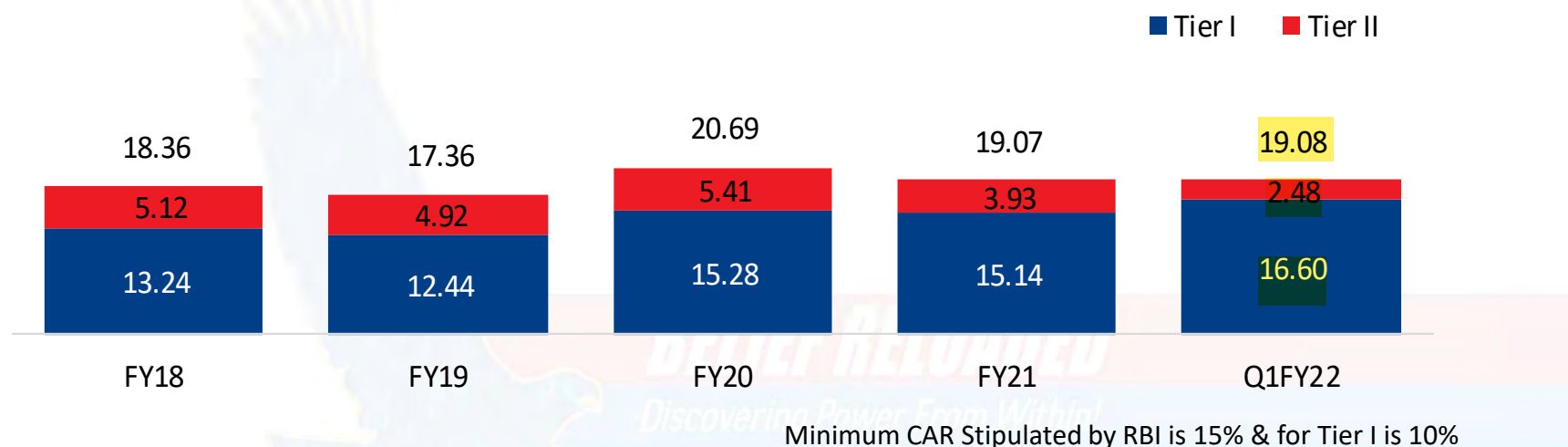
Particulars	Q1FY21	Q4FY21	Q1FY22	Growth % Q1-o-Q1	Growth % Q4-o-Q1	FY21
<b>Disbursements</b>	<b>190</b>	<b>538</b>	<b>199</b>	<b>5%</b>	<b>-63%</b>	<b>1,542</b>
<b>Closing Assets (On B/S)</b>	<b>2,613</b>	<b>3,726</b>	<b>3,801</b>	<b>45%</b>	<b>2%</b>	<b>3,726</b>
Operating Income	88	136	136	54%	0%	473
Finance Charges	47	58	62	32%	7%	207
<b>Net Income</b>	<b>41</b>	<b>78</b>	<b>74</b>	<b>79%</b>	<b>-6%</b>	<b>266</b>
Expenses	19	30	18	-8%	-41%	89
Net Credit Losses	2	17	20	782%	-218%	55
<b>PBT</b>	<b>19</b>	<b>31</b>	<b>35</b>	<b>83%</b>	<b>15%</b>	<b>122</b>
<b>Asset Ratios</b>						
Income	13.9%	15.7%	14.4%			15.7%
<b>Cost of Funds</b>	<b>7.4%</b>	<b>6.7%</b>	<b>6.6%</b>			<b>6.9%</b>
Net Income Margin	6.5%	9.0%	7.8%			8.8%
Expense	3.1%	3.5%	1.9%			3.0%
Losses & Provisions	0.4%	2.0%	2.2%			1.8%
<b>ROA-PBT</b>	<b>3.1%</b>	<b>3.6%</b>	<b>3.8%</b>			<b>4.0%</b>

# 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+ <sup>^</sup>	[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	-

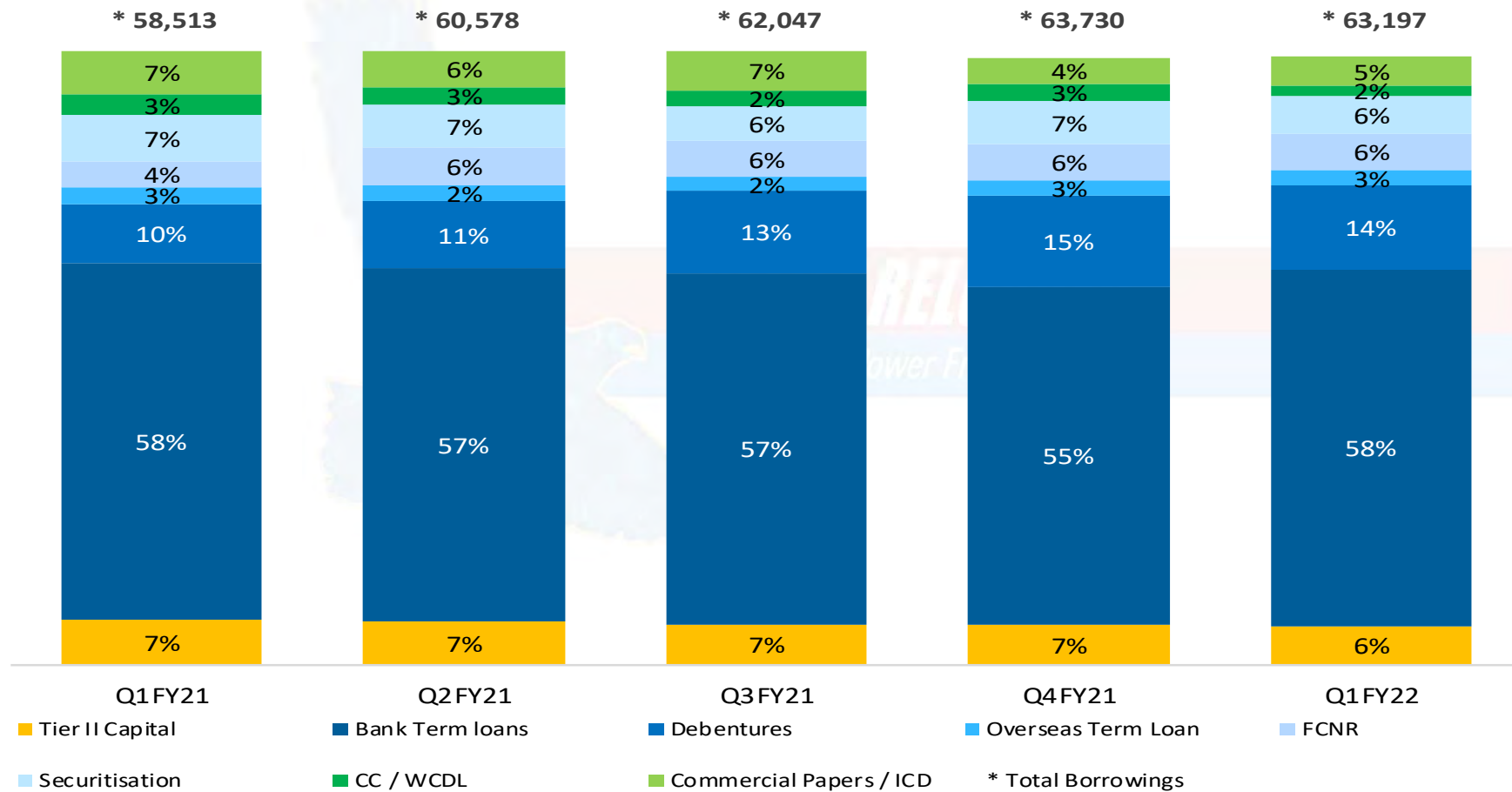
<sup>^</sup> CP Rating

\* NCD Rating

## Diversified Borrowings Profile (I/II)

Borrowing mix by instrument type

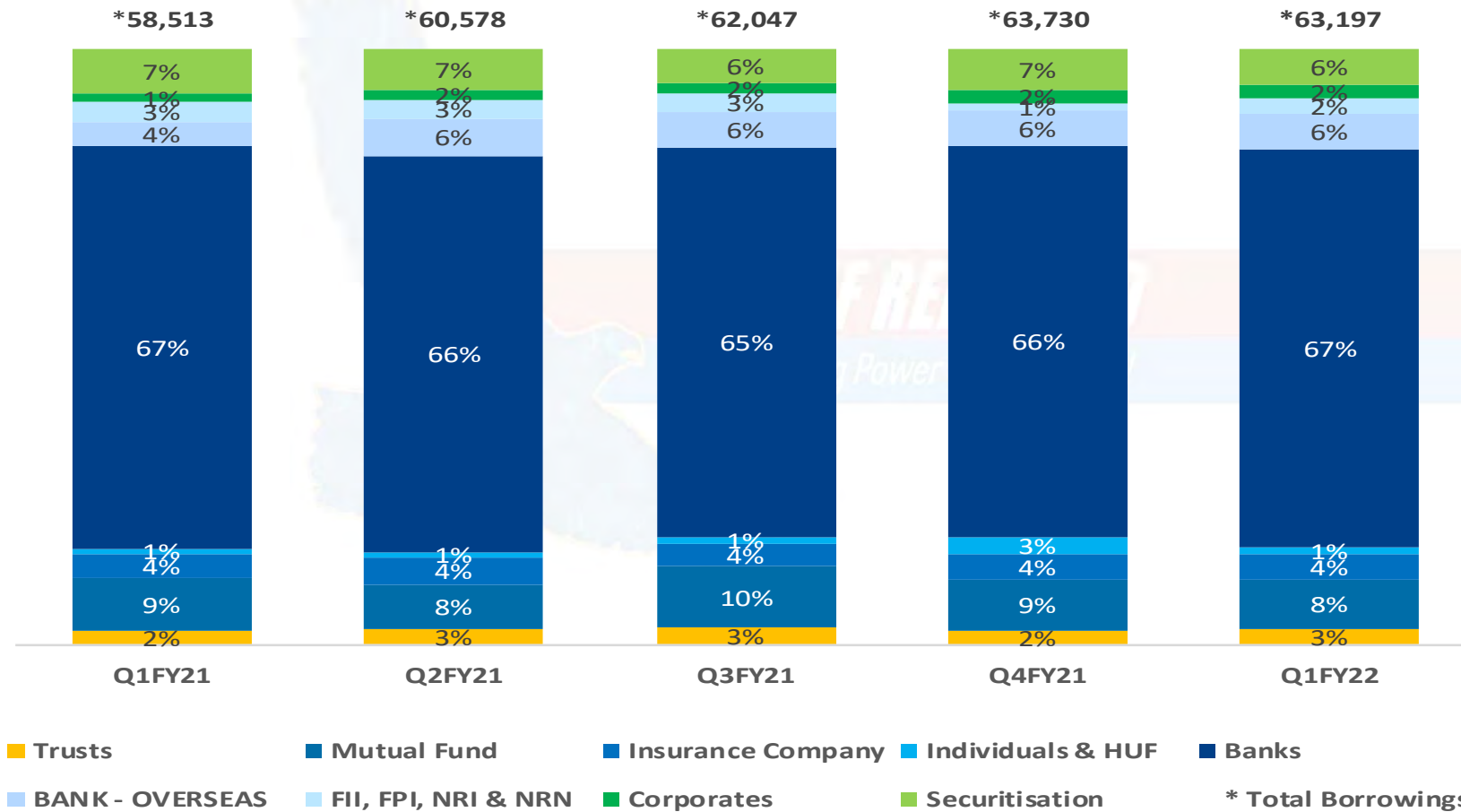
(₹Cr)



## Diversified Borrowings Profile (I/II)

(₹Cr)

Borrowing mix by investor type



## ALM Statement as of 30th Jun 2021 (As per IND AS)

(₹Cr)

ALM snapshot as on 30th Jun 2021									
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	2,975.37	775.38	2,490.60	11.36	72.82	1,397.42	194.28	-	7,917.23
Advances	1,553.86	1,428.20	1,198.69	6,373.95	11,189.97	26,671.23	8,229.16	8,088.39	64,733.45
Trade Receivable & Others	64.52	207.60	112.15	38.97	62.57	131.02	163.87	1,500.83	2,281.53
<b>Total Inflows (A)</b>	<b>4,593.75</b>	<b>2,411.18</b>	<b>3,801.45</b>	<b>6,424.27</b>	<b>11,325.36</b>	<b>28,199.67</b>	<b>8,587.31</b>	<b>9,589.22</b>	<b>74,932.21</b>
<b>Cumulative Total Inflows (B)</b>	<b>4,593.75</b>	<b>7,004.93</b>	<b>10,806.38</b>	<b>17,230.65</b>	<b>28,556.01</b>	<b>56,755.68</b>	<b>65,342.98</b>	<b>74,932.21</b>	
Borrowin Repayment-Bank & Others	2,186.88	1,941.74	3,369.10	3,168.14	6,971.84	22,439.93	6,664.16	843.54	47,585.33
Borrowin Repayment- Market	396.11	390.72	406.47	1,178.15	2,946.32	6,616.55	1,279.58	2,276.23	15,490.14
Capital Reserves and Surplus	-	-	-	-	-	-	-	10,008.57	10,008.57
Other Outflows	1,337.58	23.64	21.34	85.00	46.15	131.46	8.90	194.10	1,848.18
<b>Total Outflows (C)</b>	<b>3,920.57</b>	<b>2,356.10</b>	<b>3,796.91</b>	<b>4,431.29</b>	<b>9,964.31</b>	<b>29,187.94</b>	<b>7,952.64</b>	<b>13,322.43</b>	<b>74,932.21</b>
<b>Cumulative Total Outflows (D)</b>	<b>3,920.57</b>	<b>6,276.67</b>	<b>10,073.58</b>	<b>14,504.87</b>	<b>24,469.19</b>	<b>53,657.13</b>	<b>61,609.77</b>	<b>74,932.21</b>	
<b>E. GAP (A - C)</b>	<b>673.18</b>	<b>55.08</b>	<b>4.54</b>	<b>1,992.98</b>	<b>1,361.04</b>	<b>(988.27)</b>	<b>634.66</b>	<b>(3,733.21)</b>	
<b>F.Cumulative GAP (B - D)</b>	<b>673.18</b>	<b>728.26</b>	<b>732.80</b>	<b>2,725.78</b>	<b>4,086.82</b>	<b>3,098.55</b>	<b>3,733.21</b>	<b>(0.00)</b>	
<b>Cumulative GAP as % (F/D)</b>	<b>17.17%</b>	<b>11.60%</b>	<b>7.27%</b>	<b>18.79%</b>	<b>16.70%</b>	<b>5.77%</b>	<b>6.06%</b>	<b>0.00%</b>	

Note: Behavioural ALM.

Advances and maturities include the securitization inflows and outflows respectively

# Subsidiaries





## Subsidiaries – Q1FY22

- CHFL recorded a gross income of Rs. 6.81 crores in Q1FY22 as compared to Rs. 7.29 crores in Q1FY21 and PBT of Rs.1.66 crores as compared to Rs. 0.40 crores in Q1FY21. The Company has made an application to National Housing Bank (NHB) for registration as a Housing Finance Company in June 2018 and currently engaging with the RBI to obtain license to operate as a Housing Finance Company.

**Cholamandalam  
Home Finance  
Limited (CHFL)**



- During the quarter CSEC focused on creating three distinct business lines for enhancing revenues and productivity - broking, wealth and insurance distribution. The Broking business grew 37% and wealth business grew by 36% as on Jun 2021. CSEC achieved a gross income of Rs. 8.91 crores as on 30<sup>th</sup> Jun, 2021 as compared to Rs.5.22 crores as on 30<sup>th</sup> Jun, 2020 and made a PBT of Rs. 1.44 crores as against a PBT of Rs. 0.70 crores in Q1FY21. The Wealth AUM crossed ₹ 1,327 crores.

**Cholamandalam  
Securities  
Limited (CSEC)**





Environmental  
Social  
Governance

## Environmental, Social & Governance (ESG) at Chola





## Responsible Products

### Access to Finance

Our products focus on first time borrowers (FTB) and new to credit customers (NTCC) ensuring financial inclusion of sections of society including micro business owners

### Vehicle Financing

Focus on transport entrepreneurs, first time borrowers (FTB) and new to credit customers (NTCC); predominantly in geographies with limited presence of organized financiers

### Loan against Property

Focus on lending to small businesses against the collateral of self occupied residential property at affordable ROI

### Affordable Housing

Focus on underserved customers in tier III,IV,V, VI cities to enable them to achieve their dream of entering a better home, minimal documentation

### SME Loans

Support people such as vegetable owners, flour mill owners and micro business owners who don't have conventional documentation to grow the business

### ESG Based Lending

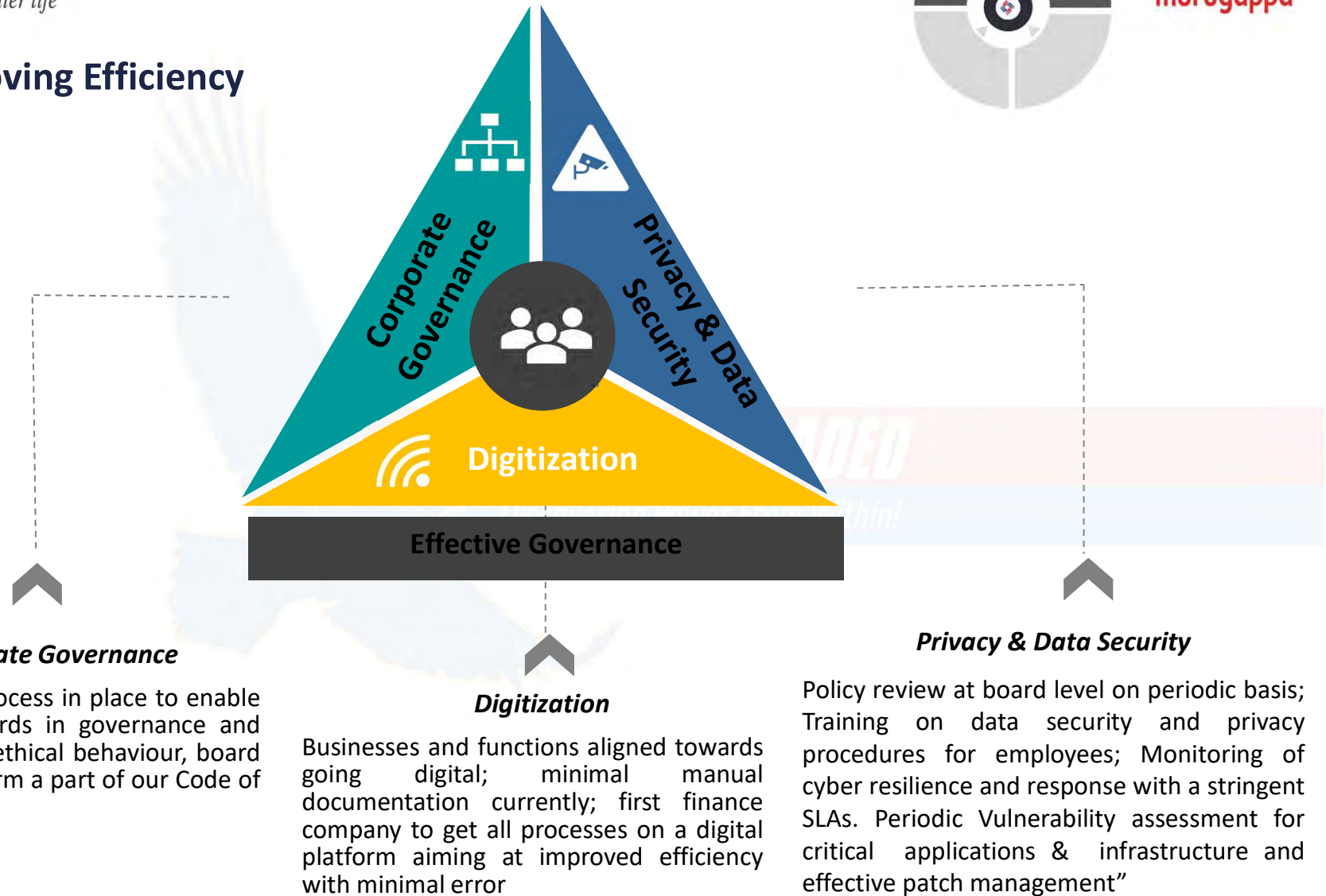
We do not engage with industries that pose a threat to the environment. The list of such industries are monitored and updated regularly to ensure compliance. We have been reconfirmed as a constituent of FTSE4Good Series in June 2021.

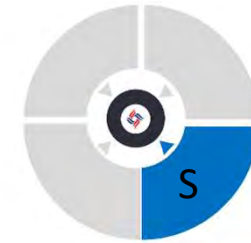
### Innovation

All our products are custom designed to suit our customer's need. We provide customized credit models, with minimal documentation. *Gaadi* bazar is one such example, which focuses on emerging market trends. With customer satisfaction as our key focus we have tailored our products to match their preferences.



## Improving Efficiency

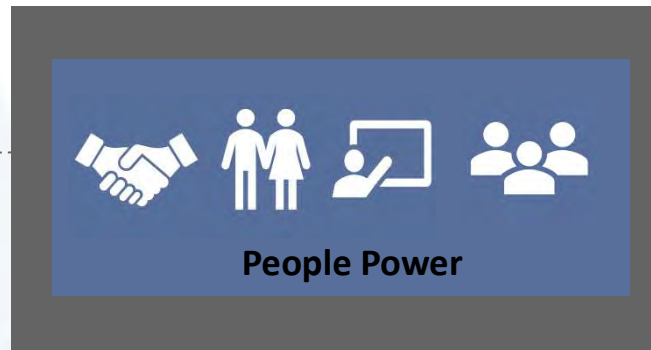




## People Power

### Employee Wellness

- Emotional & mental wellbeing programs: Utilized by several employees in the past year
- Dedicated grievance hotline
- Focus on Stress management
- Financial wellness of employees & families- 8 wellbeing programs conducted last year
- Pandemic support programs: paid leave, term life insurance, hospitalization benefit, vaccination
- ISO 30408:2016- Human Resource Management certified



### Diversity & Inclusiveness

- Business activities such as hiring, promotion, and compensation of employees, conducted without regard to race, colour, religion, gender etc.
- We aim at hiring more women in business roles and achieve gender equality in our organization.
- Emphasis on local hiring

### Learning & Development

- Regular discussions carried out to recognize improvement areas of employees
- Trainings conducted for upskilling including vernacular trainings
- **75,192** manhours of training conducted in FY 21
- Support formal employee education by providing 80% fees as financial support for those in need

### Empowering Communities

- CSR spend at INR **3207.48** Lacs for FY 21
- Key focus areas include upliftment in the Trucking community
- Regular health and eye camps carried out at 'Transport Nagars' (Trucker Hubs)-golden quadrilateral across India- **1,80,539** eye screenings till March 2021
- Piloted numerous projects in the area of Health, Water & Sanitation, Education, road safety, environment sustainability etc.

*Discovering Power From Within!*

## Environmental Consciousness



### Green Building

We aim at incorporating green methods in the construction of our upcoming office buildings. The latest office construction at Guindy is under the supervision of a green consultant and aims to imbibe Green Building principles  
Our processes are ISO 9001:2015  
Quality Management System Certified



### Waste

With a clear focus on sustainability, Chola has a well defined e-waste policy which ensures that disposal of e-waste is carried out only through authorized e-waste vendors at all our facilities



### Carbon

As an environmentally responsible company Chola has taken various steps towards sustainability by contributing towards water conservation, energy efficiency, supporting micro businesses in the Renewable energy sector etc. Going forward, we will focus on carbon footprint reduction

## ESG Certification – FTSE Russell



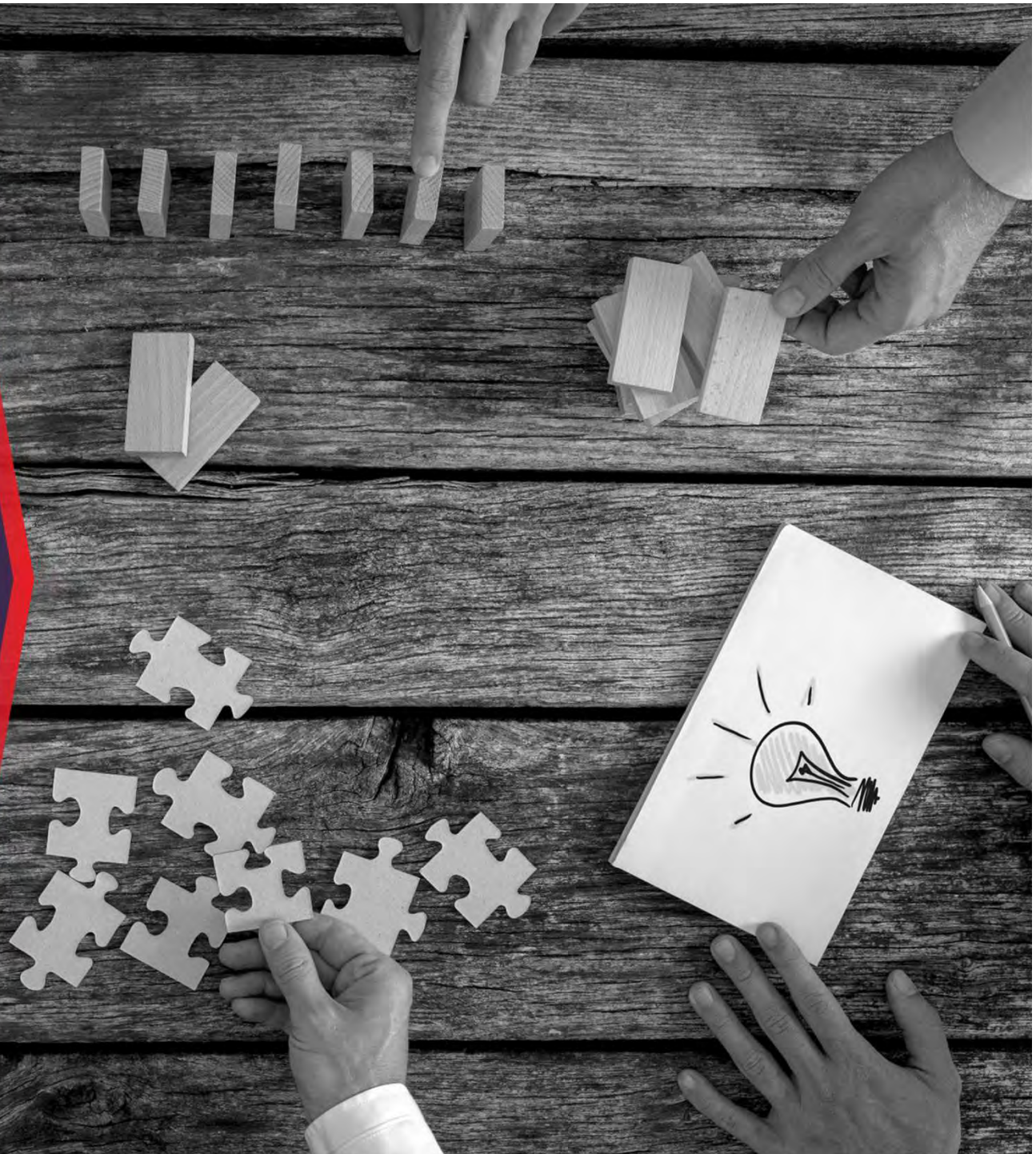
Our Company has been included in the FTSE4Good Index Series, created by the global index and data provider FTSE Russell. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The FTSE4Good indexes are used by a wide variety of market participants to create and assess responsible investment funds and other products. FTSE Russell evaluations are based on performance in areas such as Corporate Governance, Health & Safety, Anti-Corruption and Climate Change. Businesses included in the FTSE4Good Index Series meet a variety of environmental, social and governance criteria.

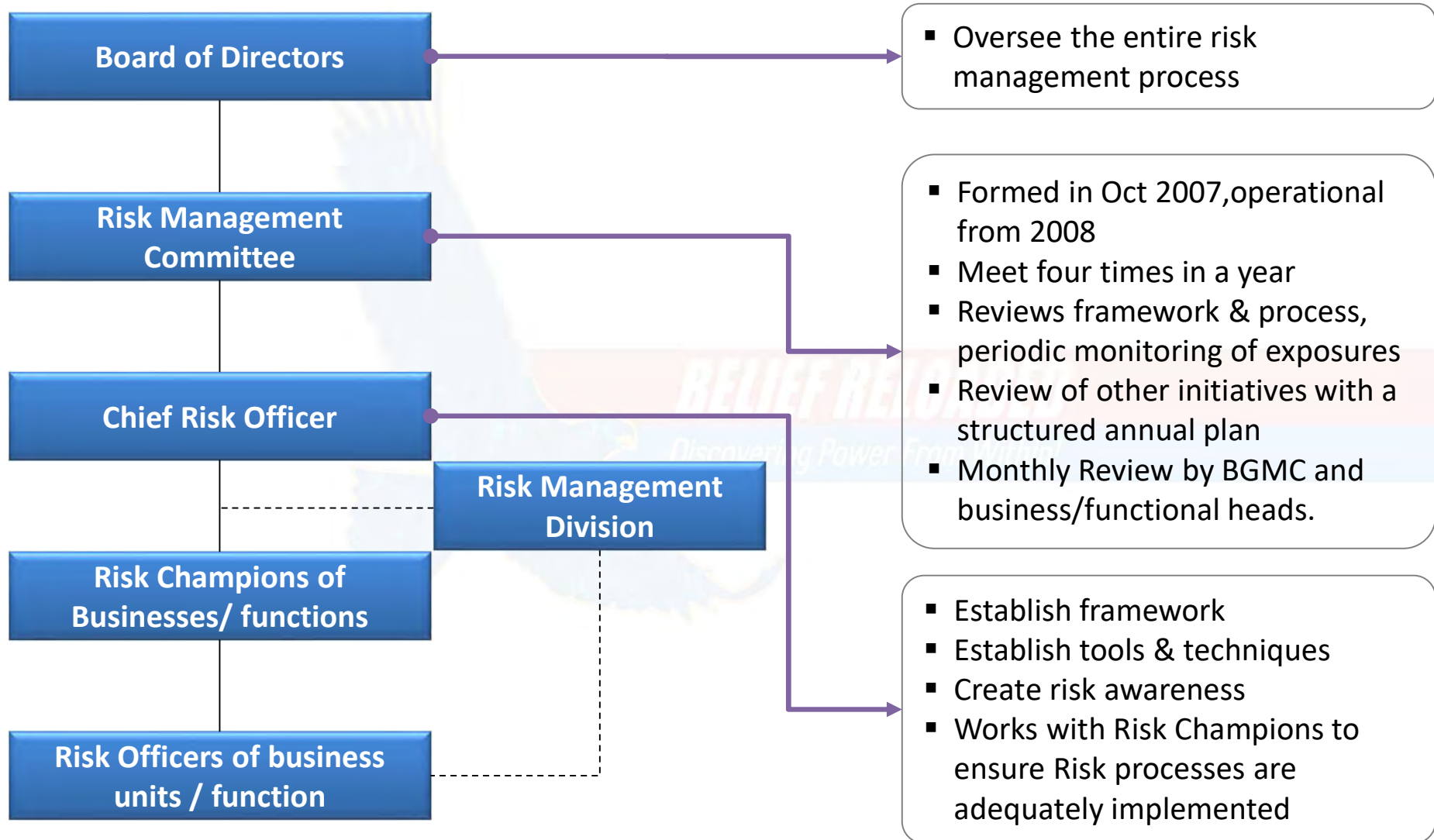
Note: Reaffirmed as constituent of FTSE4Good Index Series in June 2021



# Risk Management



## Risk Governance Structure

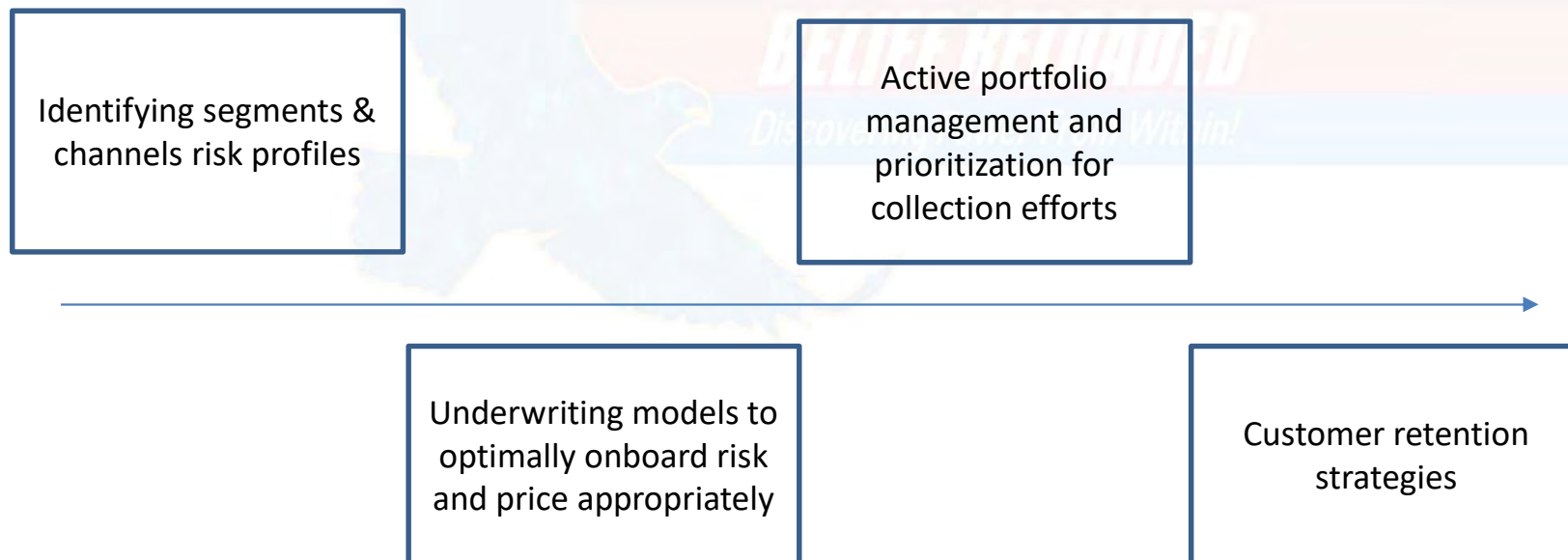


## ERM as Value Centre in Corporate Processes

- ERM at Chola works as a value centre
- Risk management team engages in defining framework, overseeing enterprise wide risks and building a portfolio for risk appetite based decision making.
- At Chola risk management is an integral part of the existing business process and management systems.
- Functional level risk monitoring using functional risk index
- Engagement with audit & assurance functions to ensure effective implementation of processes
- Business continuity plan
  - ERM team manages the robust continuity plans which has ensured that all critical functions continue to operate even during this pandemic event

## ERM as Value Centre in Business Processes

- Risk registers for various business process to identify laundry list of risks, controls, residual risks and KRIs for monitoring
- ERM works with business teams on the overall customer life cycle management



## ERM as Value Centre in Strategic Functions

- Actively involved in giving strategic inputs for scenario building
- Active participant in Asset Liability support group which monitors company's liquidity position
- Building forward looking macro indicators and its impact on business metrics
- Involved in new product launch and assessing its risk / reward trade-off
- Supports all business functions in all new initiatives involving process changes/technical assessments involving risk mitigation

# Information Technology



## Technology Infrastructure

### Provide resilient & scalable environment

- Executed enhancement of connectivity infrastructure for remote working & access to online services
- Complete BCP / DR Drill execution for key product and processes, ensuring appropriate network & compute
- Integrated asset and service management solution for all technology assets including laptops, tabs & printers
- Expanded usage of hybrid cloud compute and storage setup to support core business applications

## Digital Engagement & Application Platform

### Deliver seamless digital experience for all

- Ongoing functional and technical enhancements for both Home Loan & Loan Against Property related digital platforms
- Enhance functional capability in Co-Lending with other banks & financial institutions by adding support for more VF products
- Online integration with manufacturers for Lead flow to Origination's platform for status update and approvals
- Augment the module for securitization and assignment of originated loans through broader process automation

## Security & Governance

### Embed cyber security & technology governance

- Ensure on-going rigor for carrying out vulnerability assessment for deployed solutions and underlying systems
- Run continuous InfoSec campaigns and cyber awareness drives across organization's employee and customer base
- Architect and deploy appropriate role-based access controls to enterprise data
- Design and roll out Minimum Security Baseline for the components of the technology infrastructure
- Deploy robust infrastructure monitoring, auditing, and access management processes & solutions to maintain strong information security posture

## 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 by driving increased adoption of new collaboration and people management platform
- Deploy automation and other digital tools & services to improve process quality and reduce human activity index across processes
- Identify and build requisite skills in strategic technology areas to ensure readiness on Digital Technology front as a function

COVID  
Updates





## Update on COVID test employees – as on 26<sup>th</sup> Jul 2021

Covid Data	North	East	West	South	Head Office	Total
# Total no of emp Tested Positive till date	1163	2243	1198	2000	163	6767
# Emp Under Treatment	3	12	2	36	1	54
# No of Hospitalisation	-	-	-	-	-	-
# Emp Recovered till date	1156	2225	1186	1957	162	6686
# Fatality due to Covid	4	6	10	7	0	27

- Around 24% of the CHOLA's Population have been tested COVID positive.
- We lost 27 of our colleagues due to COVID.
- Regional HR continue to focus on precautions to be taken for employee safety and health, communication programs for keeping employees educated, branch hygiene and periodic sanitization.

## Employee Support Programs

- Monthly gross salary credit to the family of deceased employees up to 24 months
- Employment opportunity on merit for the eligible dependents
- Support education of deceased frontline field employees' children up to graduation
- Continued Insurance coverage for the rest of the family members for a period of 12 months
- Cash benefit for immediate relief of COVID affected employees and Additional Death Cover on account of the pandemic
- Interest free loans for COVID affected employees and family on easy repayment terms
- Cash benefit for immediate relief of COVID affected employees
- Additional Death Cover on account of the pandemic
- Special paid leave for COVID affected employees
- Mission “Zero-COVID in my branch” program
- Centralized COVID war room in every region to identify hospital beds, oxygen and medication for employees and their families
- Doctor on call 24/7
- Vaccination Support program & exclusive drives
- Webinars on guided meditation and practices to improve respiratory functions

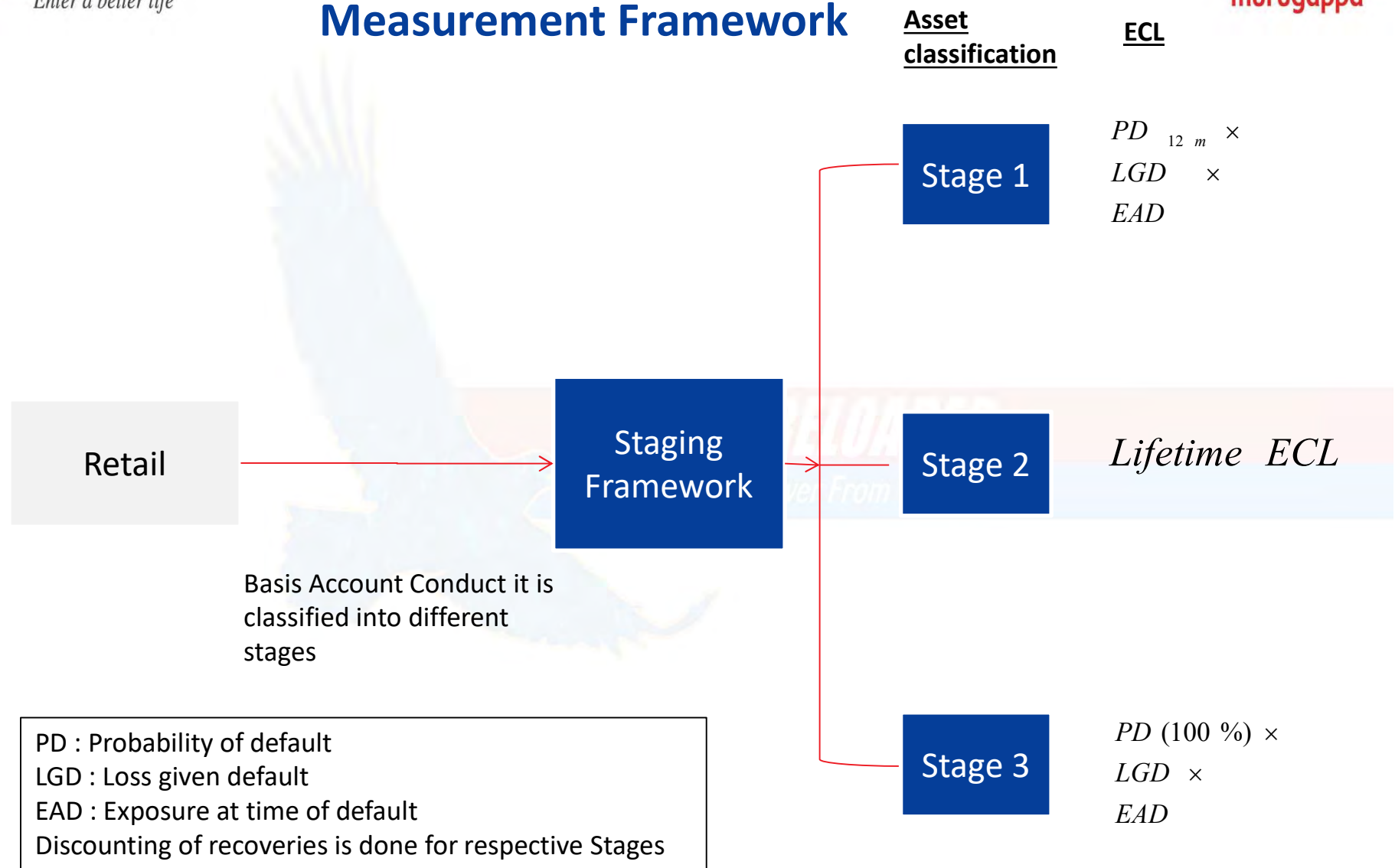


# ECL Methodology

*BELIEF RELOADED*

*Discovering Power From Within!*

## Measurement Framework



## Measurement Framework

**Asset classification**

**ECL**

**Description**

Stage 1

$$PD_{12m} \times LGD \times EAD$$

- Assets with low risk (0-30 DPD) on reporting date
- Loss estimate based on a 1 year forward estimate

Stage 2

*Lifetime ECL*

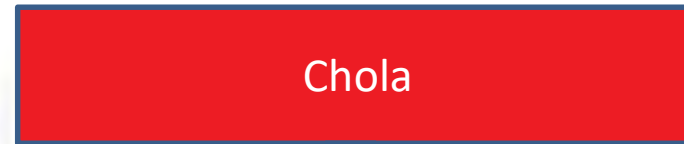
- Assets with Significant Increase in Credit Risk (SICR) since initial recognition
- Assets with > 30 DPD and < 90 DPD are considered as Stage 2
- Lifetime expected loss is computed

Stage 3

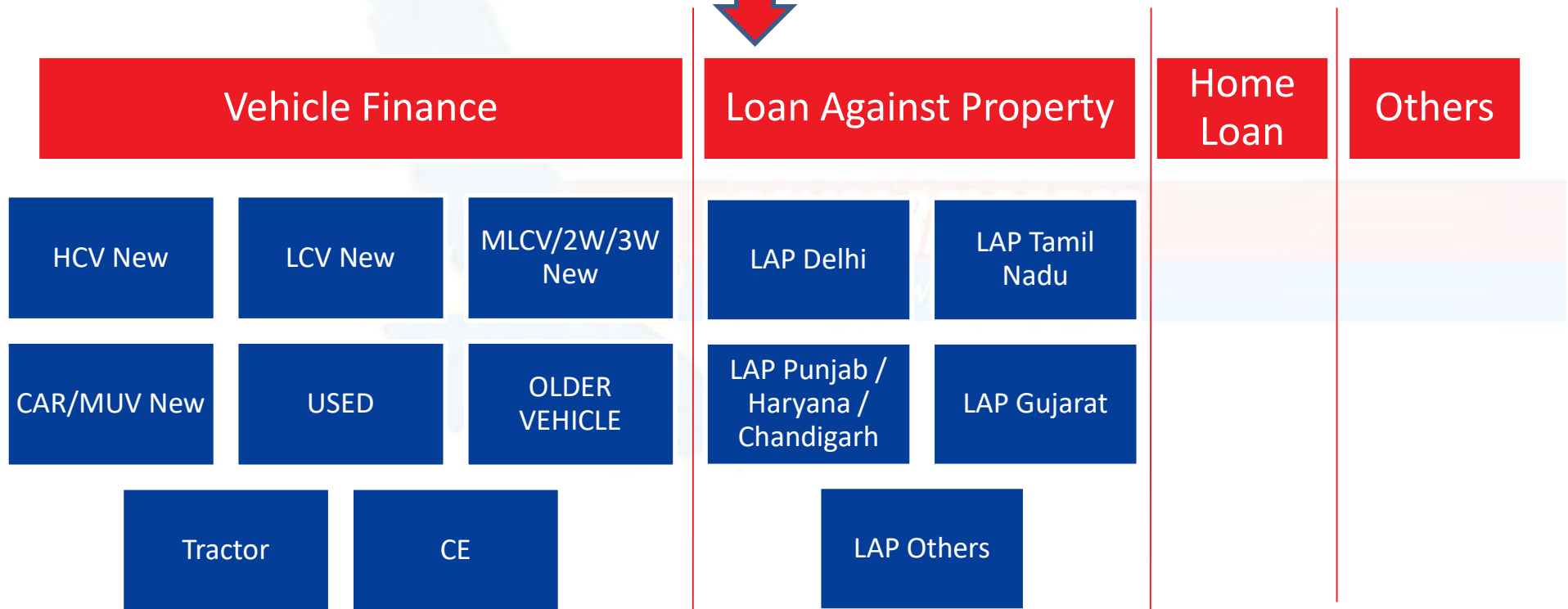
$$PD(100\%) \times LGD \times EAD$$

- Assets where default event has already happened as on reporting date
- Assets which have DPD > 90 days as on reporting date are classified into stage 3

## Retail Pooling



Portfolios are segmented based on the below categories. PD term structure and LGDs are computed for each segment separately.



VF portfolio is split basis the product category

LAP portfolio is split basis geography

Home Loans and other smaller portfolios are not segmented

## Contact us

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Chennai 600001.

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