

November 2, 2023

**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**

Dear Sirs,

**Sub: Intimation on the outcome of the Board Meeting held on 2<sup>nd</sup> November, 2023 and disclosures under Regulation 30 of SEBI Listing Regulations.**

Kindly refer our letter dated October 6, 2023 intimating you of the convening of the meeting of the Board of Directors to *inter alia* consider unaudited financial results for the quarter and half-year ended 30<sup>th</sup> September, 2023.

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

**Unaudited financial results:**

Unaudited financial results (Standalone and Consolidated) for the quarter and half-year ended 30<sup>th</sup> September, 2023 in respect of which we are uploading the following as prescribed under Regulation 33 of the Listing Regulations:

- The detailed format of the unaudited financial results as per the listing regulations. The financial results will also be published as per the format prescribed in the listing regulations;
- Limited Review report from the Joint statutory auditors; M/s. Price Waterhouse LLP and M/s. Sundaram & Srinivasan, Chartered Accountants;
- Statement of assets and liabilities and statement of cash flows as at 30<sup>th</sup> September, 2023 under Regulation 52(2A) of the Listing Regulations;
- Disclosures under Regulations 32, 52(4), 52(7), 52(7A), 54(2) and 54(3) of SEBI Listing Regulations; and
- Press release with regard to the above financial results being released for publication.

**Cholamandalam Investment and Finance Company Ltd.**

"Chola Crest", C54-55 & Super B-4, Thiru-Vi-Ka Industrial Estate,  
Guindy, Chennai – 600032. Tel : 044 4090 7172 | Fax : 044 4090 6464  
Toll-Free No. : 1800 102 4565 | Website : www.cholamandalam.com  
CIN : L65993TN1978PLC007576

Further, please find enclosed the disclosure on related party transactions on a consolidated basis and balances for the half year ended 30<sup>th</sup> September, 2023 pursuant to reg.23(9) of the Listing Regulations. The said disclosure is also being made available on the company's website [www.cholamandalam.com](http://www.cholamandalam.com).

The meeting of Board of Directors commenced at 11.00 a.m. and concluded at 2.30 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

**Cholamandalam Investment and Finance Company Ltd.**

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CIN : L65993TN1978PLC007576



**murugappa**



BETTER  
**LIVES**  
BETTER  
**NATION**

## Table of Contents



1. Group overview



2. Corporate overview



3. Financial performance



4. Business segments' overview



5. Funding profile



6. Subsidiaries performance



7. Environmental Social Governance

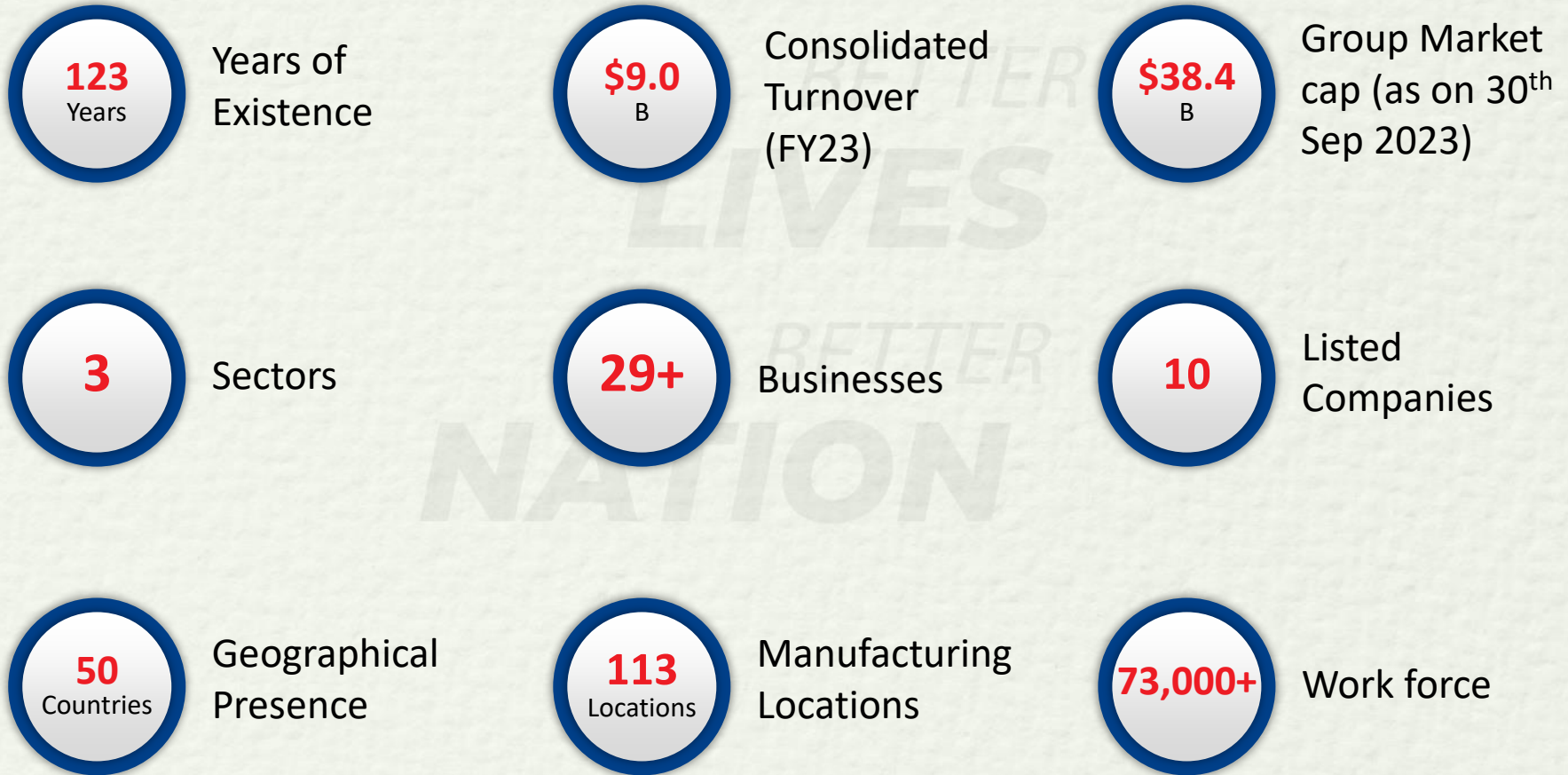


8. Risk management

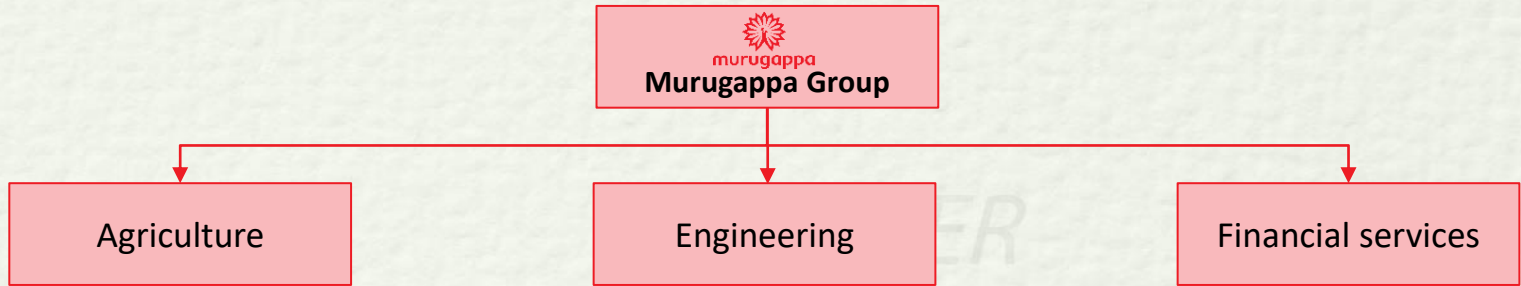
# Murugappa Group Overview



## Murugappa Group in a Nutshell



# Murugappa Group Overview



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

	Agriculture		Engineering		Financial services		
	Coromandel	PARRY'S	CUMI	INDIA	Chola	Chola MS	Chola
Market Cap(Cr.)	33,717	9,284	22,368	57,707	1,00,148	NA	21,747
Turnover (Cr.)	29,587	5,584	4,601	14,431	12,884	6,156	84
PAT(Cr.)	1,528	13	414	1325	2,666	193	58

Note: Market Capitalization of Financial services incl. Chola Investments and Chola Financial Holdings.  
 Financial Performance are of FY 22-23.  
 Market data as on 30<sup>th</sup> Sep 2023. 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." Surrounding this center are five glowing, flame-like shapes, each representing 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



30.9 lakh + customers

## Helping customers enter better life

2 lakh customers in year 2000 to 30.9 lakh plus customers till date



50,980 employees

## Experienced team to serve more customers

200 plus employees in year 2000 to 50,000+ employees today



Rs. 1.34 lakh Cr. Total AUM

## Healthy ROA of 3.3%

PAT – 10 CAGR of 25% from FY14 to FY23



Rs. 100k+ Cr. market cap

## Rapid market cap growth

From Rs. 840 Cr. in year 2008 to Rs. 100k+ Cr. in 2023



1267 branches

## Strong geographical presence

Across 28 states/Union Territories 89% presence across tier III—VI towns



## Diversified product portfolio

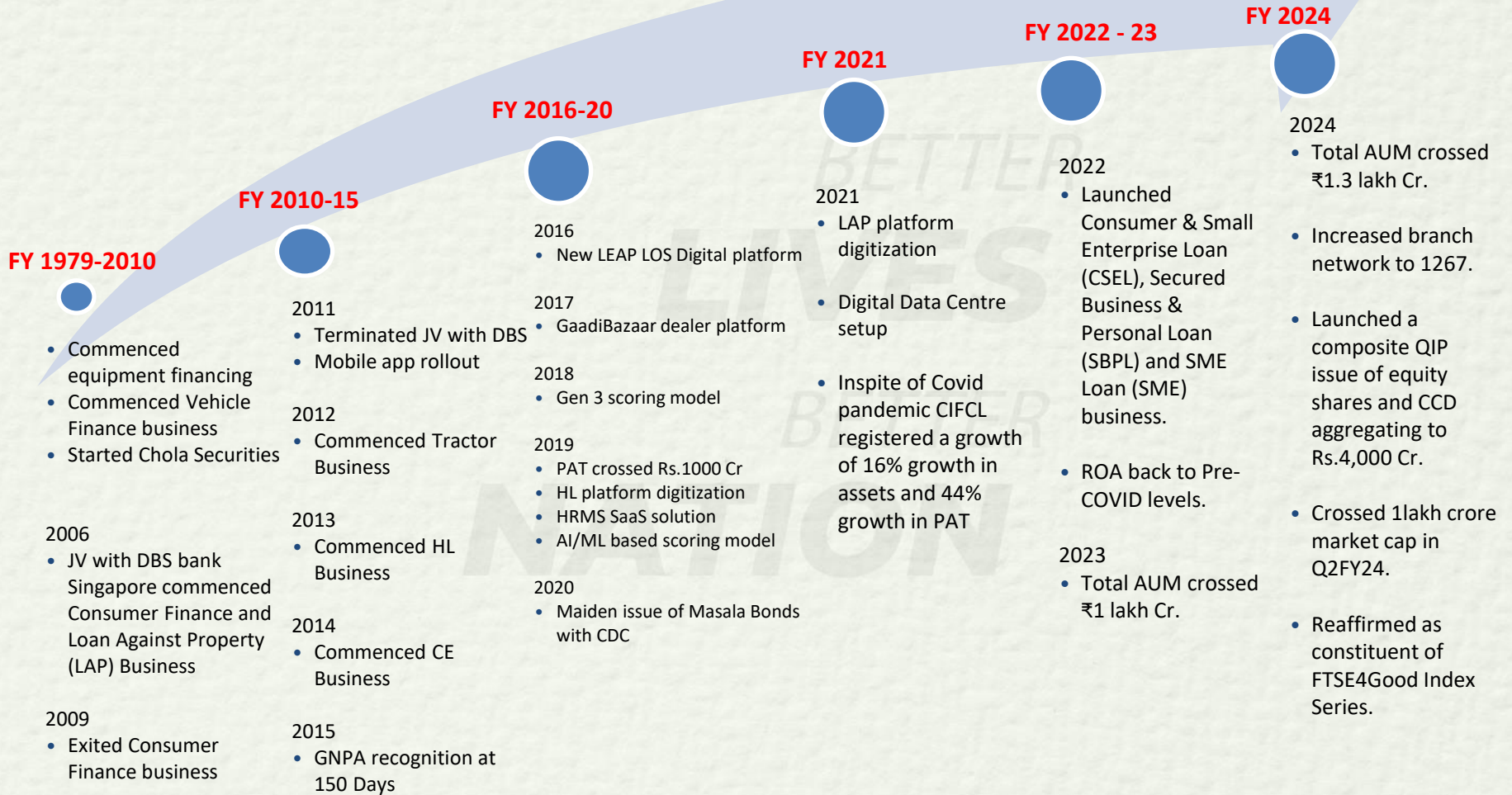
- Presence across Vehicle Finance loans, Loan Against Property, Home Loans, Consumer loans, Personal loans, SME Loans, Stock broking & distribution of financial products.



## Highly experienced management

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

# Our journey so far



Particulars	H1 FY24 Vs H1 FY23
Disbursement	Disbursement at Rs.41,557 Cr, a growth of 49%.
Business AUM	Rs. 1,24,246 Cr in Q2 FY24 registering a growth of 42%.
NIM	7.4% as compared to 7.8%
PBT	Rs.1,489 Cr, a growth of 32%
PBT – ROTA	3.3% as compared to 3.5%
Return on Equity	19.8% as compared to 18.3%
Stage 3 (90DPD)	2.96% in Sep23 from 3.84% in Sep22.
GNPA (RBI)	4.07% in Sep23 as against 5.84% in Sep22 and NNPA at 2.59% in Sep23 against 4.07% in Sep22.
CAR	16.62%. Tier I at 14.66%. Post the Capital raise in October 2023, the Capital Adequacy ratio will be more than 20% and Tier I will be more than 16.5%.

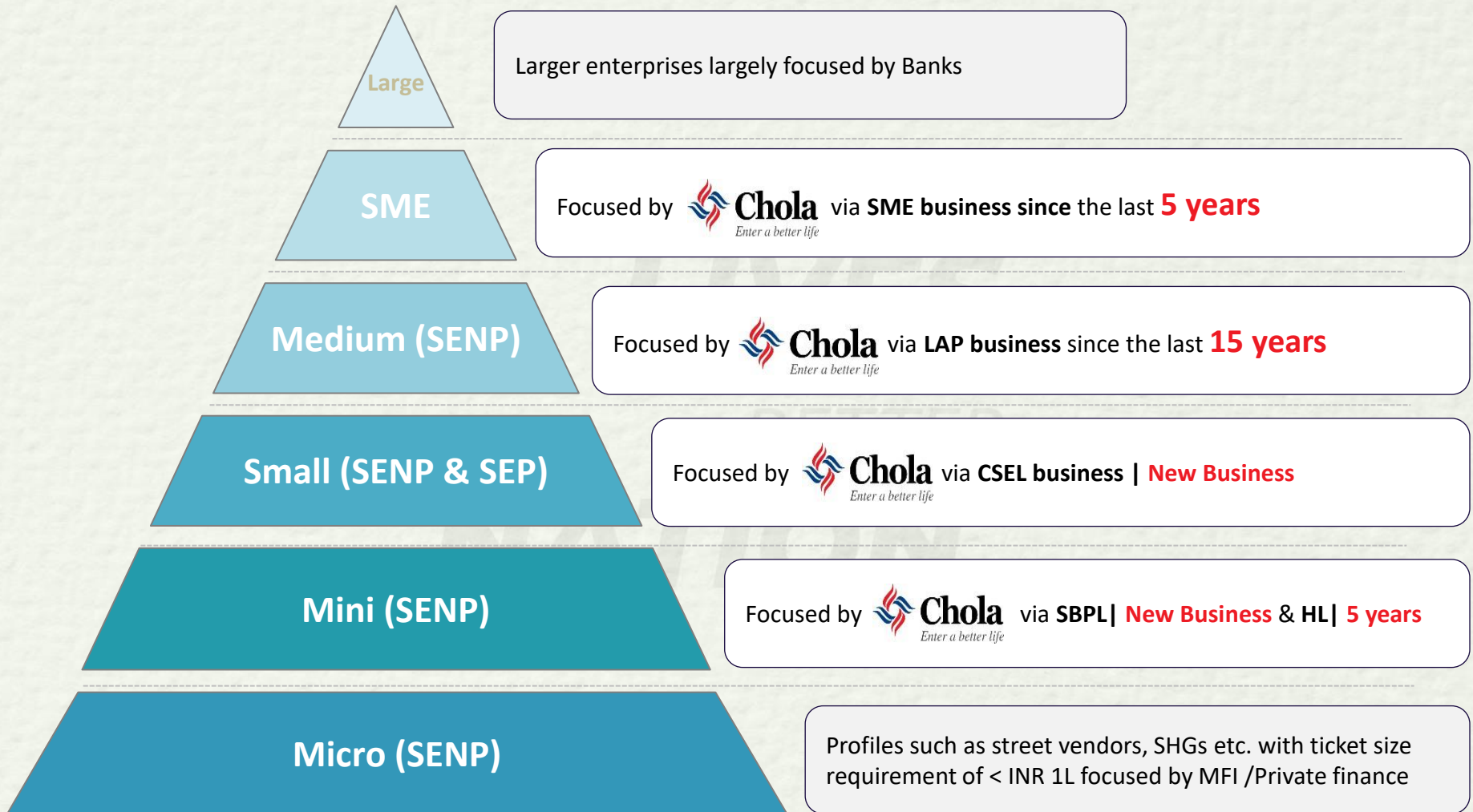
Particulars	H1 FY24 Vs H1 FY23
<a href="#">VEHICLE FINANCE</a> Overview	<ul style="list-style-type: none"> <li>Well-diversified product portfolio spread across 1215 branches PAN India</li> <li>Focused on financing of Commercial, Passenger, Two-wheelers, Tractors and Construction Equipment in both New and Used Vehicles.</li> <li>Our focus continues to be on retail customers especially in smaller towns and rural areas</li> </ul>
Disbursement	Disbursement of Rs.23,032 Cr, a growth of 35%.
PBT	PBT at Rs.1,000 Cr, a growth of 6%
<a href="#">LOAN AGAINST PROPERTY</a> Overview	<ul style="list-style-type: none"> <li>Focused on financing of Loan Against Property to SME customers for their business needs and operates out of 618 branches PAN India.</li> <li>Over 79% of the book is financed against Self-Occupied residential property as collateral.</li> </ul>
Disbursement	Disbursement of Rs.5,872 Cr, a growth of 37%.
PBT	PBT at Rs.458 Cr, a growth of 21%
<a href="#">HOME LOAN</a> Overview	<ul style="list-style-type: none"> <li>Focused on providing Home Loans under affordable segment with presence across 625 branches PAN India.</li> <li>89% of assets are in tier 2,3,4 cities and suburbs of tier 1 cities</li> </ul>
Disbursement	Disbursement of Rs.3,029 Cr, a growth of 124%.
PBT	PBT at Rs.183 Cr, a growth of 15%

Particulars	Highlights
NEW BUSINESS	<ul style="list-style-type: none"> <li>▪ <b>CSEL</b> - Offers Personal Loans, Professional Loans &amp; Business Loans to salaried, self-employed professionals and micro &amp; small businesses through traditional DSA/DST model, partnerships and FinTech's. – present in 408 locations (co-located) and have acquired over 9.7 lakh as on Jun23.</li> <li>▪ <b>SBPL</b> - Offers secured business loan and secured personal loan against self-occupied residential property or commercial-cum-residential property as collateral – present in 363 locations (co-located) spread across 10 states as on Sep23.</li> <li>▪ <b>SME</b> – The product suite includes Supply chain financing, Term loans for capex, Loan against shares, Funding on hypothecation of machinery for specific industries. Servicing out of 69 (co-located) locations with business growth both through traditional and Fintech partnerships.</li> </ul>

Particulars	VF	LAP	HL	New Businesses	Business Enablers	Chola
No of Employees	35903	3824	5660	4296	1297	<b>50980</b>
No of Branches	1215	*618	*625	*601	NA	<b>1267</b>
No of Customers	2111081	45484	86596	851268	NA	<b>3094429</b>

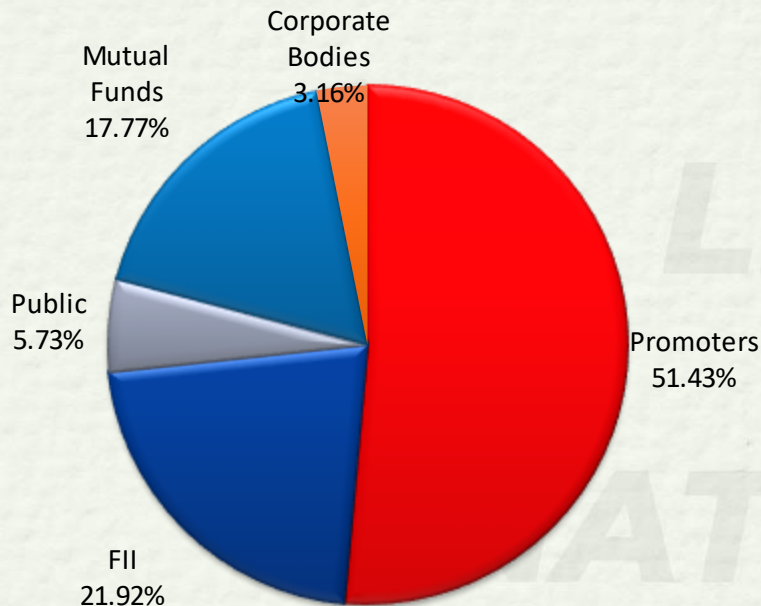
610 LAP, 587 HL and 601 new businesses branches are co-located with VF

# Ecosystem Play in the MSME Sector



# Shareholding

## Shareholding Pattern



- Promoters' share holding of 51.46% includes
  - Cholamandalam Financial Holdings Limited – 45.34%,
  - Ambadi Investments Limited – 4.10%
  - Others – 1.99%

## Institutional Holders (More than 1%)

### Top Domestic Institutional Holding

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

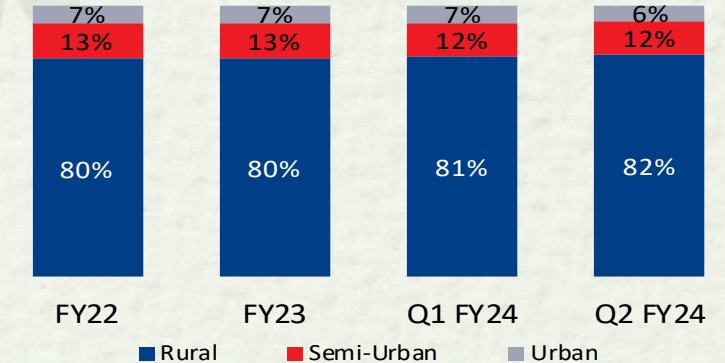
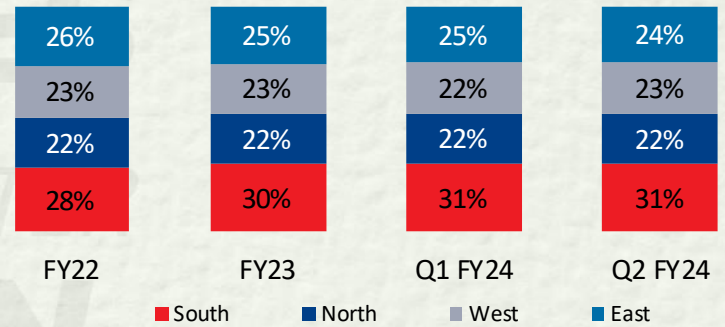
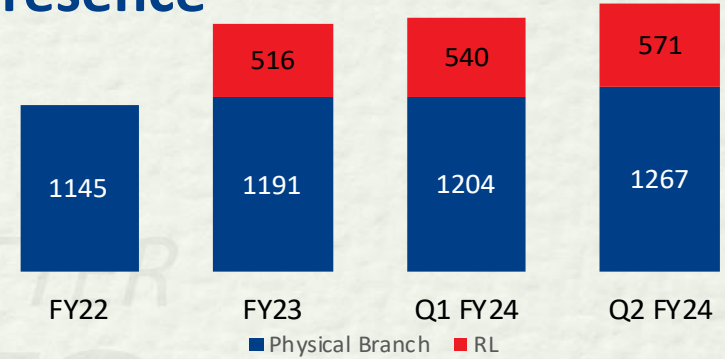
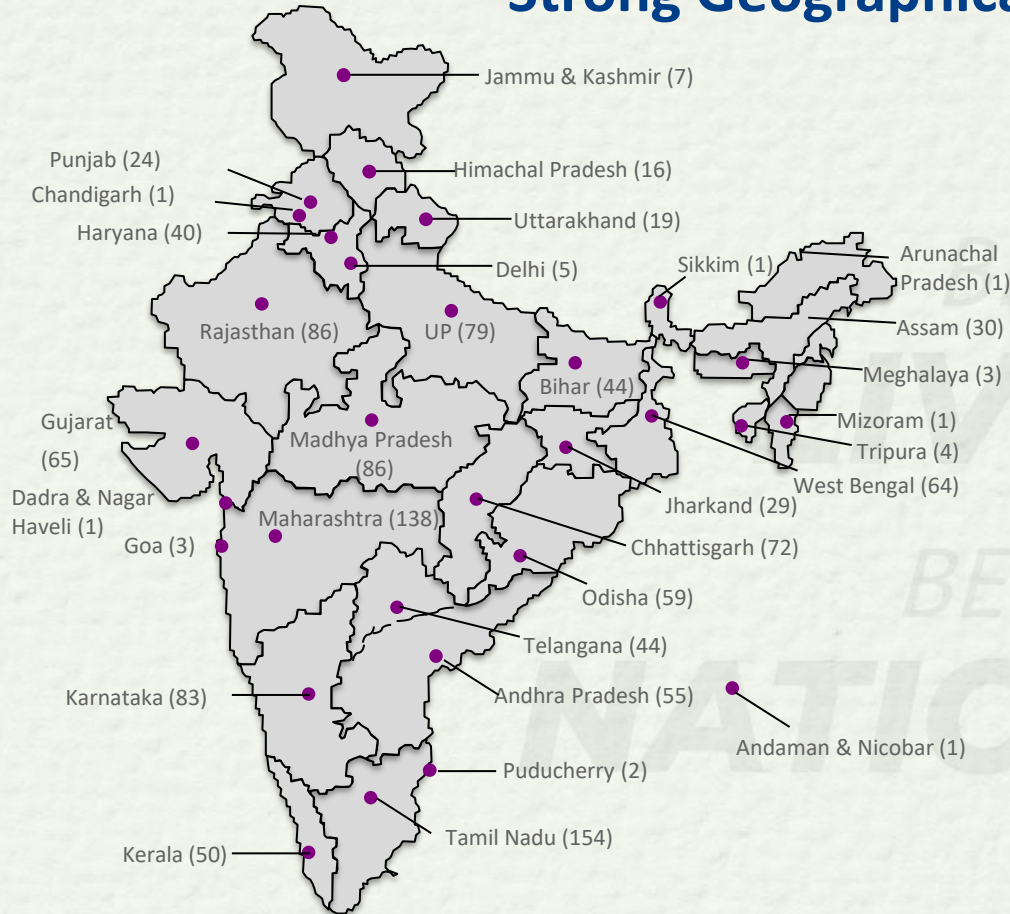
### Top Foreign Institutional Holding

- Capital Group
- Vanguard
- Blackrock
- Norges Bank Investment Management
- WhiteOak

Note: As on 29<sup>th</sup> Sep 2023



# Strong Geographical Presence



- 1267 branches across 29 states/Union territories: 1215 VF, 618 LAP (610 co-located with VF), 625 HL (587 co-located with VF), 408 CSEL, 363 SBPL, 69 SME (all co-located with VF) & 6 locations for Head office Functions and Operations in Tamil Nadu
- 89% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns

# Financial Performance

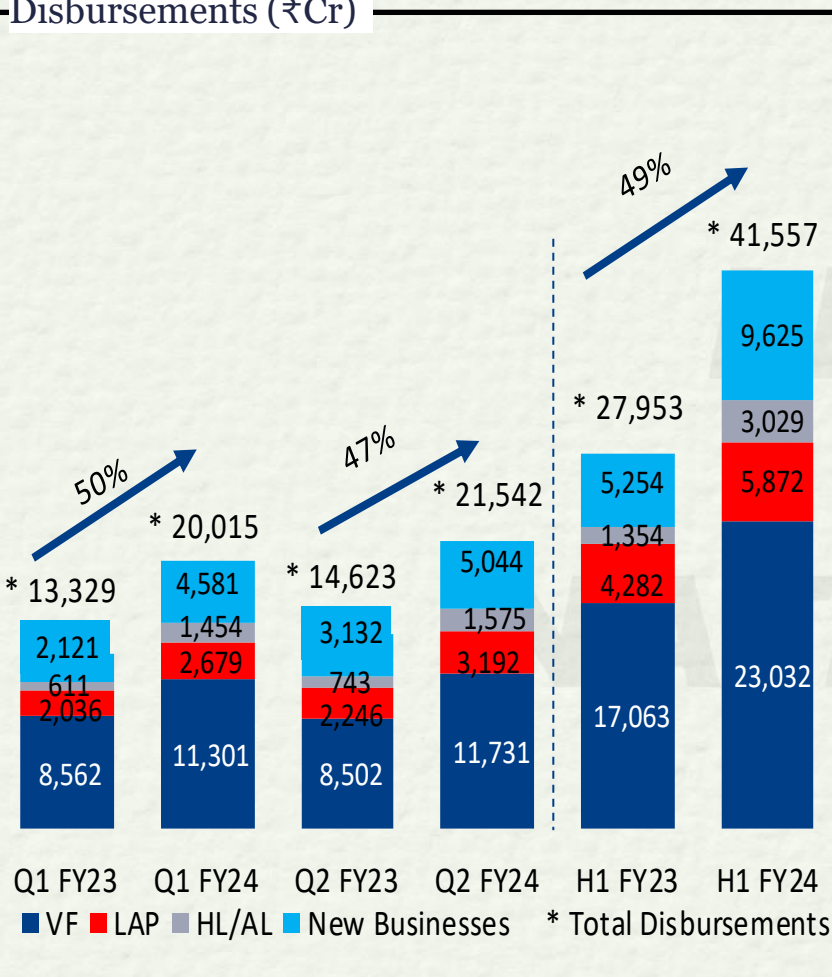


## Financial Snapshot — 10 Years

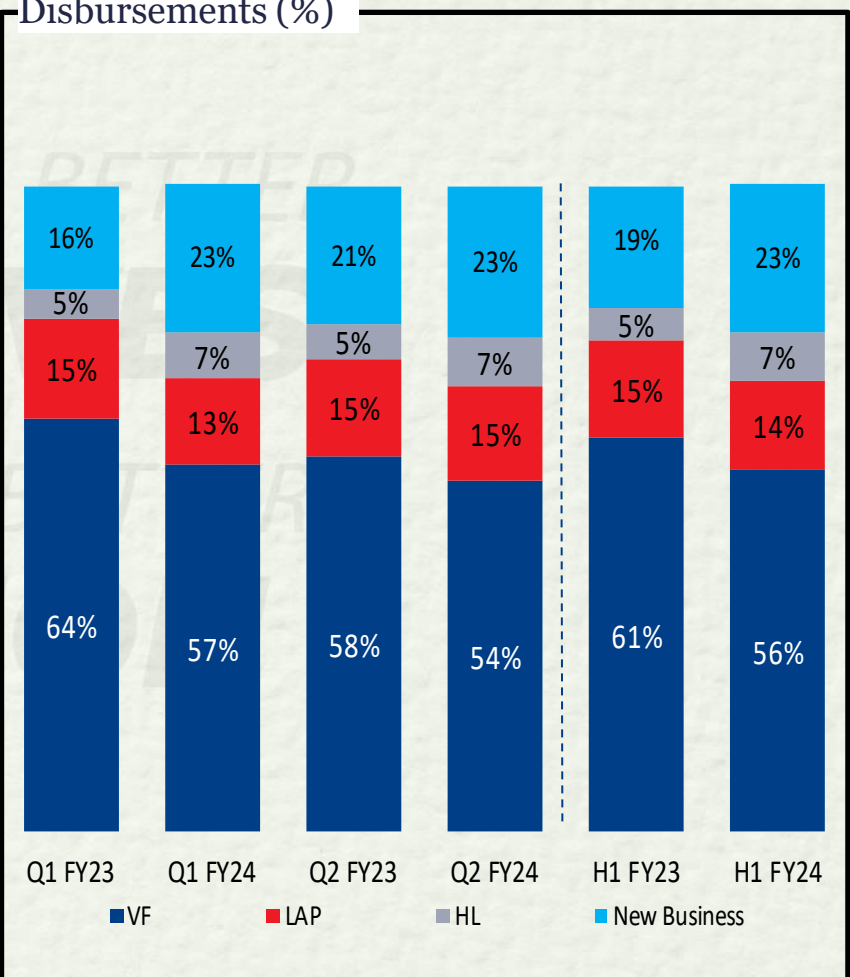
Financials Snapshot	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	YoY	CAGR (5 years)	CAGR (10 years)
	IGAAP	IGAAP	IGAAP	IGAAP	INDAS	INDAS	INDAS	INDAS	INDAS	INDAS			
<b>Disbursements</b>	<b>13,114</b>	<b>12,808</b>	<b>16,380</b>	<b>18,591</b>	<b>25,114</b>	<b>30,451</b>	<b>29,091</b>	<b>26,043</b>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

# Disbursements

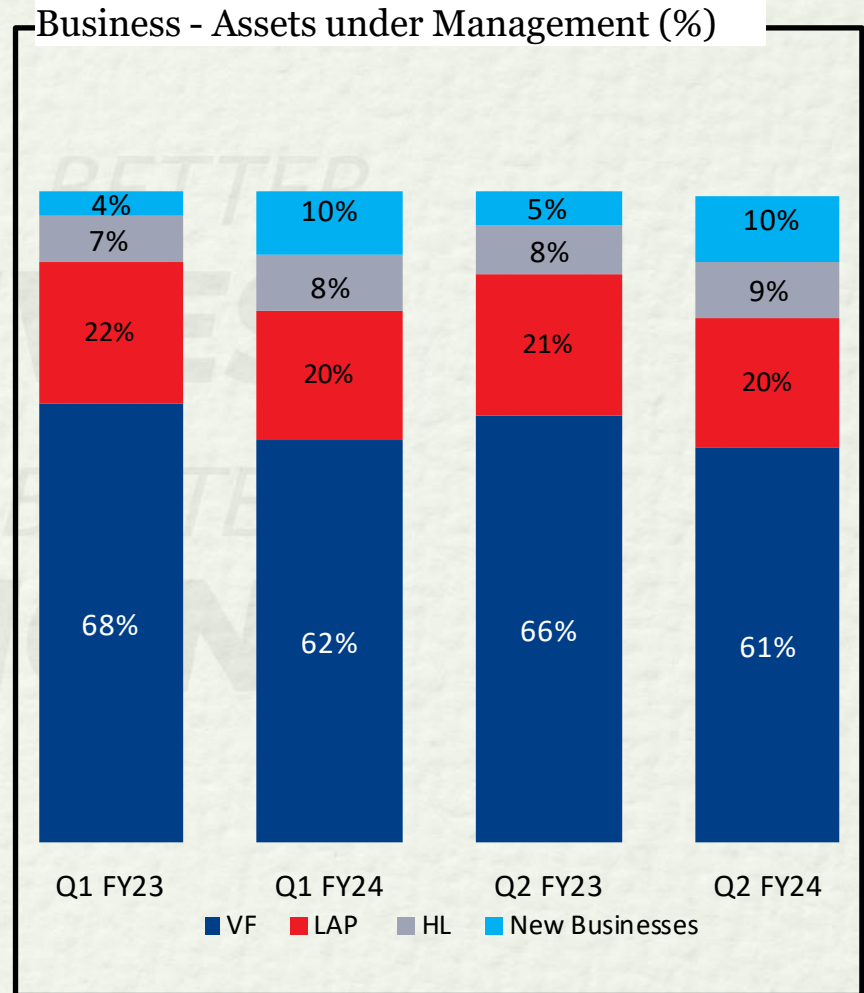
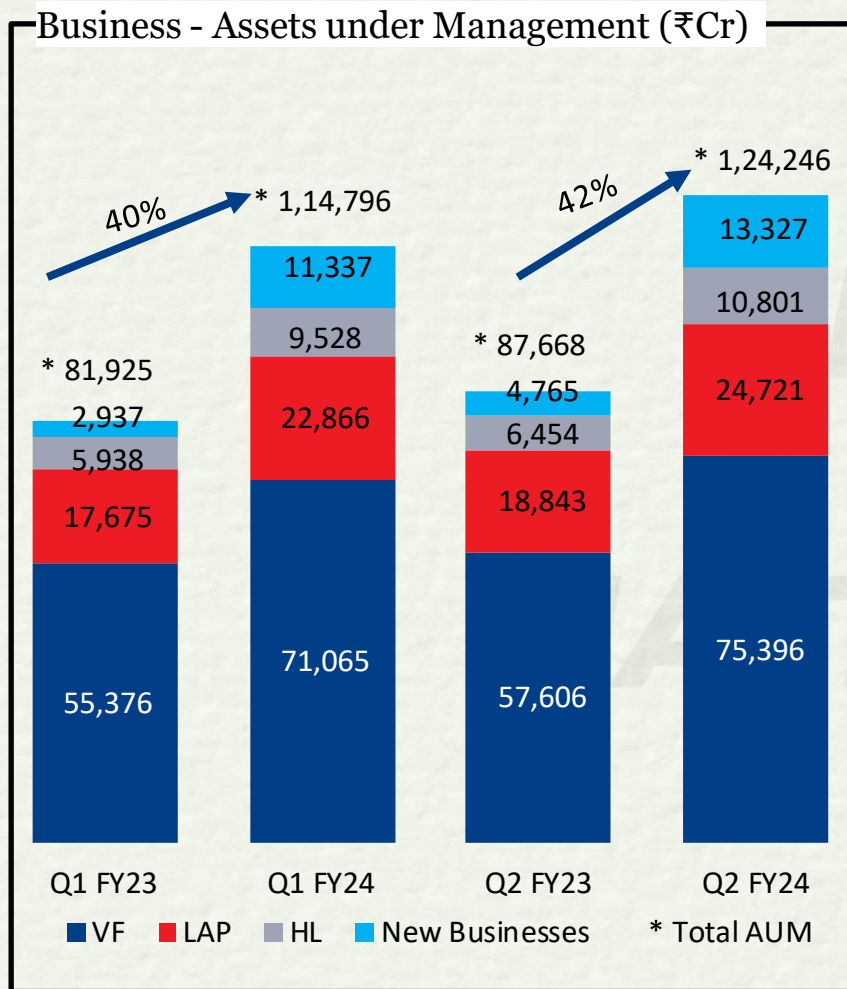
Disbursements (₹Cr)



Disbursements (%)

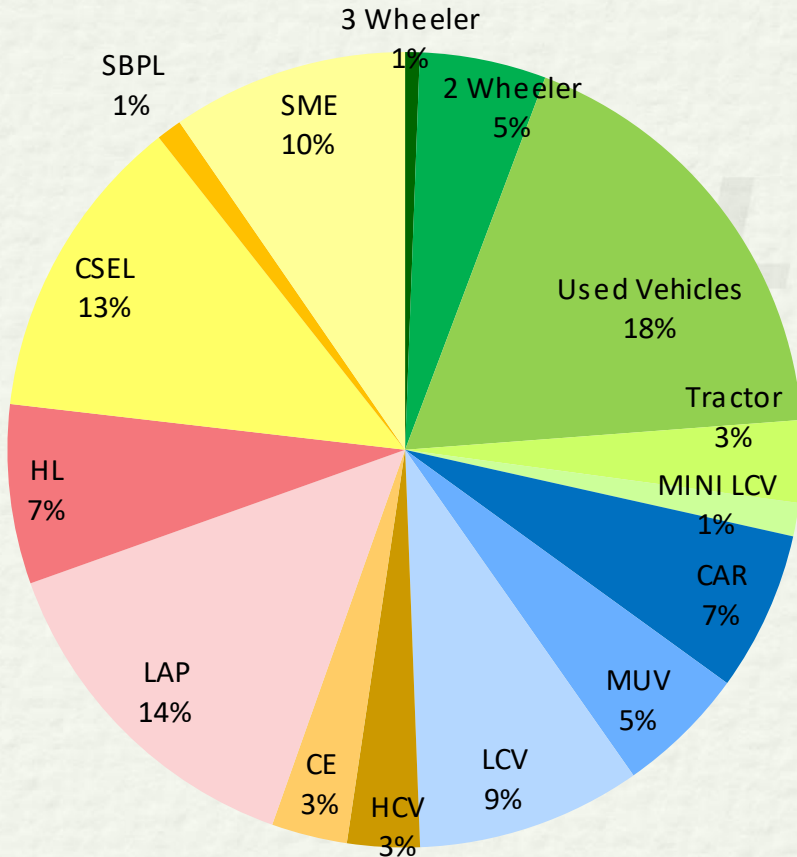


## Assets Under Management

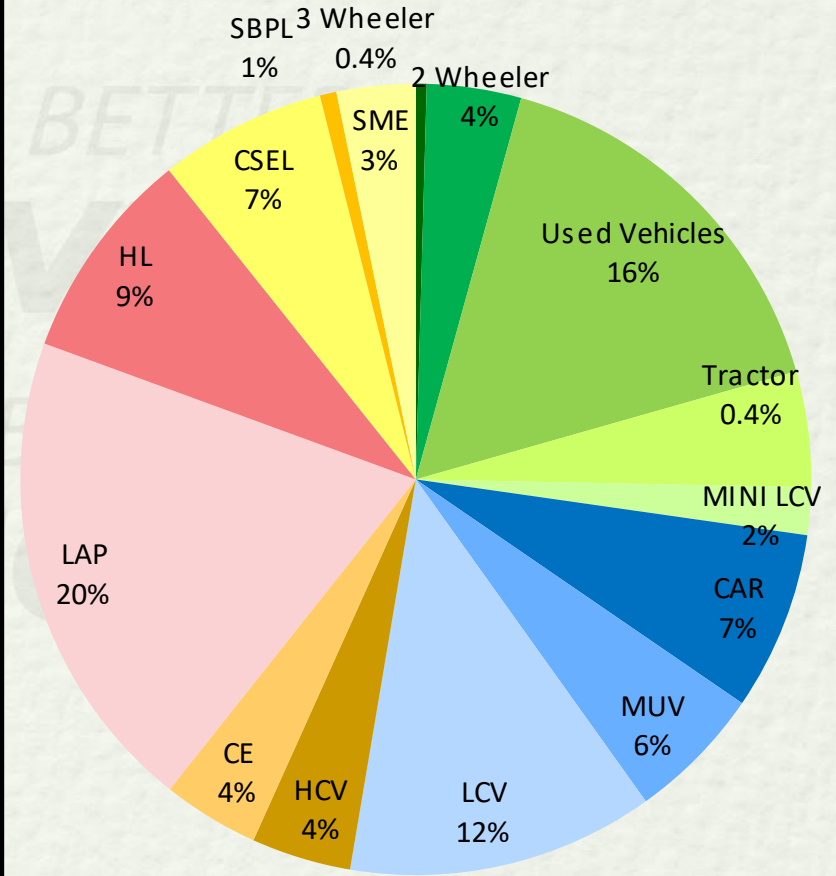


## Well diversified product segments

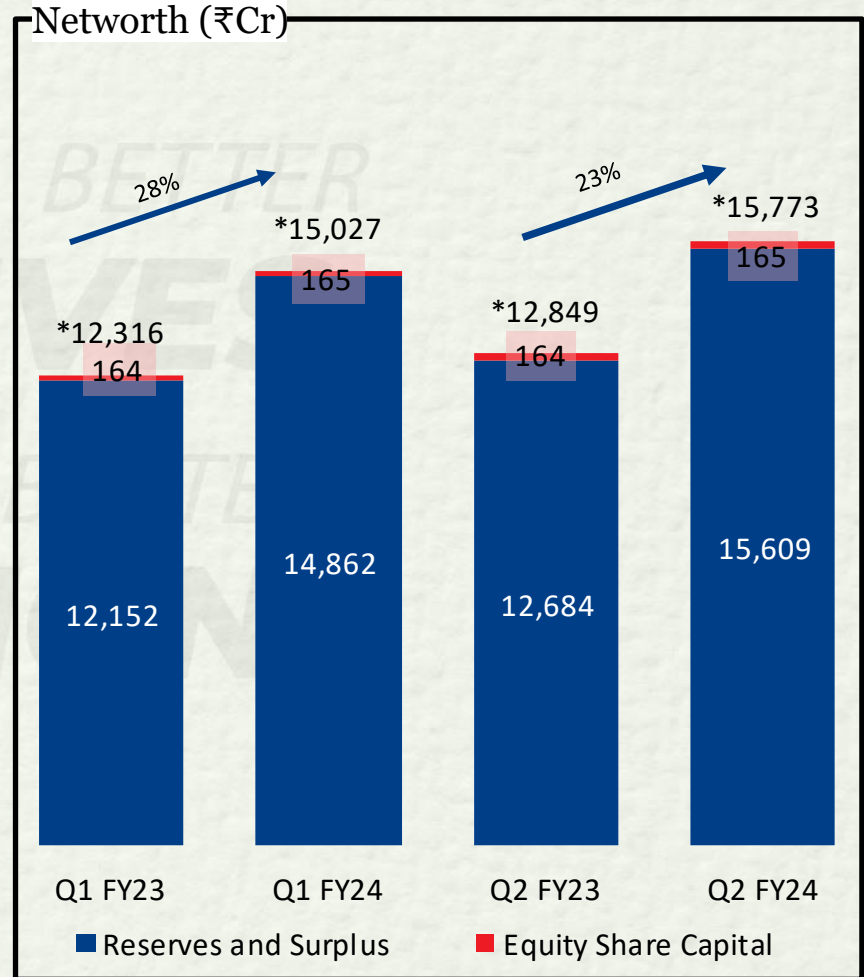
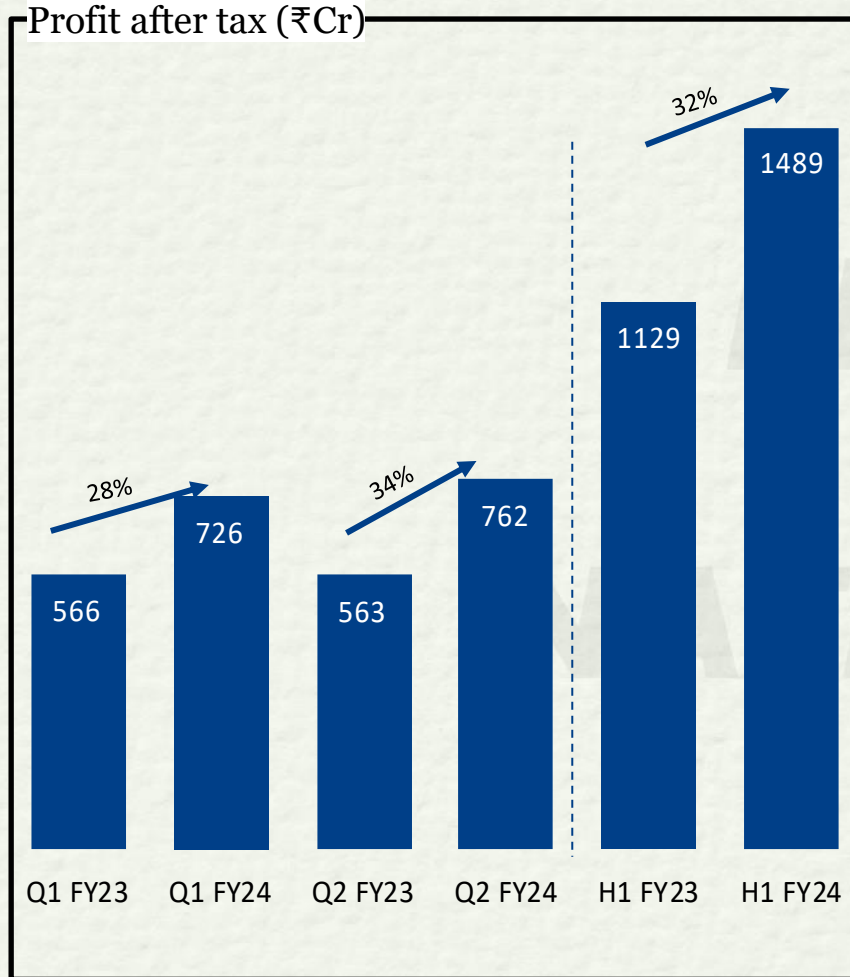
Disbursements (%) - Product wise



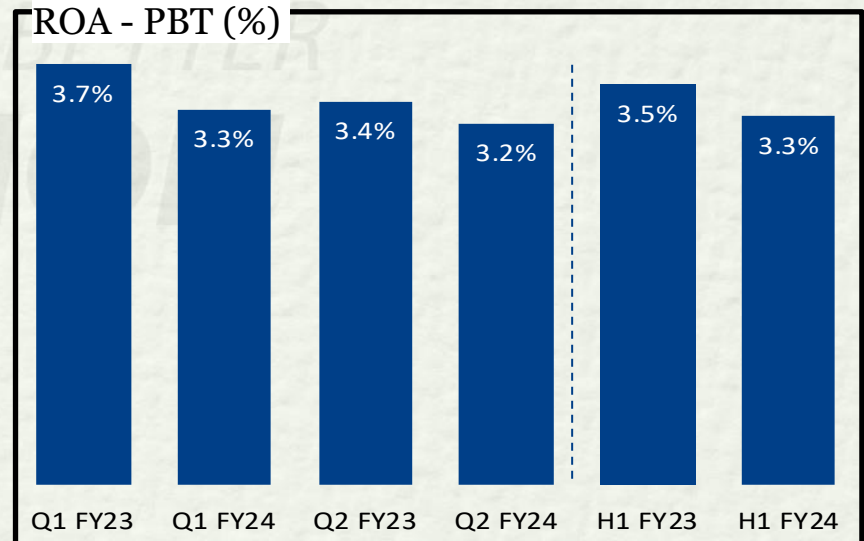
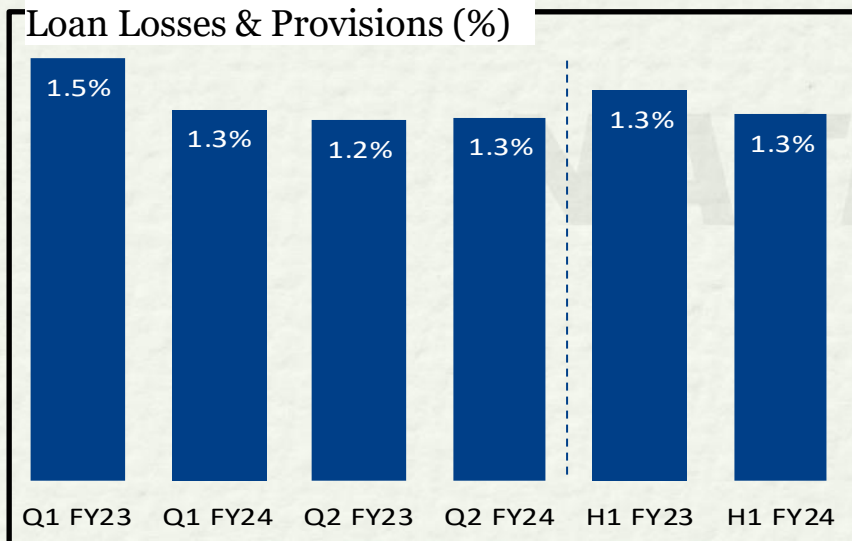
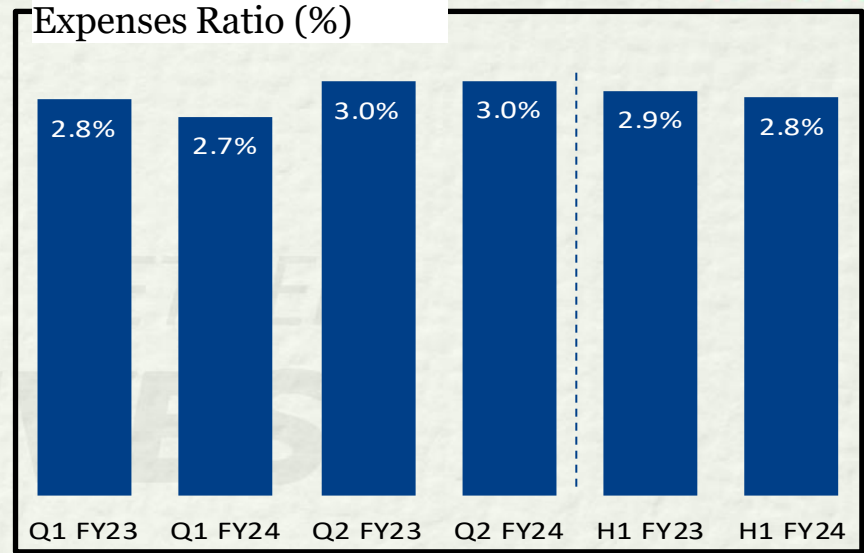
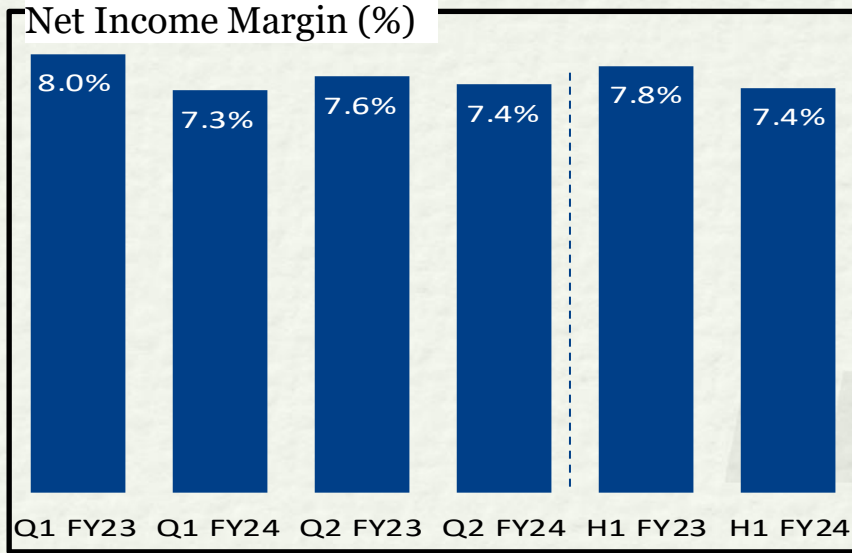
Portfolio (%) - Product wise



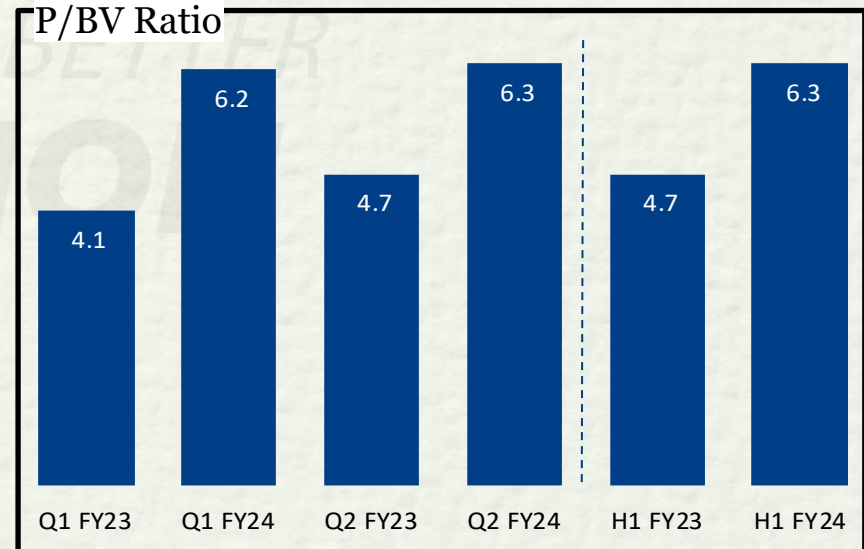
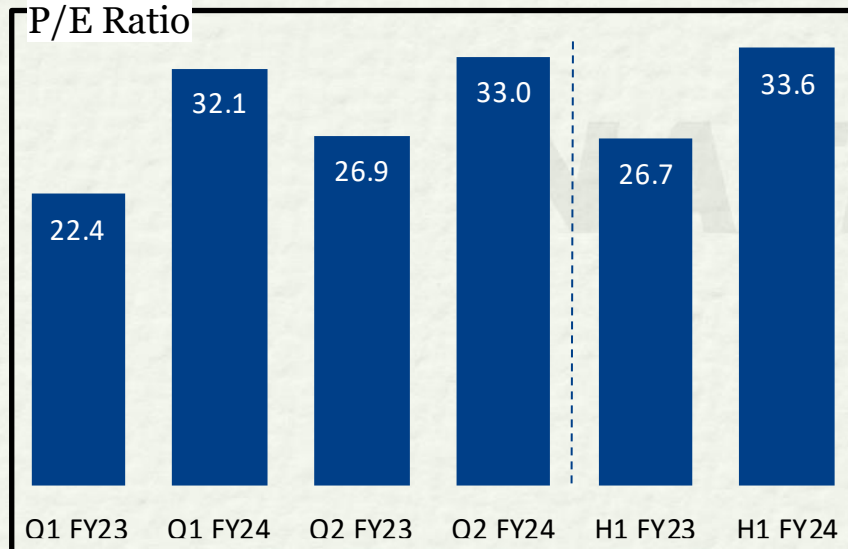
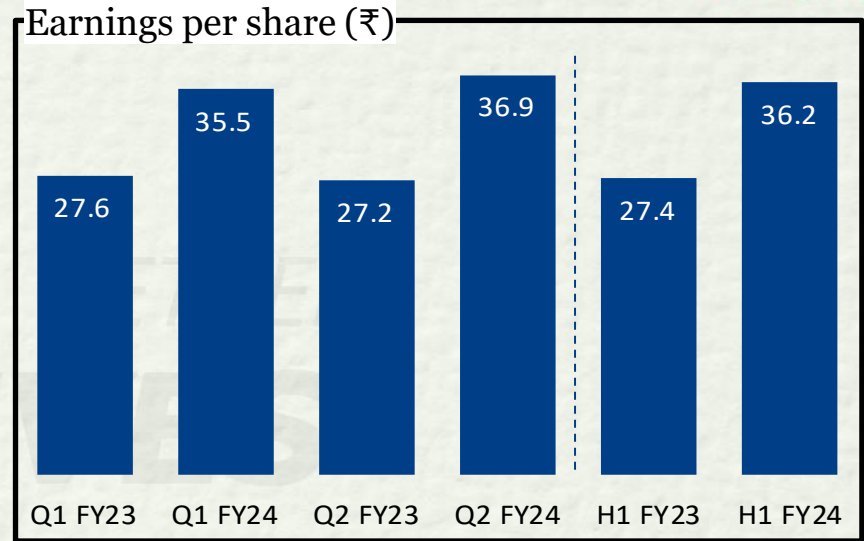
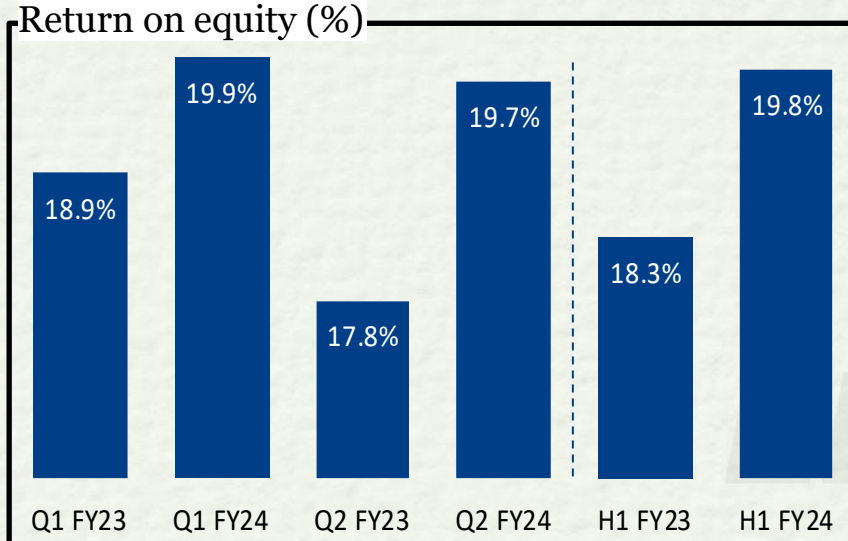
## Profitability and Net worth



## Asset Ratios







Note: Ratios are calculated based on the stock price at Rs.1218.60 as on 30<sup>th</sup> Sep 2023. Source: BSE

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

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Q2 FY23	Q2 FY24	Growth % Q2-o-Q2	H1 FY23	H1 FY24	Growth % H1-o-H1
<b>Disbursements</b>	<b>13,329</b>	<b>20,015</b>	<b>14,623</b>	<b>21,542</b>	<b>47%</b>	<b>27,953</b>	<b>41,557</b>	<b>49%</b>
<b>Closing Assets - Managed</b>	<b>86,703</b>	<b>1,22,755</b>	<b>91,841</b>	<b>1,33,775</b>	<b>46%</b>	<b>91,841</b>	<b>1,33,775</b>	<b>46%</b>
Income	2,771	4,134	3,038	4,572	51%	5,809	8,706	50%
Finance Charges	1,131	2,007	1,340	2,205	65%	2,471	4,212	70%
<b>Net Income</b>	<b>1,640</b>	<b>2,127</b>	<b>1,697</b>	<b>2,367</b>	<b>39%</b>	<b>3,337</b>	<b>4,493</b>	<b>35%</b>
Expenses	580	787	661	946	43%	1,241	1,733	40%
Net Credit Losses	299	372	278	400	44%	577	772	34%
<b>PBT</b>	<b>762</b>	<b>968</b>	<b>758</b>	<b>1,021</b>	<b>35%</b>	<b>1,520</b>	<b>1,988</b>	<b>31%</b>
Taxes	196	242	195	258	33%	391	500	28%
<b>PAT</b>	<b>566</b>	<b>726</b>	<b>563</b>	<b>762</b>	<b>35%</b>	<b>1,129</b>	<b>1,489</b>	<b>32%</b>
<b>Asset Ratios</b>								
Income	13.5%	14.2%	13.6%	14.3%		13.5%	14.3%	
Cost of Funds	5.5%	6.9%	6.0%	6.9%		5.8%	6.9%	
Net Income Margin	8.0%	7.3%	7.6%	7.4%		7.8%	7.4%	
Expense	2.8%	2.7%	3.0%	3.0%		2.9%	2.8%	
Losses & Provisions	1.5%	1.3%	1.2%	1.3%		1.3%	1.3%	
<b>ROA-PBT</b>	<b>3.7%</b>	<b>3.3%</b>	<b>3.4%</b>	<b>3.2%</b>		<b>3.5%</b>	<b>3.3%</b>	
<b>ROA-PAT</b>	<b>2.8%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.4%</b>		<b>2.6%</b>	<b>2.4%</b>	
Gross - Stage 3	3,408	3,546	3,375	3,719		3,375	3,719	
ECL Provisions - Stage 3	1,387	1,610	1,400	1,760		1,400	1,760	
<b>Coverage Ratio - Stage 3</b>	<b>40.7%</b>	<b>45.4%</b>	<b>41.5%</b>	<b>47.3%</b>		<b>41.5%</b>	<b>47.3%</b>	
Cost to Net Income	35.3%	37.0%	38.9%	40.0%		37.2%	38.6%	

## Balance Sheet (As per IND AS)

₹ Cr

Particulars	Sep22	Mar23	Sep23
<b>ASSETS</b>			
<b>Financial Assets</b>	<b>92,222</b>	<b>1,12,075</b>	<b>1,35,126</b>
Cash and Bank balance	3,499	2,961	7,852
Derivative financial instruments	310	273	288
Receivables	174	191	252
Loans	85,477	1,04,748	1,22,889
Investments	2,467	3,628	3,610
Other Financial Assets	295	274	236
<b>Non- Financial Assets</b>	<b>1,327</b>	<b>1,440</b>	<b>1,755</b>
Current tax assets (Net)	218	267	404
Deferred tax assets (Net)	672	609	671
Property, Plant and Equipment	268	372	454
Capital work in progress	30	36	-
Intangible assets	35	51	42
Other Non-Financial Assets	104	106	184
<b>TOTAL</b>	<b>93,549</b>	<b>1,13,516</b>	<b>1,36,881</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Financial Liabilities</b>	<b>80,502</b>	<b>99,032</b>	<b>1,20,875</b>
Derivative financial instruments	168	134	143
Trade Payables - Others	55	123	26
Other Payables - Others	622	1,065	924
Borrowings	79,321	97,356	1,19,470
Other Financial Liabilities	336	354	312
<b>Non-Financial Liabilities</b>	<b>199</b>	<b>187</b>	<b>232</b>
<b>Shareholder's fund</b>	<b>12,849</b>	<b>14,296</b>	<b>15,773</b>
<b>TOTAL</b>	<b>93,549</b>	<b>1,13,516</b>	<b>1,36,881</b>

## Stagewise Assets & Provision Summary

₹ Cr

Particulars	Jun23 INR Cr	Sep23 INR Cr	Jun23 % to GA	Sep23 % to GA
<b>Gross Assets</b>	<b>1,15,731</b>	<b>1,25,578</b>	<b>100.0%</b>	<b>100.0%</b>
Stage 1	1,08,126	1,17,818	93.43%	93.82%
Stage 2	4,059	4,041	3.51%	3.22%
Stage 3	3,546	3,719	3.06%	2.96%
<b>Provision</b>	<b>2,499</b>	<b>2,689</b>	<b>2.16%</b>	<b>2.14%</b>
Stage 1	477	516	0.44%	0.44%
Stage 2	412	414	10.15%	10.24%
Stage 3	1,610	1,760	45.40%	47.32%
<b>Net Assets</b>	<b>1,13,232</b>	<b>1,22,889</b>	<b>97.84%</b>	<b>97.86%</b>
Stage 1	1,07,649	1,17,303	93.02%	93.41%
Stage 2	3,648	3,627	3.15%	2.89%
Stage 3	1,936	1,959	1.67%	1.56%

Particulars		Asset	Total Provn	NNPA	Asset	Total Provn	NNPA
		Rs in Cr			%		
Stage 1A	(A)	1,17,589	505	1,17,084	93.64%	0.43%	93.24%
Stage 1B	(B)	229	11	218	0.18%	4.69%	0.17%
<b>Total Stage 1</b>	<b>(C)</b>	<b>1,17,818</b>	<b>516</b>	<b>1,17,303</b>	<b>93.82%</b>	<b>0.44%</b>	<b>93.41%</b>
Stage 2A	(D)	2,872	269	2,603	2.29%	9.37%	2.07%
Stage 2B	(E)	1,169	145	1,024	0.93%	12.39%	0.82%
<b>Total Stage 2</b>	<b>(F)</b>	<b>4,041</b>	<b>414</b>	<b>3,627</b>	<b>3.22%</b>	<b>10.24%</b>	<b>2.89%</b>
<b>Total Stage 3</b>	<b>(G)</b>	<b>3,719</b>	<b>1,760</b>	<b>1,959</b>	<b>2.96%</b>	<b>47.32%</b>	<b>1.56%</b>
<b>Total</b>	<b>(C + F + G)</b>	<b>1,25,578</b>	<b>2,689</b>	<b>1,22,889</b>	<b>100.00%</b>	<b>2.14%</b>	<b>97.86%</b>
<b>NPA as per RBI (incl Sec)</b>	<b>(B + E + G)</b>	<b>5,117</b>	<b>1,915</b>	<b>3,202</b>	<b>4.07%</b>	<b>37.43%</b>	<b>2.55%</b>
<b>NNPA% - RBI: Net NPA / (Asset - provisions for GNPA)</b>							<b>2.59%</b>

Addition of Stage 1B, Stage 2B and Stage 3 will be the GNPA% and NNPA % as per RBI norms with INDAS values.

We carry additional provision of Rs.938 Cr under INDAS over IRAC

### Asset Classification:

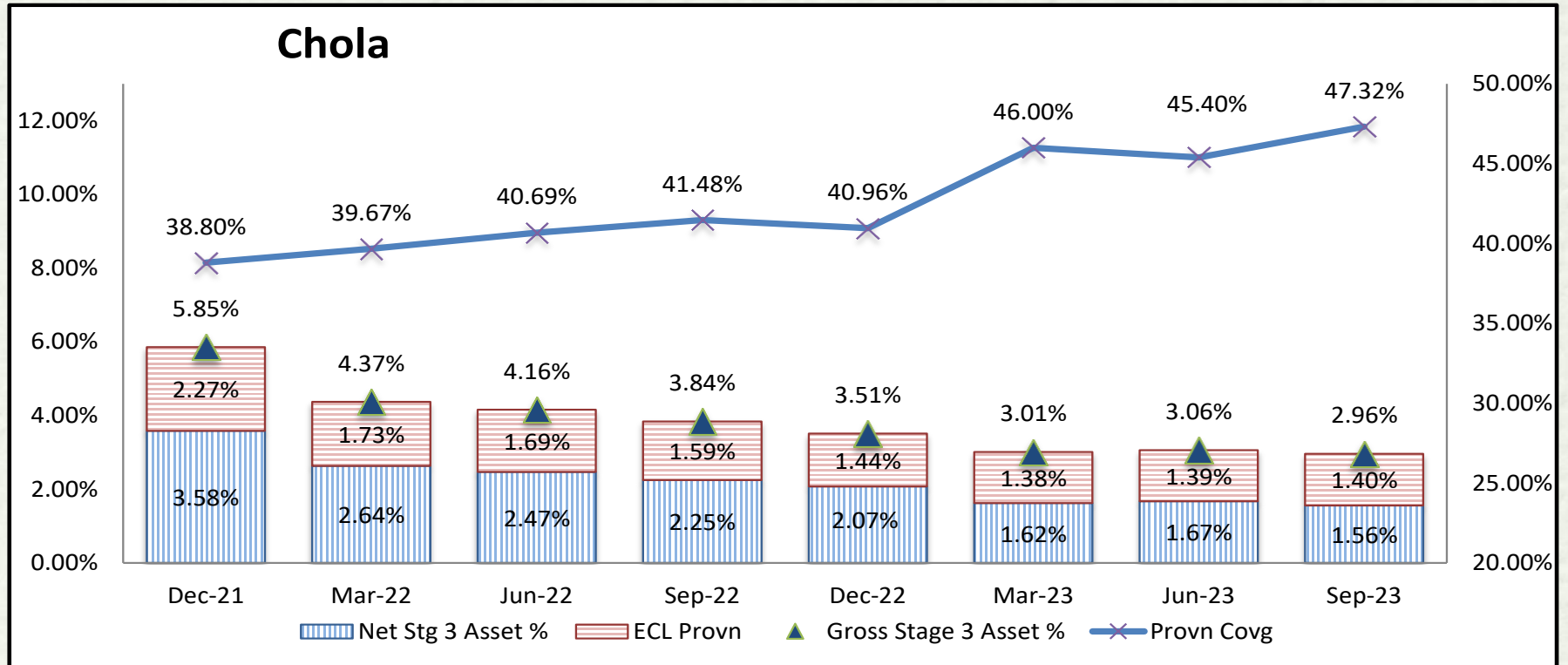
STAGE_1A	Represents assets (i) which had never touched NPA and (ii) which had been an NPA in the past but had been normalised and currently in the 0-30 days - Hence no more an NPA as per RBI norms
STAGE_1B	Represents assets which had been an NPA in the past but yet to be fully normalised though it has moved to stage 1 currently - Hence an NPA as per current RBI norms
STAGE_2A	Represents assets (i) which had never touched NPA and (ii) which had been an NPA in the past but had been normalised post that and now in 31-90 days DPD - Hence no more an NPA as per RBI norms
STAGE_2B	Represents assets which had been an NPA in the past but yet to be fully normalised though it has moved to stage 2 currently - Hence an NPA as per current RBI norms
STAGE_3	Represents assets which continues to be a NPA as on the closing date - Hence an NPA as per current RBI norms

## Stage 3 Assets Product-wise

₹ Cr

Asset Class	Closing Asset	Gross Stage 3	Stage 3 Asset %	ECL Provision	Provision Coverage	Net Stage 3	Net Stage 3%
<b>Sep23</b>	<b>1,25,578</b>	<b>3,719</b>	<b>2.96%</b>	<b>1,760</b>	<b>47.32%</b>	<b>1,959</b>	<b>1.56%</b>
VF	77,169	2,563	3.32%	1,217	47.48%	1,346	1.74%
LAP	24,270	817	3.37%	368	44.97%	450	1.85%
HL	10,533	146	1.39%	53	36.44%	93	0.88%
Others	13,607	193	1.42%	122	63.49%	70	0.52%
<b>Jun23</b>	<b>1,15,731</b>	<b>3,546</b>	<b>3.06%</b>	<b>1,610</b>	<b>45.40%</b>	<b>1,936</b>	<b>1.67%</b>
VF	72,657	2,432	3.35%	1,106	45.48%	1,326	1.83%
LAP	22,345	854	3.82%	383	44.90%	470	2.10%
HL	9,234	144	1.56%	52	36.09%	92	1.00%
Others	11,495	116	1.01%	68	58.92%	48	0.41%

As per revised RBI norms GNPA% & NNPA% as of Sep23 is at 4.07% and 2.59% respectively.



As per revised RBI norms GNPA% & NNPA% as of Jun23 is at 4.07% and 2.59% respectively.

# Business Overview





# Vehicle Finance



## Vehicle Finance: Q2 FY24 & H1 FY24 Performance

### Disbursements

- Disbursements grew by 38% in Q2 FY24 to Rs. 11,731 Cr & by 35% in H1 FY24 to Rs. 23,032 Cr as compared to Q2 FY23 & H1 FY23 respectively.

### Assets under management

- AUM has grown by 31% YoY.

### Loss and provisions

- Loan losses dropped to 1.7% in Q2 FY24 from 1.8% in Q2 FY23 & to 1.6% in H1 FY24 from 1.9% in H1 FY23.

### Profit before tax

- PBT grew by 7% in Q2 FY24 to Rs.499 Cr & by 6% in H1 FY24 to Rs.1,000 Cr as compared to Q2 FY23 & H1 FY23 respectively.

## Sector Outlook

- The Light commercial vehicle segment had a growth of 7% in Q2 FY'24 & 3% in H1 FY'24 with an all-time high sales in H1 of any previous year, The segment is expected to grow stronger in the coming months with festive demand.
- The Small commercial vehicle segment had a de-growth of 8% in Q2 FY'24 & 13% in H1 FY'24. The growth in this segment is expected to be muted.
- The Heavy commercial vehicle segment had a growth of 18% in Q2 FY'24 & 10% in H1 FY'24. The segment is expected to pickup growth in the coming quarters driven by replacement demand, increased mining, infrastructure and construction activities.

## Chola's Position

- Increased demand for Light commercial vehicle will help us garner higher market share, we will continue our focus in this segment based on the upcoming harvest season and rural uptake.
- We will focus on this segment with a cautious approach to financing.
- Our exposure in this segment is 7% at a portfolio level. We are trading carefully in this segment due to increase in price and operating costs.

## Sector Outlook

- The Passenger vehicle (Car & MUV) segment had a growth of 5% in Q2 FY'24 and 7% in H1 FY'24 with an all-time high sales in H1 of any previous year. This segment is witnessing healthy demand.
- The Two-wheeler industry had a de-growth of 2% in Q2 FY'24 & a growth of 4% in H1 FY'24. This segment is expected to grow with the festive season coming in.
- Used vehicle business has contributed to 33% of our disbursement volumes and this segment will continue to grow with the increased prices of new vehicles.

## Chola's Position

- We will continue to focus in this segment in line with market demand especially in smaller towns and rural areas.
- The company intends to drive two-wheeler financing through quality underwriting and clear portfolio.
- We will continue to be a key financier in this segment with a watch on portfolio quality driven by focussed collection effort.

## Sector Outlook

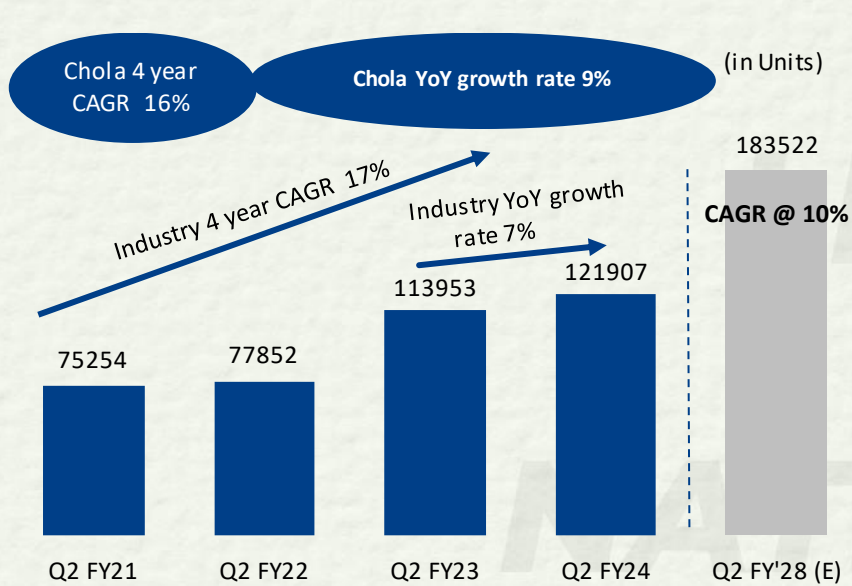
- The Construction Equipment segment had a growth of 29% in Q2 FY'24 and 22% in H1 FY'24. This segment is aided by improvement in overall macroeconomic environment.
- The Tractor industry had a de-growth of 6% in Q2 FY'24 & 4% in H1 FY'24 due to a high base effect in the previous year. We expect this segment to have single digit growth this year due to uneven rainfall.

## Chola's Position

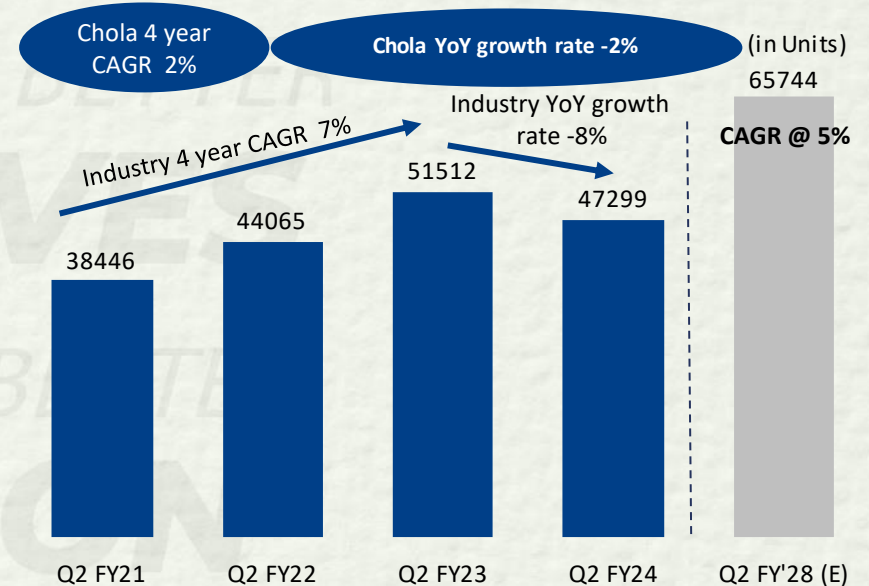
- Our exposure in this segment is around 7% at a portfolio level. We follow a guarded approach to build a clean portfolio.
- We will keep a close watch on this segment considering the El-Nino phenomenon affecting kharif yields and cash flows.

# Auto Industry Outlook

## Trend in Domestic LCV Sales



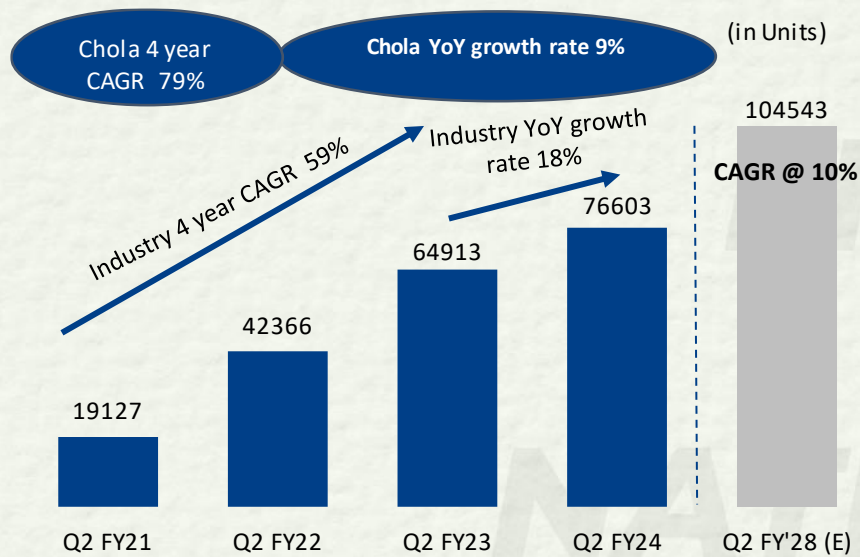
## Trend in Domestic SCV Sales



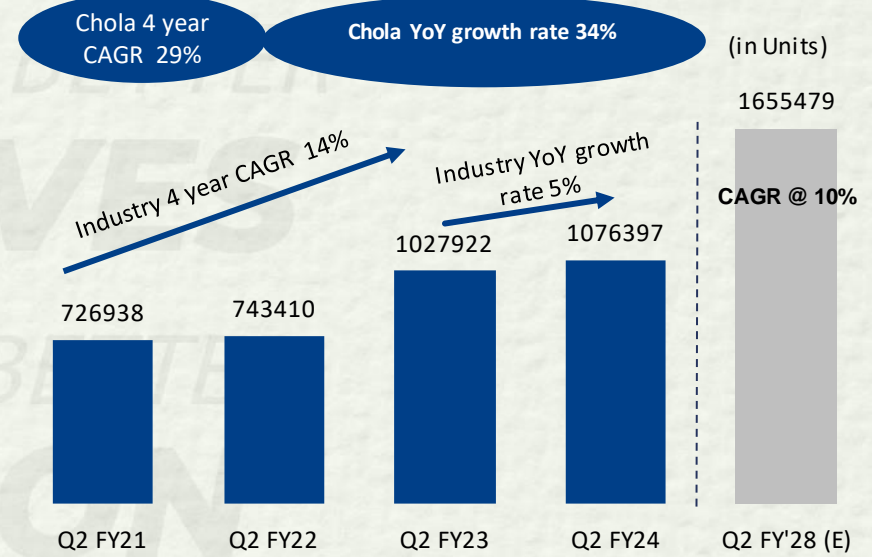
- Replacement demand, last-mile transport requirements and positive macroeconomic environment.
- Stronger demand from consumption driven sectors and E-commerce based companies.
- Demand for Pickups to increase in the long term due to higher flexibility in usage over sub one tonne vehicles.
- Bus Sales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

# Auto Industry Outlook

## Trend in Domestic HCV Sales



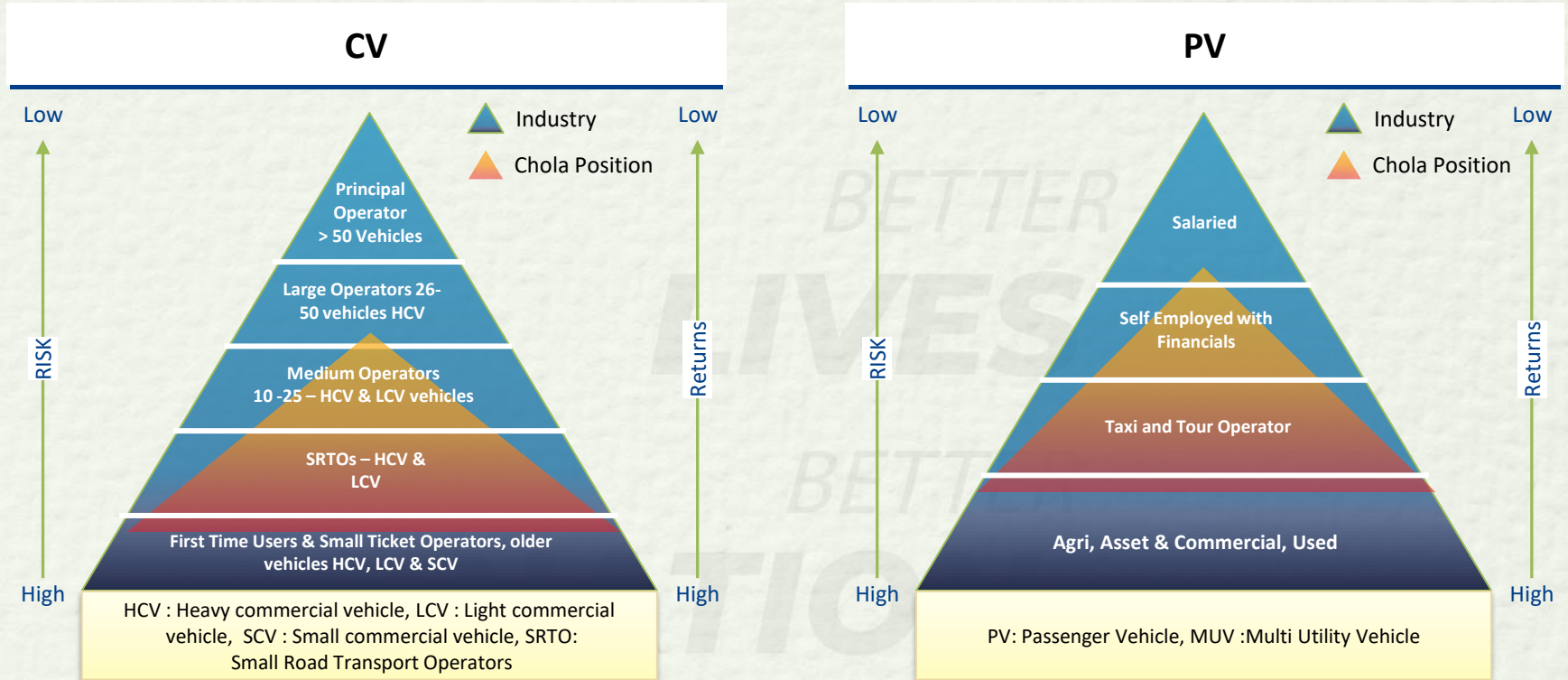
## Trend in Domestic Car & MUV Sales



- Improved industrial activity, steady agricultural output and the government's focus on infrastructure will aid growth.
- Pick up in construction and mining activities over the long term would drive demand.

- Higher disposable income and introduction of newer models to aid long term demand.
- Increase in rural demand and growing penetration in tier III, tier IV towns will back stable growth.

# Vehicle Finance—Business Model & Positioning

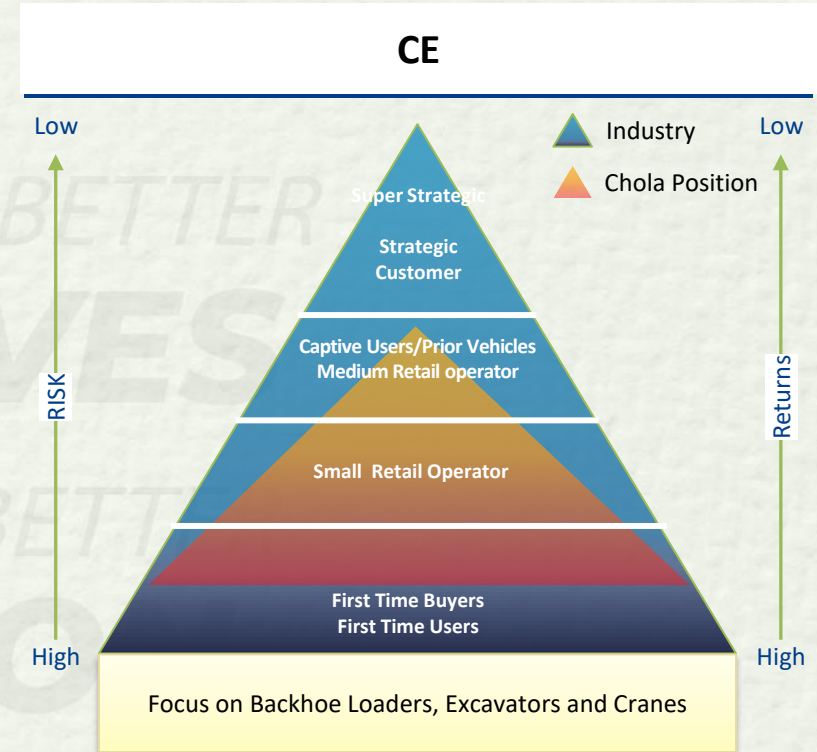
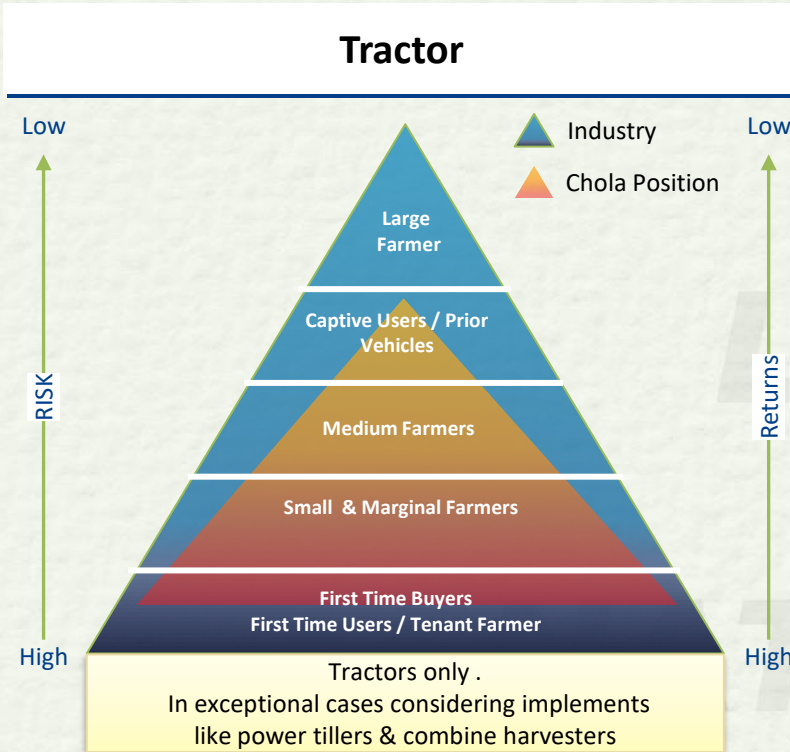


- ~65% of disbursements are to micro & small enterprises and agri -based customer segment
- Chola positioning-
  - Middle of the pyramid through New CVs, Used CVs
  - Top of the Bottom of the pyramid through SCV & older CVs Shubh

- ~ 66% of disbursements are to Chola Existing, Agri & Commercial usage customers
- ~ 34% disbursements are to Self Employed with financials
- Chola positioning-
  - Middle of the pyramid is into Agri, Asset & Commercial



# Vehicle Finance—Business Model & Positioning



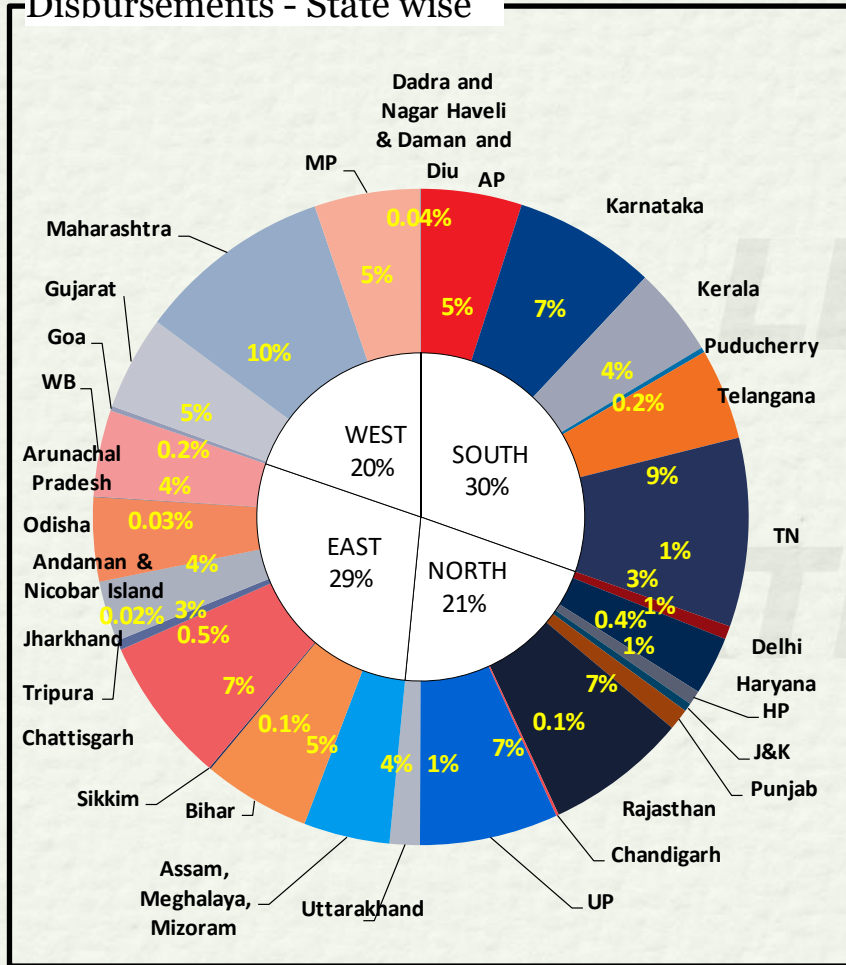
- ~65% of disbursements are to agri -based customer segment
- Application -
  - Agri usage
  - Commercial usage
  - Agri and Commercial usage
- New & Used

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

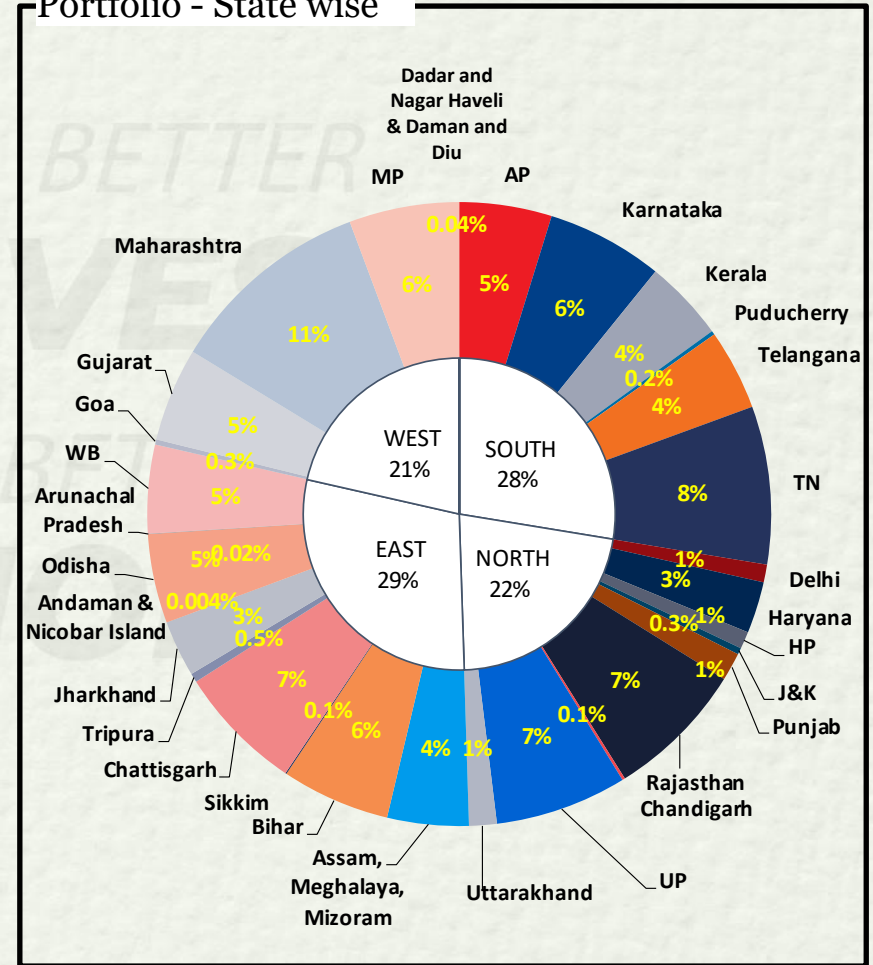
# Vehicle Finance - Disbursement/Portfolio Mix – Q2 FY24

Well diversified across geography

Disbursements - State wise

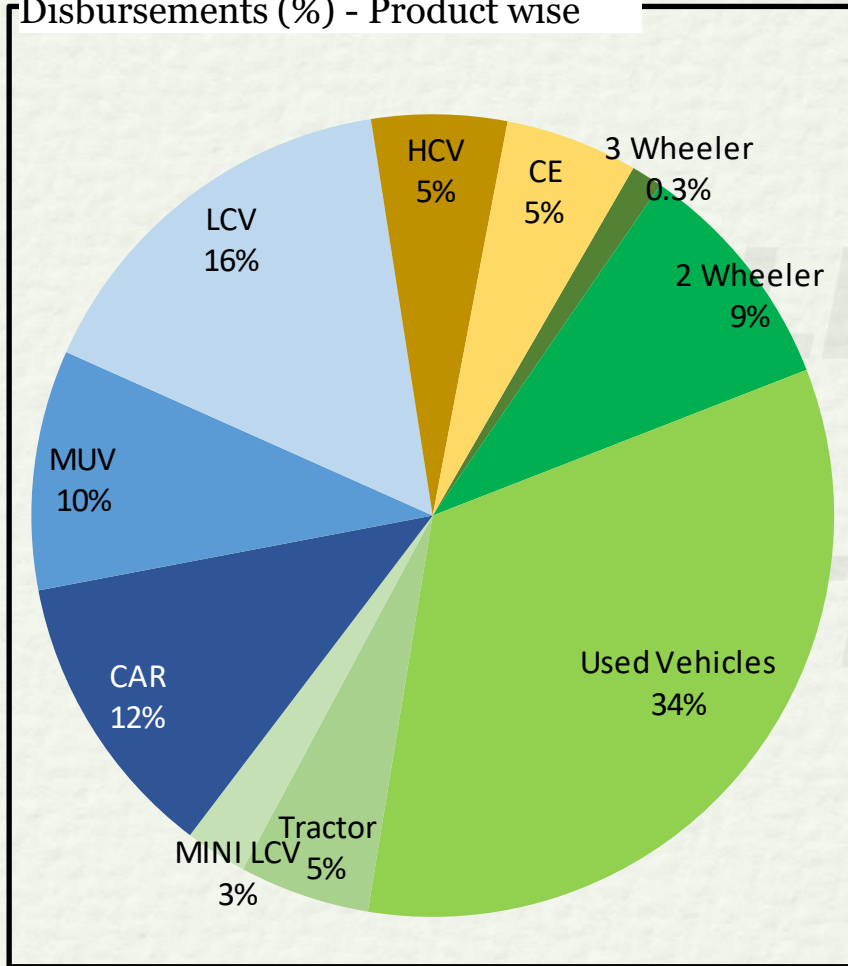


Portfolio - State wise

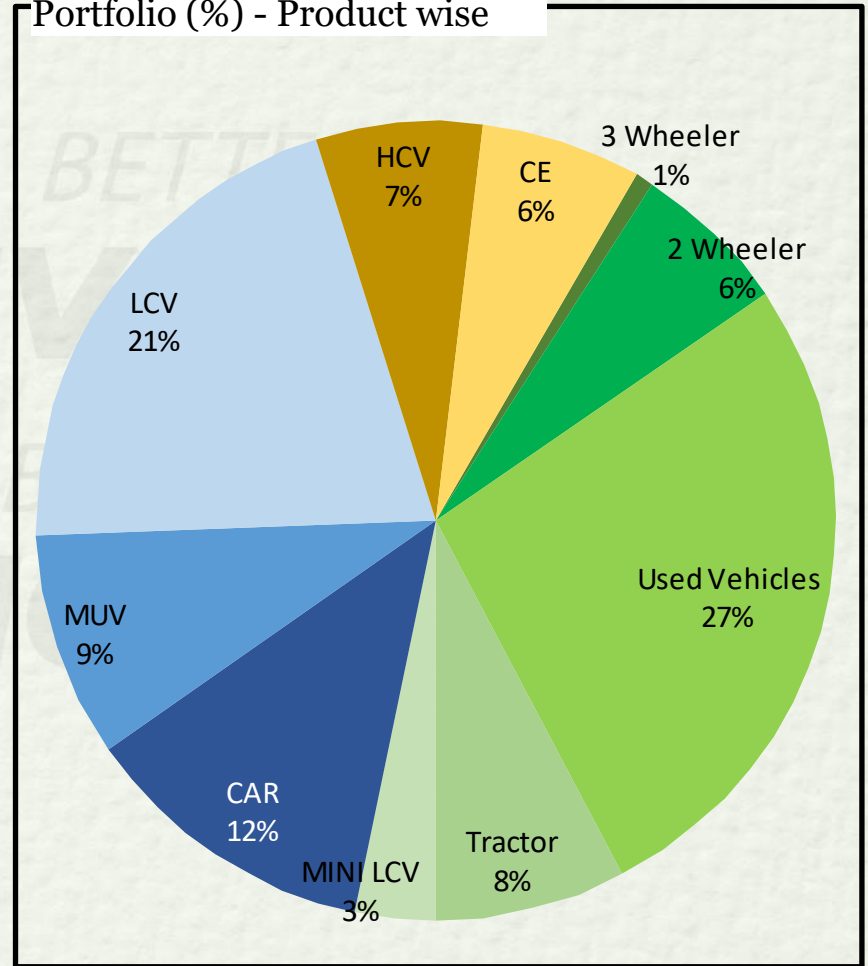


**Well diversified product segments**

**Disbursements (%) - Product wise**

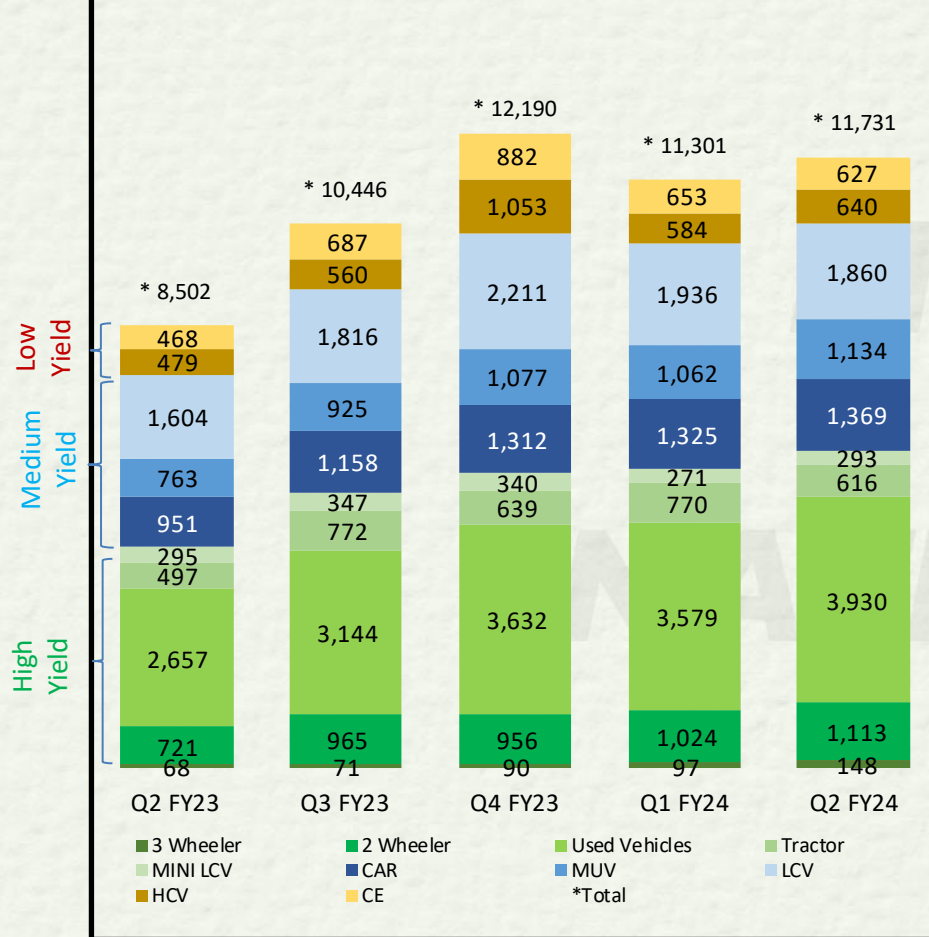


**Portfolio (%) - Product wise**

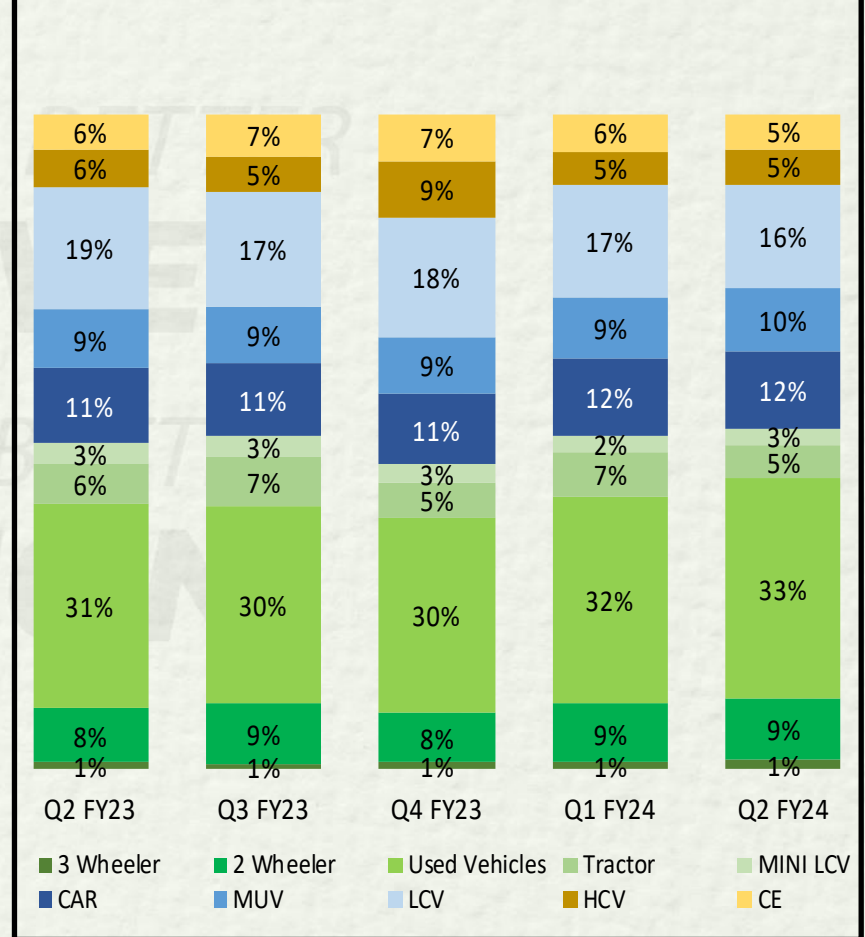


## Vehicle Finance - Disbursement Mix – Quarter-wise

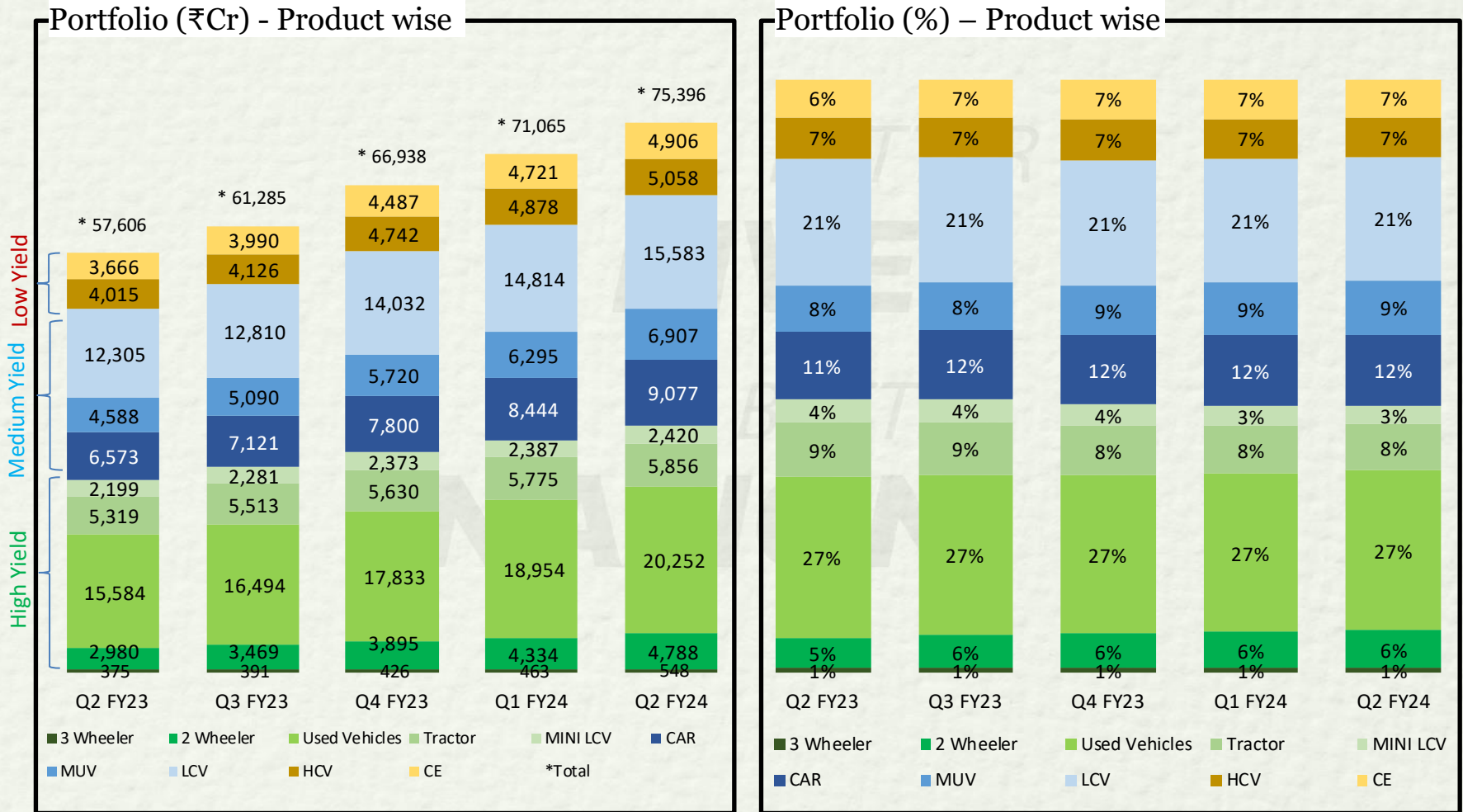
Disbursement (₹Cr) - Product wise



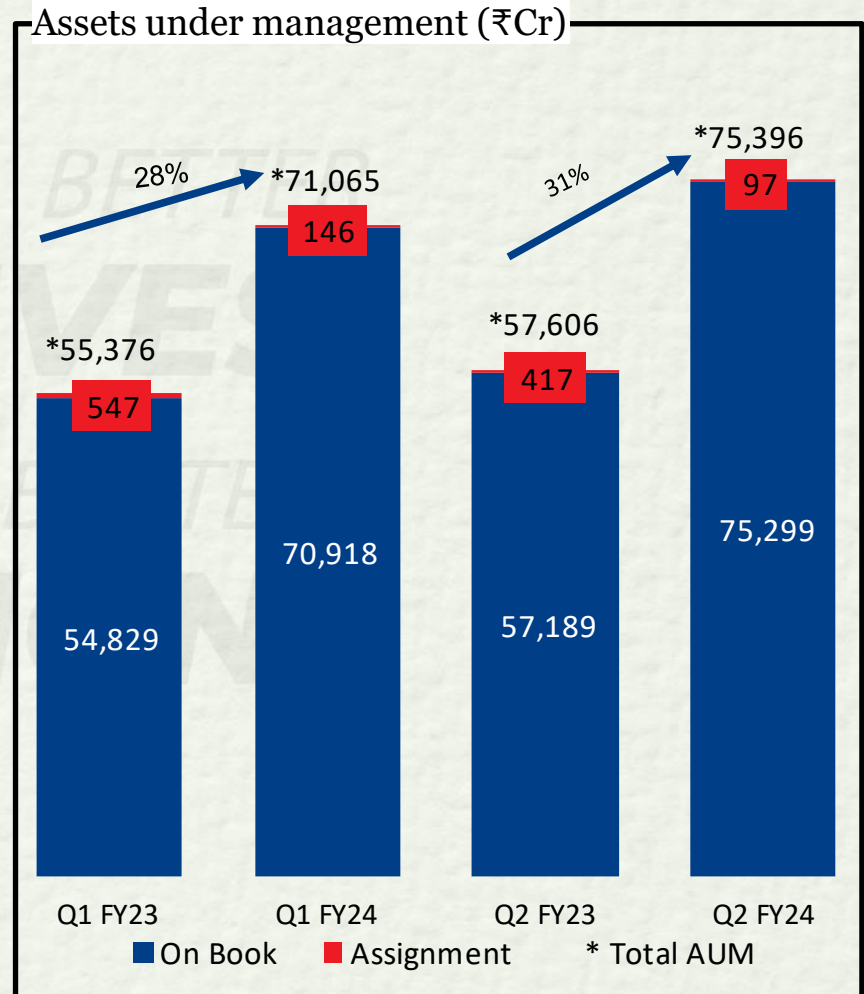
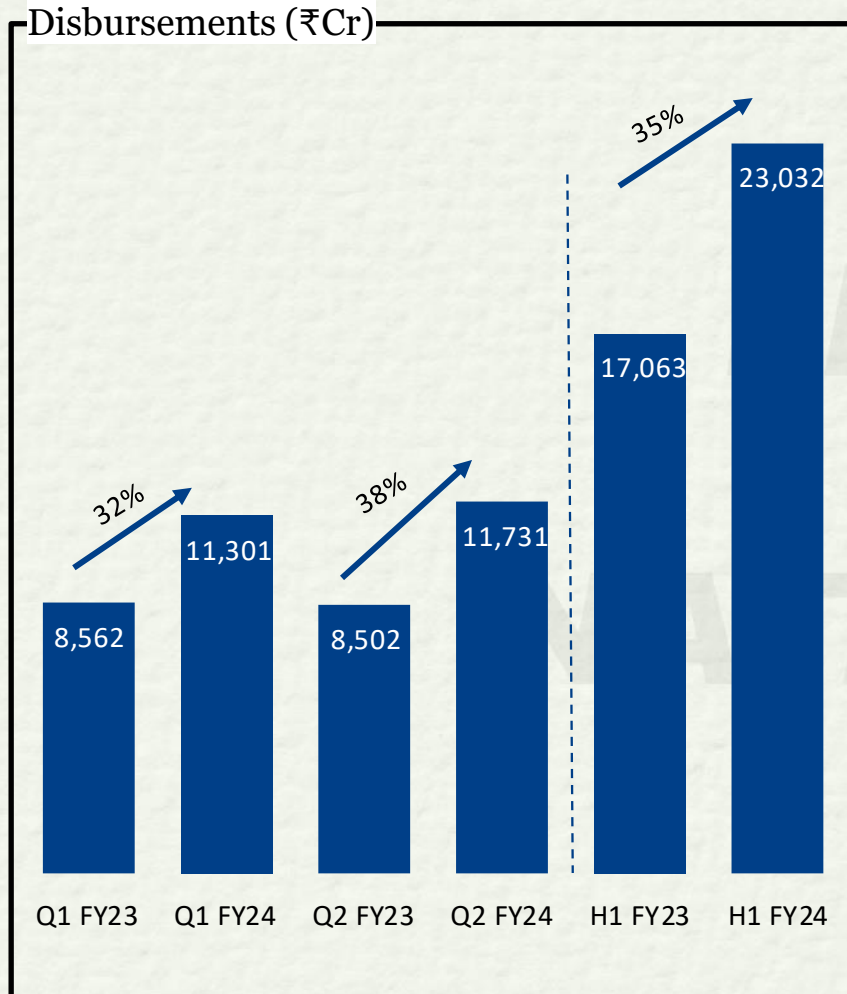
Disbursement (%) – Product wise



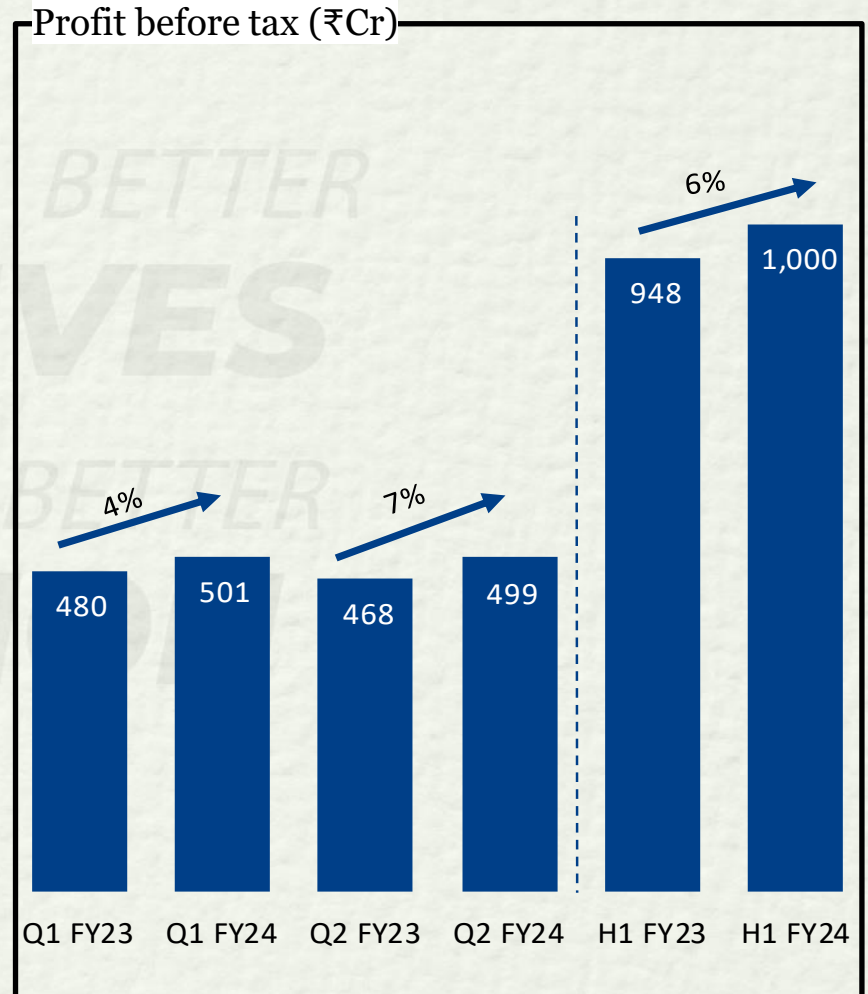
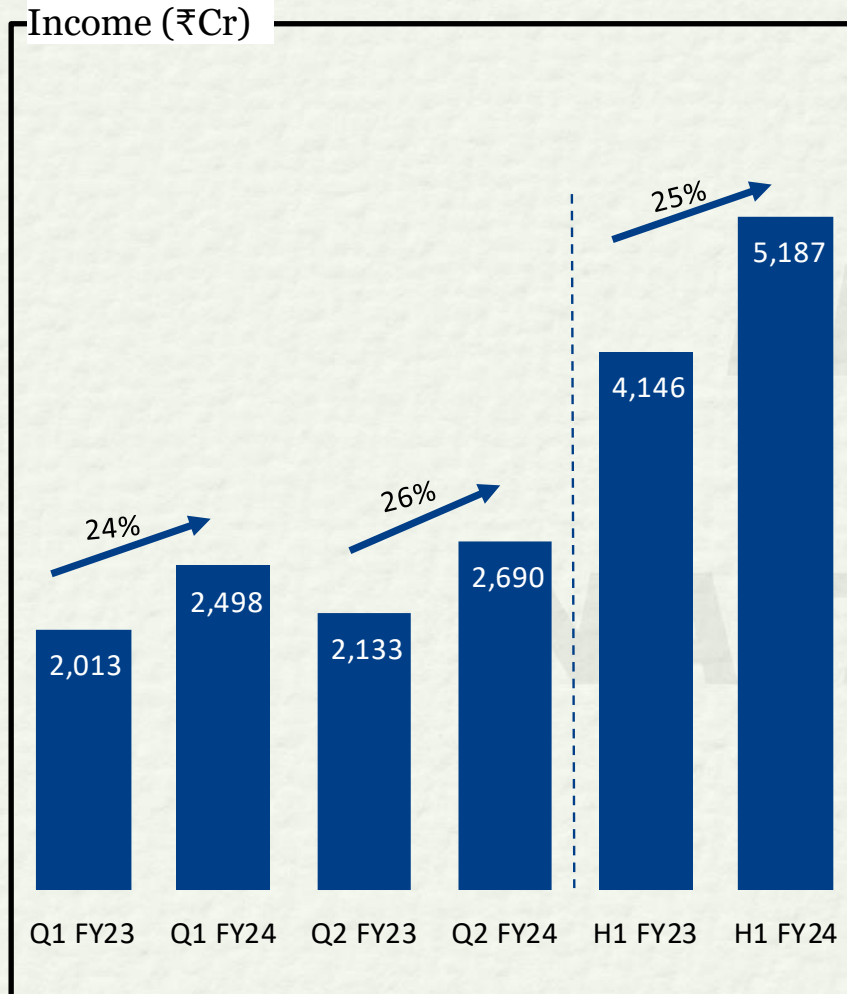
## Vehicle Finance - Portfolio Mix – Quarter-wise



## Vehicle Finance - Disbursements and Asset Under Management

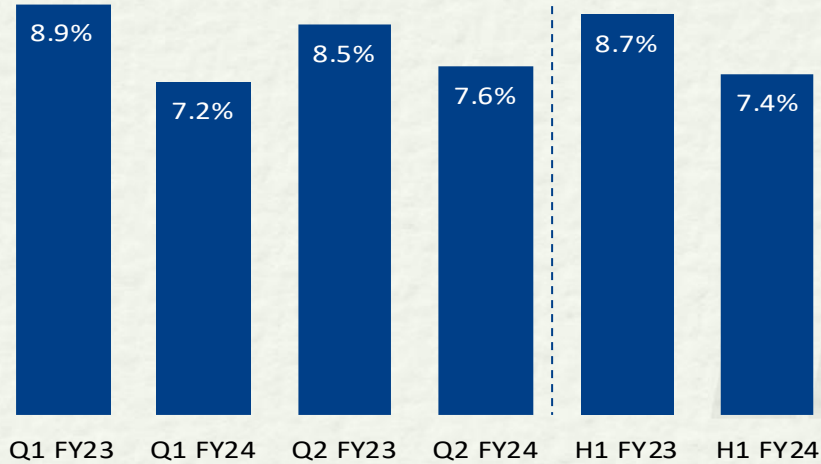


## Vehicle Finance - Income and Profit before tax

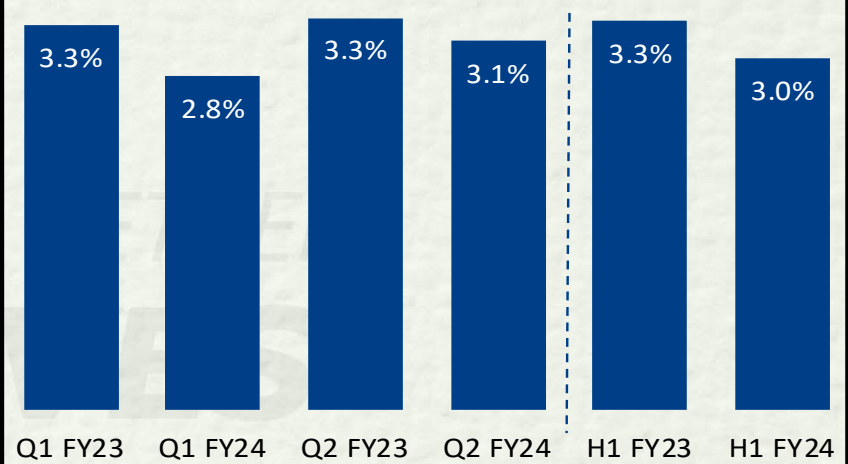


## Vehicle Finance - Asset Ratios

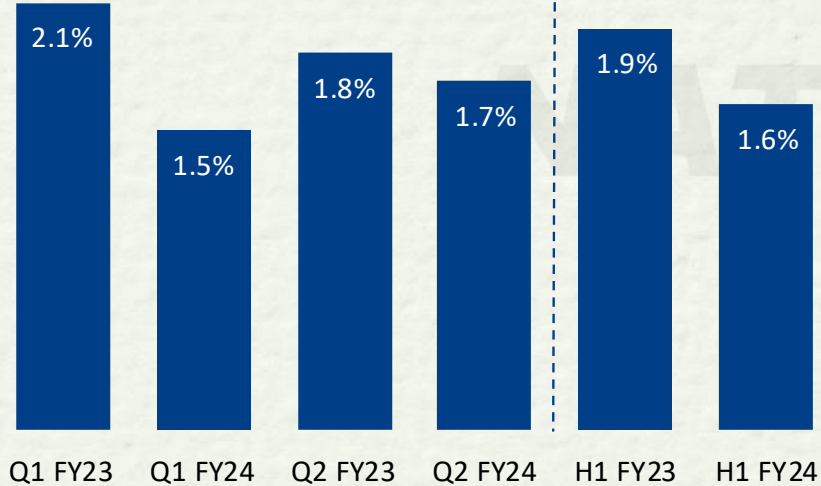
Net Income Margin (%)



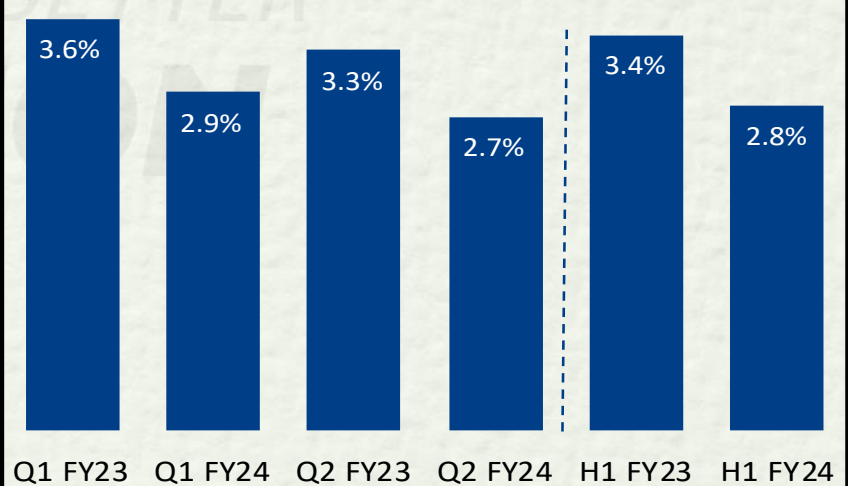
Expense Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)





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

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Q2 FY23	Q2 FY24	Growth % Q2-o-Q2	H1 FY23	H1 FY24	Growth % H1-o-H1
<b>Disbursements</b>	<b>8,562</b>	<b>11,301</b>	<b>8,502</b>	<b>11,731</b>	<b>38%</b>	<b>17,063</b>	<b>23,032</b>	<b>35%</b>
<b>Closing Assets - Managed</b>	<b>55,376</b>	<b>71,065</b>	<b>57,606</b>	<b>75,396</b>	<b>31%</b>	<b>57,606</b>	<b>75,396</b>	<b>31%</b>
Income	2,013	2,498	2,133	2,690	26%	4,146	5,187	25%
Finance Charges	811	1,258	928	1,300	40%	1,739	2,558	47%
<b>Net Income</b>	<b>1,202</b>	<b>1,239</b>	<b>1,205</b>	<b>1,390</b>	<b>15%</b>	<b>2,407</b>	<b>2,629</b>	<b>9%</b>
Expenses	442	489	477	579	22%	919	1,068	16%
Net Credit Losses	280	250	260	311	20%	540	561	4%
<b>PBT</b>	<b>480</b>	<b>501</b>	<b>468</b>	<b>499</b>	<b>7%</b>	<b>948</b>	<b>1,000</b>	<b>6%</b>
<b>Asset Ratios</b>								
Income	14.9%	14.6%	15.0%	14.6%		15.0%	14.6%	
Cost of Funds	6.0%	7.3%	6.5%	7.1%		6.3%	7.2%	
Net Income Margin	8.9%	7.2%	8.5%	7.6%		8.7%	7.4%	
Expense	3.3%	2.8%	3.3%	3.1%		3.3%	3.0%	
Losses & Provisions	2.1%	1.5%	1.8%	1.7%		1.9%	1.6%	
<b>ROA-PBT</b>	<b>3.6%</b>	<b>2.9%</b>	<b>3.3%</b>	<b>2.7%</b>		<b>3.4%</b>	<b>2.8%</b>	
Cost to Net Income	36.8%	39.4%	39.6%	41.7%		<b>38.2%</b>	<b>40.6%</b>	

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

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Q2 FY23	Q2 FY24	Growth % Q2-o-Q2	H1 FY23	H1 FY24	Growth % H1-o-H1
<b>Disbursements</b>	<b>8,562</b>	<b>11,301</b>	<b>8,502</b>	<b>11,731</b>	<b>38%</b>	<b>17,063</b>	<b>23,032</b>	<b>35%</b>
<b>Closing Assets (On B/S)</b>	<b>54,829</b>	<b>70,918</b>	<b>57,189</b>	<b>75,299</b>	<b>32%</b>	<b>57,189</b>	<b>75,299</b>	<b>32%</b>
Income	1,992	2,491	2,116	2,684	27%	4,108	5,175	26%
Finance Charges	798	1,254	889	1,297	46%	1,687	2,551	51%
<b>Net Income</b>	<b>1,194</b>	<b>1,237</b>	<b>1,227</b>	<b>1,387</b>	<b>13%</b>	<b>2,421</b>	<b>2,624</b>	<b>8%</b>
Expenses	442	489	477	579	22%	919	1,068	16%
Net Credit Losses	280	250	260	311	20%	540	561	4%
<b>PBT</b>	<b>472</b>	<b>499</b>	<b>490</b>	<b>496</b>	<b>1%</b>	<b>962</b>	<b>995</b>	<b>3%</b>
<b>Asset Ratios</b>								
Income	14.9%	14.6%	15.0%	14.6%		15.0%	14.6%	
Cost of Funds	6.0%	7.3%	6.3%	7.1%		6.1%	7.2%	
Net Income Margin	8.9%	7.2%	8.7%	7.5%		8.8%	7.4%	
Expense	3.3%	2.9%	3.4%	3.2%		3.3%	3.0%	
Losses & Provisions	2.1%	1.5%	1.8%	1.7%		2.0%	1.6%	
<b>ROA-PBT</b>	<b>3.5%</b>	<b>2.9%</b>	<b>3.5%</b>	<b>2.7%</b>		<b>3.5%</b>	<b>2.8%</b>	
Cost to Net Income	37.1%	39.5%	38.8%	41.8%		38.0%	40.7%	

# Loan Against Property



## Loan Against Property – Q2 FY24 & H1 FY24 Performance

### Disbursements

- Disbursements grew by 42% in Q2 FY24 to Rs. 3,192 Cr & by 37% in H1FY24 to Rs. 5,872 Cr as compared to Q2 FY23 & H1 FY23 respectively.

### Asset under management

- AUM has grown by 31% YoY.

### Loss and provisions

- Loan losses dropped to -0.10% in Q2 FY24 from -0.01% in Q2 FY23 & to -0.11% in H1 FY24 from -0.05% in H1 FY23.

### Profit before tax

- PBT grew by 32% in Q2 FY24 to Rs.234 Cr & by 21% in H1 FY24 to Rs.458 Cr as compared to Q2 FY23 & H1 FY23 respectively.

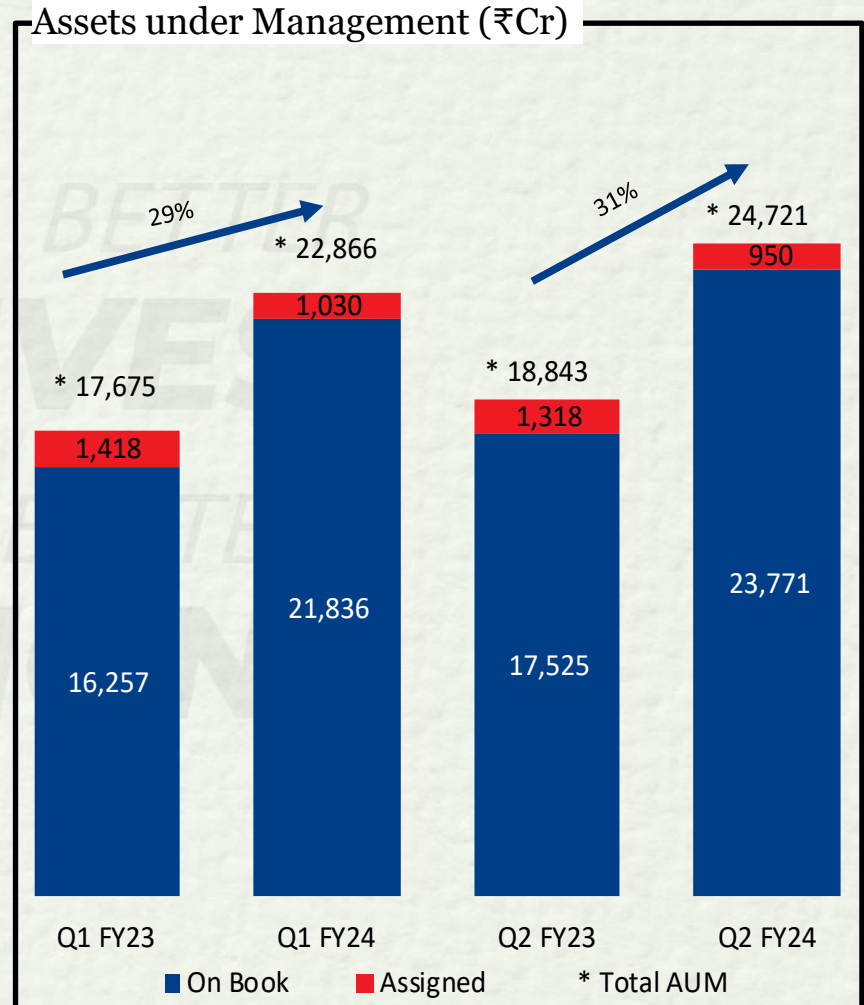
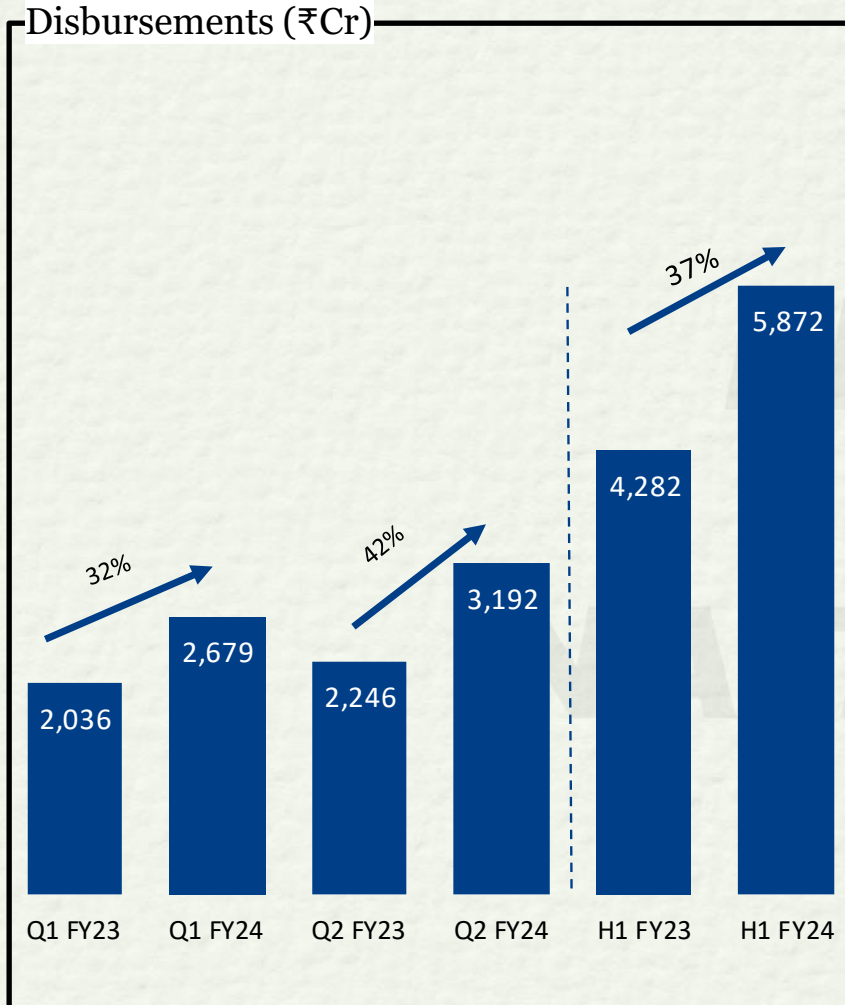
### Sector Outlook

- CRISIL estimates the LAP segment to experience growth at a rate of 10-12% for FY24, on back of favorable economic conditions and gradual restoration of business activities to pre-pandemic levels. This anticipated acceleration is attributed to the overall economy recovery and a more stable business environment
- Ind-Ra believes NBFCs will have to judiciously manage margins in FY24, given the elevated borrowing cost and limited flexibility in passing over rate hikes in the secured lending segments due to the competition from banks and factoring in borrowers' repayment ability
- Ind-Ra believes the sector could witness a marginal rise in the gross stage 3 assets, largely due to inflationary pressures impacting borrower cashflows and the recent slowdown in wage growth.

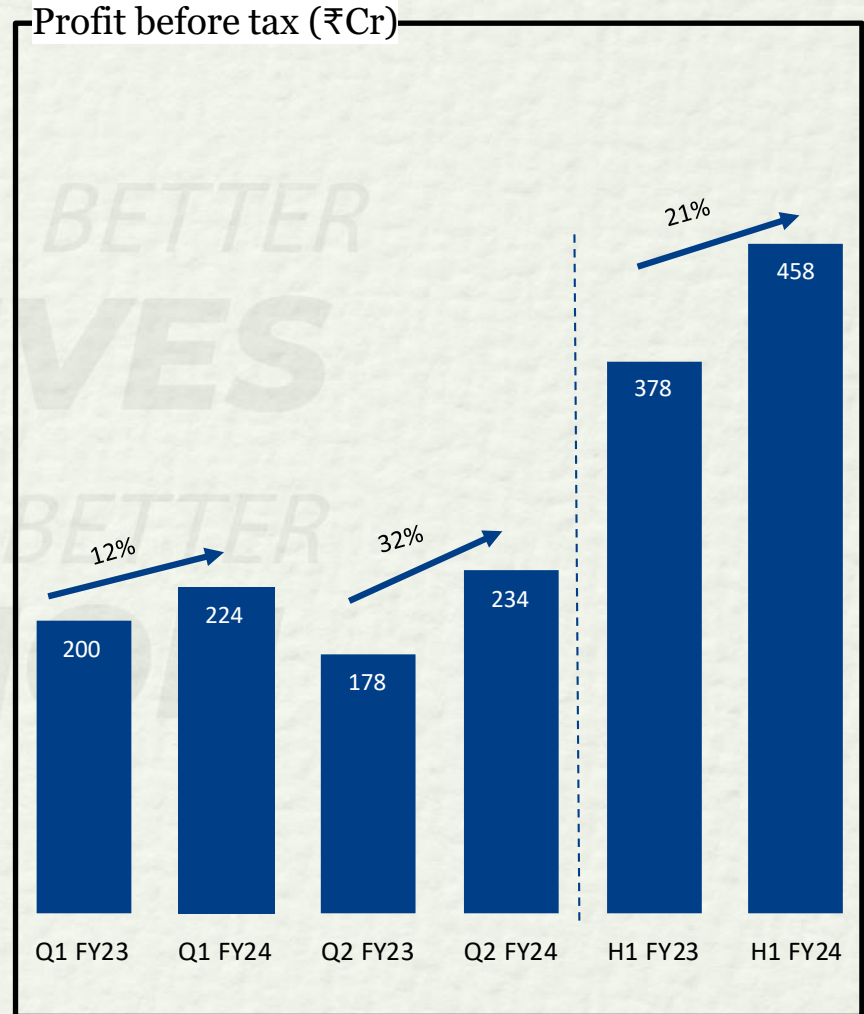
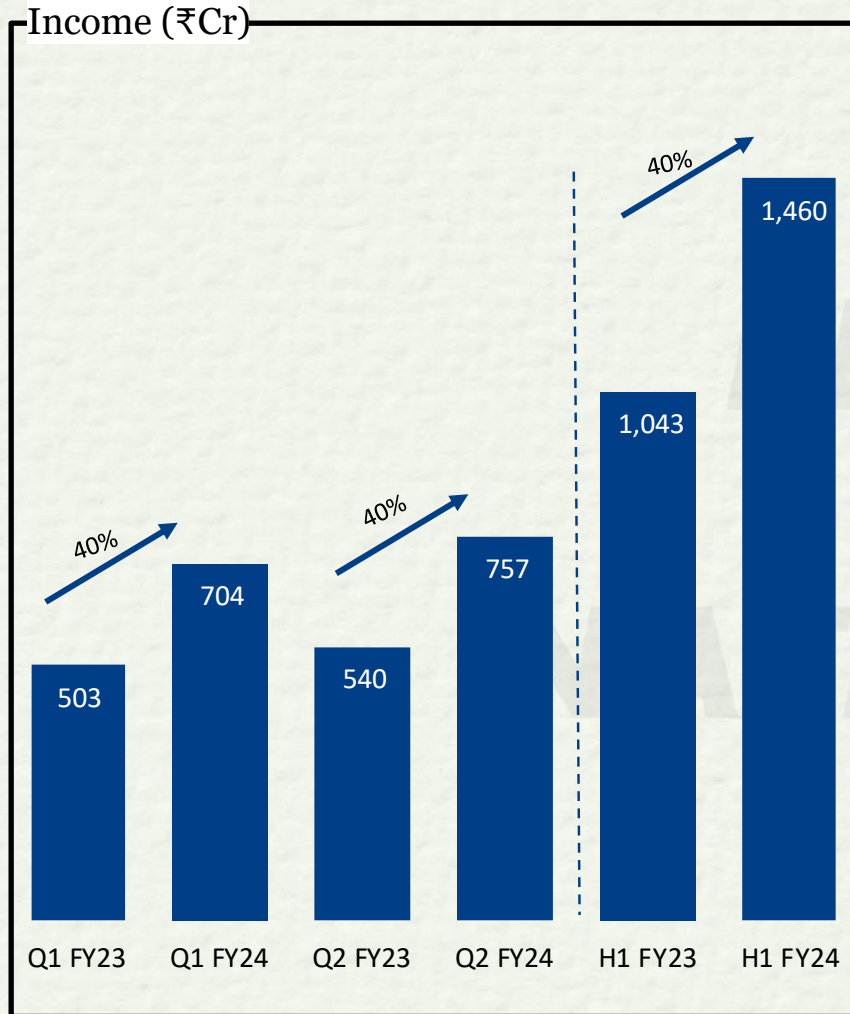
### Chola's Position

- Chola's LAP team is currently focusing on increasing its market share backed by consistent disbursement growth and collections performance. Our focus continues to be on retail customers especially in smaller towns and rural areas
- LAP team is capitalizing on Chola's pan India geographical presence by going wide in tier 3 and tier 4 markets to improve margins, while continuing to hold market leadership position in tier 1 and tier 2 markets
- Chola LAP team has strengthened collection & legal process and the asset quality has shown steady improvement. The stage 3 book has come down with consistent improvement in collection efficiency

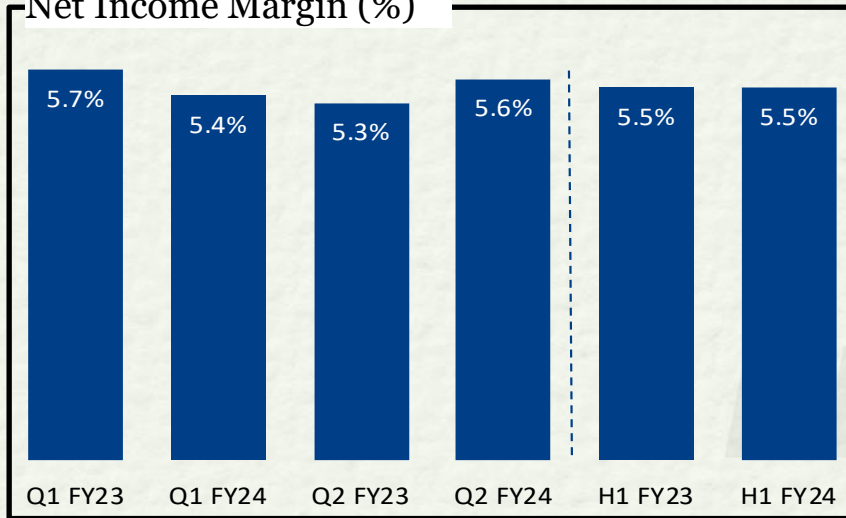
## Loan Against Property - Disbursements and Asset Under Management



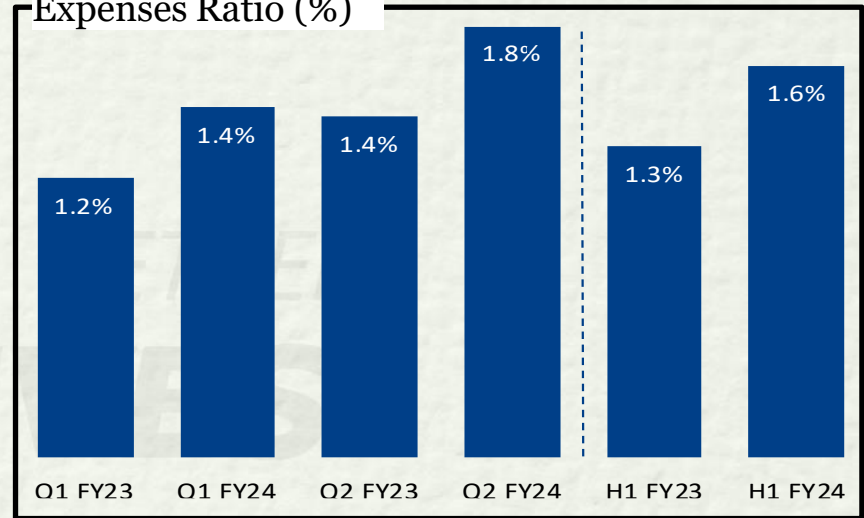
## Loan Against Property – Income and Profit before tax



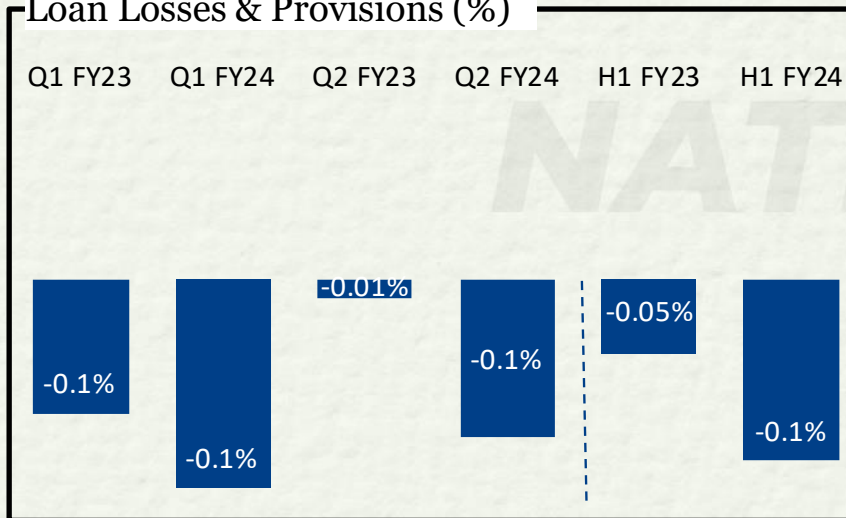
Net Income Margin (%)



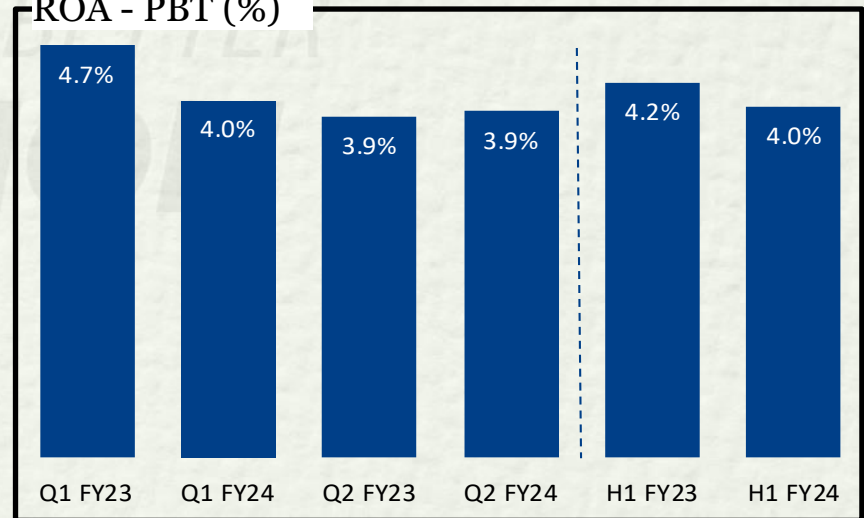
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)





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

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Q2 FY23	Q2 FY24	Growth % Q2-o-Q2	H1 FY23	H1 FY24	Growth % H1-o-H1
<b>Disbursements</b>	<b>2,036</b>	<b>2,679</b>	<b>2,246</b>	<b>3,192</b>	<b>42%</b>	<b>4,282</b>	<b>5,872</b>	<b>37%</b>
<b>Closing Assets - Managed</b>	<b>17,675</b>	<b>22,866</b>	<b>18,843</b>	<b>24,721</b>	<b>31%</b>	<b>18,843</b>	<b>24,721</b>	<b>31%</b>
Income	503	704	540	757	40%	1,043	1,460	40%
Finance Charges	257	408	298	422	42%	555	829	50%
<b>Net Income</b>	<b>246</b>	<b>296</b>	<b>242</b>	<b>335</b>	<b>39%</b>	<b>488</b>	<b>631</b>	<b>29%</b>
Expenses	49	80	65	106	65%	114	186	63%
Net Credit Losses	-4	-7	-1	-6	1025%	-4	-13	217%
<b>PBT</b>	<b>200</b>	<b>224</b>	<b>178</b>	<b>234</b>	<b>32%</b>	<b>378</b>	<b>458</b>	<b>21%</b>
<b>Asset Ratios</b>								
Income	11.7%	12.7%	11.7%	12.7%		11.7%	12.7%	
Cost of Funds	6.0%	7.4%	6.5%	7.1%		6.2%	7.2%	
Net Income Margin	5.7%	5.4%	5.3%	5.6%		5.5%	5.5%	
Expense	1.2%	1.4%	1.4%	1.8%		1.3%	1.6%	
Losses & Provisions	-0.1%	-0.1%	0.0%	-0.1%		0.0%	-0.1%	
<b>ROA-PBT</b>	<b>4.7%</b>	<b>4.0%</b>	<b>3.9%</b>	<b>3.9%</b>		<b>4.2%</b>	<b>4.0%</b>	
Cost to Net Income	20.1%	26.9%	26.7%	31.8%		23.4%	29.5%	

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

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Q2 FY23	Q2FY24	Growth % Q2-o-Q2	H1 FY23	H1 FY24	Growth % H1-o-H1
<b>Disbursements</b>	<b>2,036</b>	<b>2,679</b>	<b>2,246</b>	<b>3,192</b>	<b>42%</b>	<b>4,282</b>	<b>5,872</b>	<b>37%</b>
<b>Closing Assets (On B/S)</b>	<b>16,257</b>	<b>21,836</b>	<b>17,525</b>	<b>23,771</b>	<b>36%</b>	<b>17,525</b>	<b>23,771</b>	<b>36%</b>
Income	453	672	497	715	44%	950	1,387	46%
Finance Charges	227	384	249	399	60%	476	783	65%
<b>Net Income</b>	<b>226</b>	<b>288</b>	<b>248</b>	<b>317</b>	<b>28%</b>	<b>474</b>	<b>604</b>	<b>28%</b>
Expenses	49	80	65	106	65%	114	186	63%
Net Credit Losses	-4	-7	(1)	-6	1025%	(4)	-13	217%
<b>PBT</b>	<b>180</b>	<b>215</b>	<b>184</b>	<b>216</b>	<b>18%</b>	<b>364</b>	<b>431</b>	<b>18%</b>
<b>Asset Ratios</b>								
Income	11.5%	12.8%	11.7%	12.5%		11.6%	12.6%	
Cost of Funds	5.8%	7.3%	5.8%	7.0%		5.8%	7.1%	
Net Income Margin	5.8%	5.5%	5.8%	5.5%		5.8%	5.5%	
Expense	1.3%	1.5%	1.5%	1.9%		1.4%	1.7%	
Losses & Provisions	-0.1%	-0.1%	-0.01%	-0.10%		-0.05%	-0.1%	
<b>ROA-PBT</b>	<b>4.6%</b>	<b>4.1%</b>	<b>4.3%</b>	<b>3.8%</b>		<b>4.4%</b>	<b>3.9%</b>	
Cost to Net Income	21.9%	27.7%	26.1%	33.6%		24.1%	30.8%	

# Home Loans



## Home Loans – Q2 FY24 & H1 FY24 Performance

### Disbursements

- Disbursements grew by 112% in Q2 FY24 to Rs. 1,575 Cr & by 124% in H1FY24 to Rs. 3,029 Cr as compared to Q2 FY23 & H1 FY23 respectively.

### Asset under management

- AUM have grown by 67% YoY.

### Loss and provisions

- Loan losses dropped to 0.4% in Q2 FY24 from 0.5% in Q2 FY23 & to 0.2% in H1 FY24 from 0.4% in H1 FY23.

### Profit before tax

- PBT grew by 30% in Q2 FY24 to Rs.96 Cr & by 15% in H1 FY24 to Rs.183 Cr as compared to Q2 FY23 & H1 FY23 respectively.

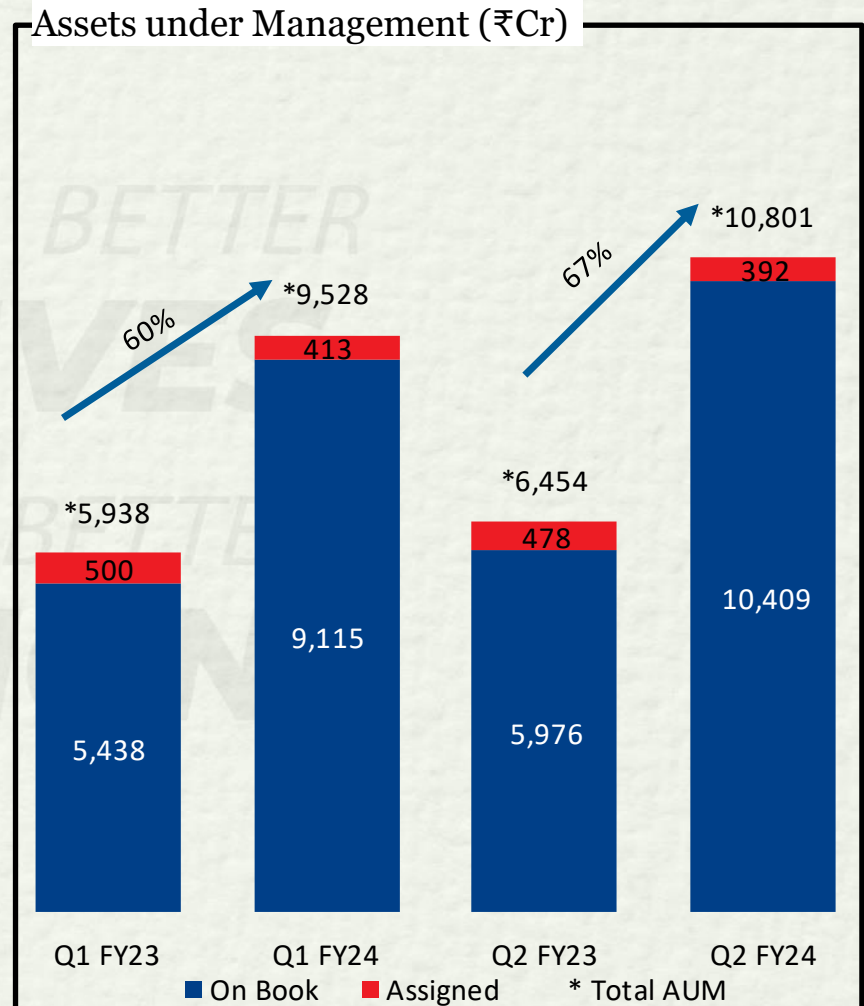
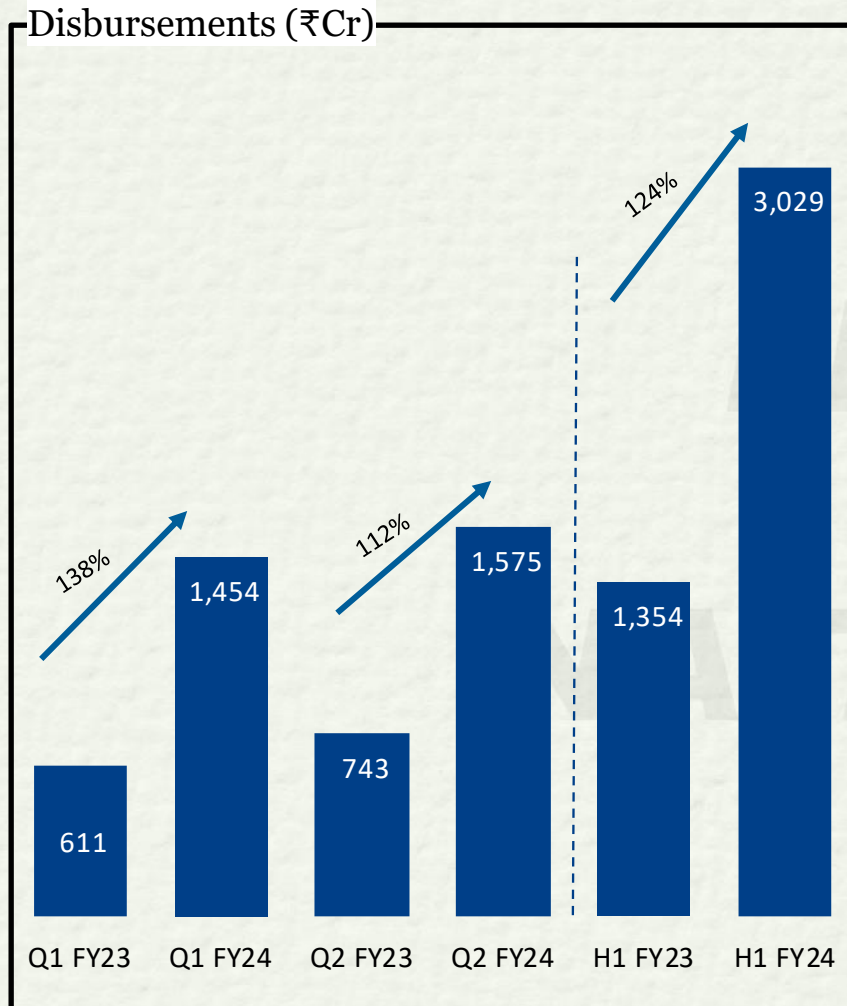
## Sector Outlook

- The overall growth in HFCs is expected to remain at 12-14% in FY24
- GNPA's of AHFCs are likely to continue to be between 2.3% – 2.5% in FY24
- Given current macro economic conditions, cost of funds is expected to remain at elevated levels. Growth related costs are also expected to drive operating expenses for the AHFCs.

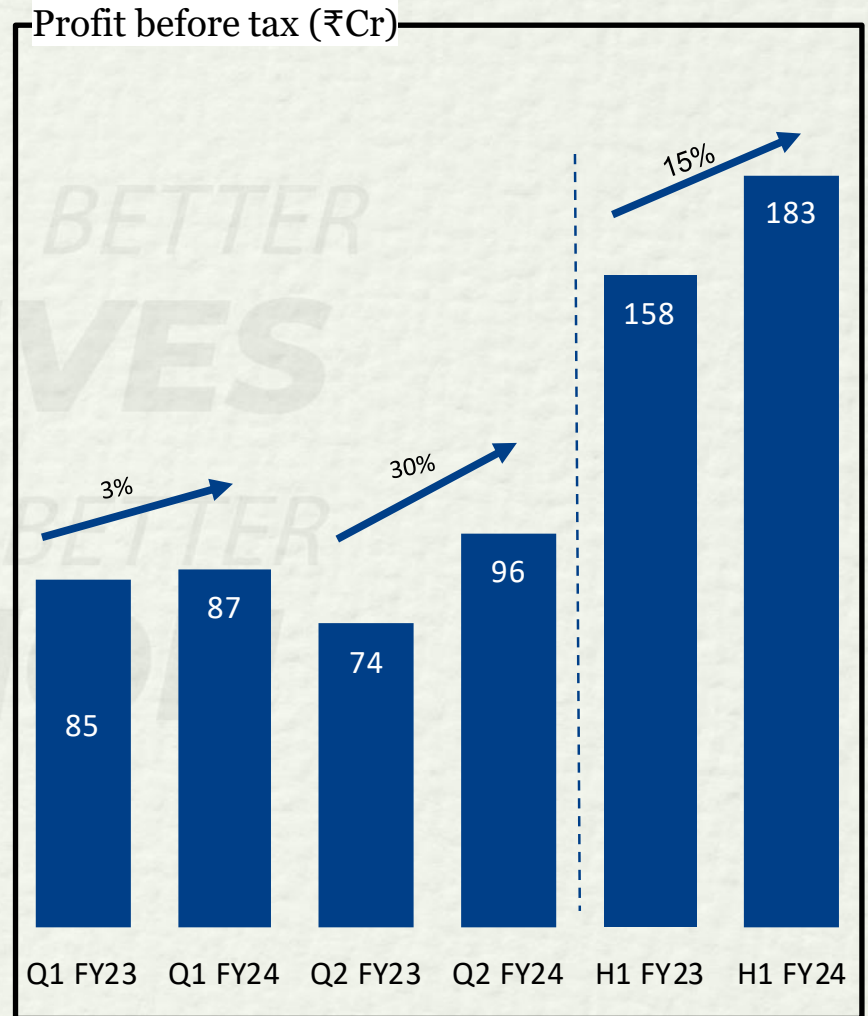
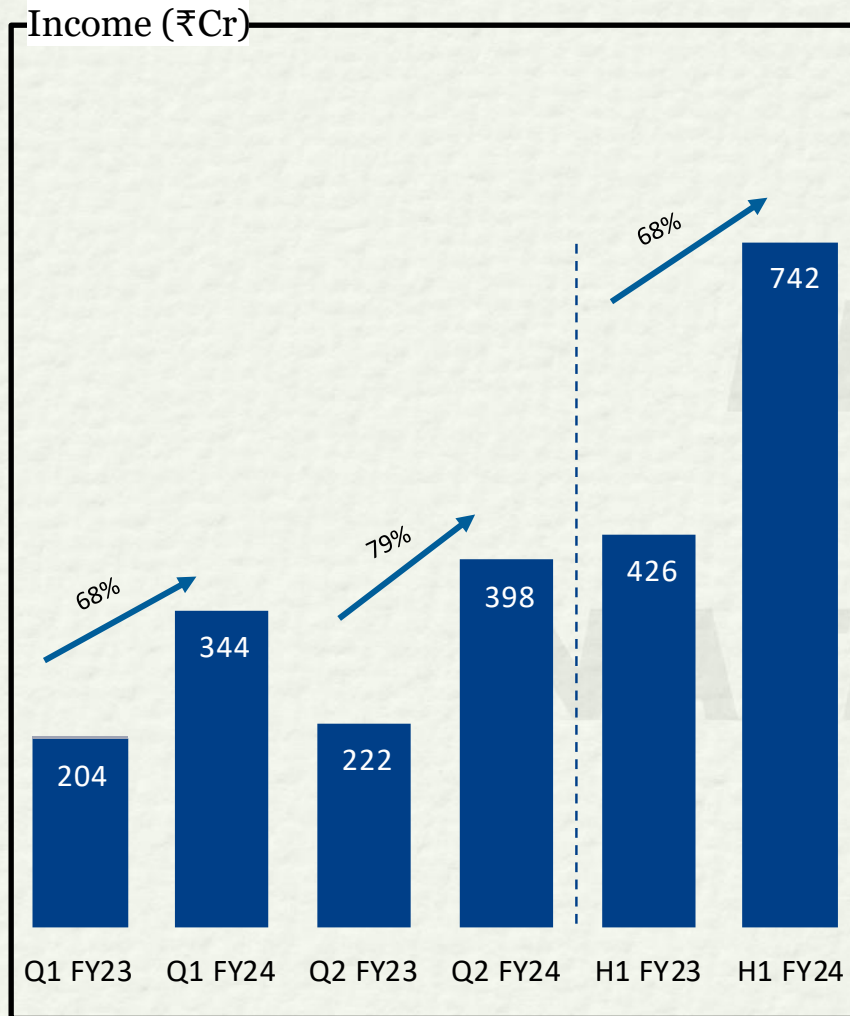
## Chola's Position

- Chola continues to consolidate its position across branches pan-India while also targeting expansion in newer underpenetrated geographies
- Chola continues to pursue legal recovery for the higher bucket portfolio & is also continuously improving collections efficiencies through advanced analytics & digital-led collections
- Chola continues to pursue profitable growth through low-cost expansion, process optimizations, & elimination of inefficiencies across all functions to ensure margins are sustained

## Home Loans - Disbursements and Asset Under Management

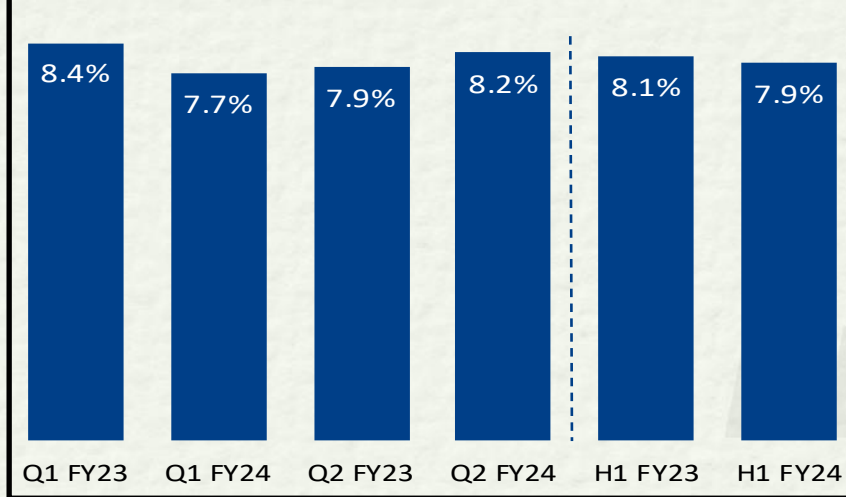


## Home Loans - Income and Profit before tax

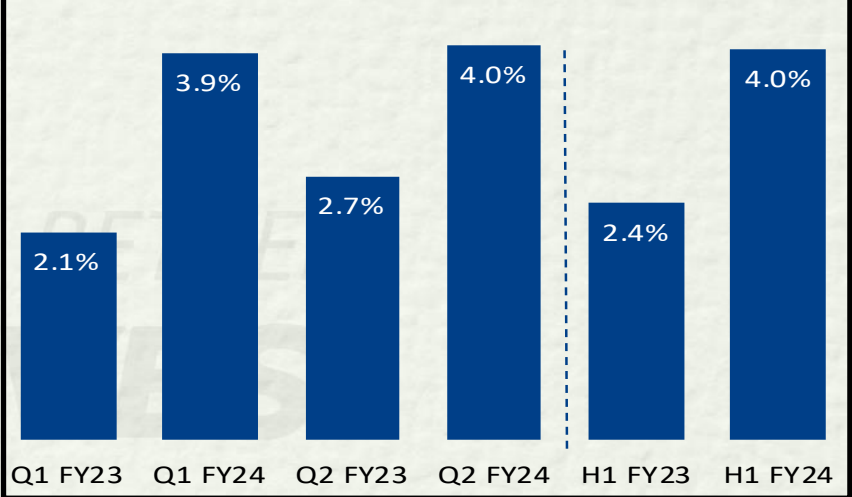


## Home Loans – Asset Ratios

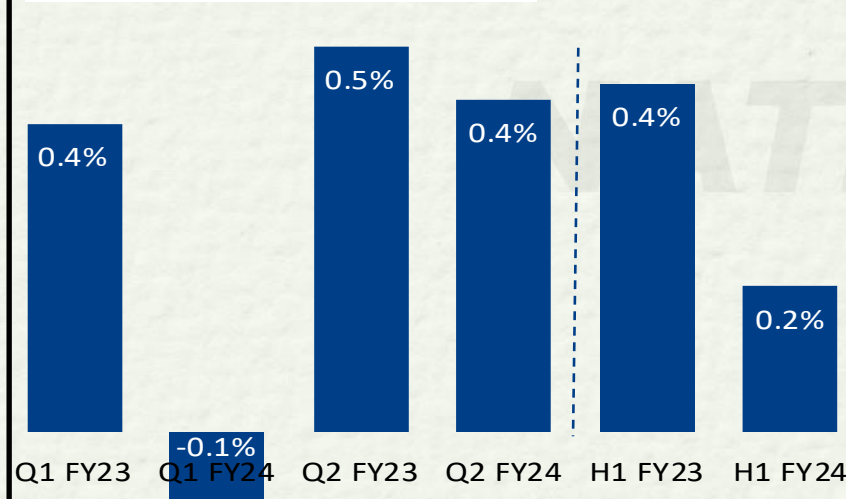
Net Income Margin (%)



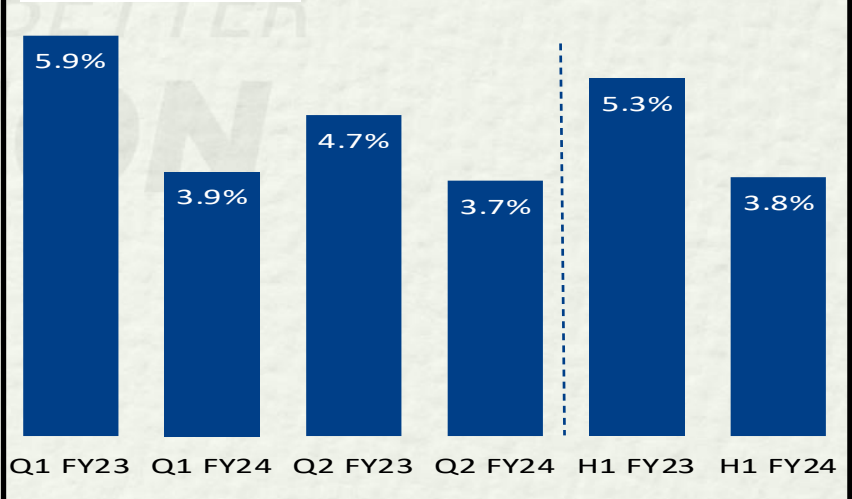
Expenses Ratio (%)



Loan Losses & Provisions (%)



ROA - PBT (%)





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

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Q2 FY23	Q2 FY24	Growth % Q2-o-Q2	H1 FY23	H1 FY24	Growth % H1-o-H1
<b>Disbursements</b>	<b>611</b>	<b>1,454</b>	<b>743</b>	<b>1,575</b>	<b>112%</b>	<b>1,354</b>	<b>3,029</b>	<b>124%</b>
<b>Closing Assets - Managed</b>	<b>5,938</b>	<b>9,528</b>	<b>6,454</b>	<b>10,801</b>	<b>67%</b>	<b>6,454</b>	<b>10,801</b>	<b>67%</b>
Income	204	344	222	398	79%	426	742	74%
Finance Charges	84	171	99	190	91%	183	361	97%
<b>Net Income</b>	<b>120</b>	<b>173</b>	<b>123</b>	<b>208</b>	<b>70%</b>	<b>243</b>	<b>381</b>	<b>57%</b>
Expenses	30	88	42	102	145%	72	190	163%
Net Credit Losses	5	-2	7	10	41%	13	9	-33%
<b>PBT</b>	<b>85</b>	<b>87</b>	<b>74</b>	<b>96</b>	<b>30%</b>	<b>158</b>	<b>183</b>	<b>15%</b>
<b>Asset Ratios</b>								
Income	14.2%	15.4%	14.2%	15.6%		14.2%	15.5%	
Cost of Funds	5.9%	7.7%	6.3%	7.4%		6.1%	7.5%	
Net Income Margin	8.4%	7.7%	7.9%	8.2%		8.1%	7.9%	
Expense	2.1%	3.9%	2.7%	4.0%		2.4%	4.0%	
Losses & Provisions	0.4%	-0.1%	0.5%	0.4%		0.4%	0.2%	
<b>ROA-PBT</b>	<b>5.9%</b>	<b>3.9%</b>	<b>4.7%</b>	<b>3.7%</b>		<b>5.3%</b>	<b>3.8%</b>	
Cost to Net Income	25.2%	50.8%	34.1%	49.1%		29.7%	49.8%	

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

₹ Cr

Particulars	Q1 FY23	Q1 FY24	Q2 FY23	Q2 FY24	Growth % Q2-o-Q2	H1 FY23	H1 FY24	Growth % H1-o-H1
<b>Disbursements</b>	<b>611</b>	<b>1,454</b>	<b>743</b>	<b>1,575</b>	<b>112%</b>	<b>1,354</b>	<b>3,029</b>	<b>124%</b>
<b>Closing Assets (On B/S)</b>	<b>5,438</b>	<b>9,115</b>	<b>5,976</b>	<b>10,409</b>	<b>74%</b>	<b>5,976</b>	<b>10,409</b>	<b>74%</b>
Income	185	331	205	383	87%	390	714	83%
Finance Charges	74	162	85	181	112%	159	343	115%
<b>Net Income</b>	<b>111</b>	<b>169</b>	<b>120</b>	<b>202</b>	<b>69%</b>	<b>231</b>	<b>371</b>	<b>61%</b>
Expenses	30	88	42	102	145%	72	190	163%
Net Credit Losses	5	(2)	7	10	41%	13	9	-33%
<b>PBT</b>	<b>75</b>	<b>83</b>	<b>71</b>	<b>90</b>	<b>27%</b>	<b>146</b>	<b>173</b>	<b>19%</b>
<b>Asset Ratios</b>								
Income	14.1%	15.6%	14.3%	15.6%		14.2%	15.6%	
Cost of Funds	5.7%	7.6%	5.9%	7.4%		5.8%	7.5%	
Net Income Margin	8.5%	7.9%	8.3%	8.3%		8.4%	8.1%	
Expense	2.3%	4.1%	2.9%	4.2%		2.6%	4.1%	
Losses & Provisions	0.4%	-0.1%	0.5%	0.4%		0.5%	0.2%	
<b>ROA-PBT</b>	<b>5.7%</b>	<b>3.9%</b>	<b>4.9%</b>	<b>3.7%</b>		<b>5.3%</b>	<b>3.8%</b>	
Cost to Net Income	27.4%	51.9%	34.8%	50.5%		31.3%	51.1%	

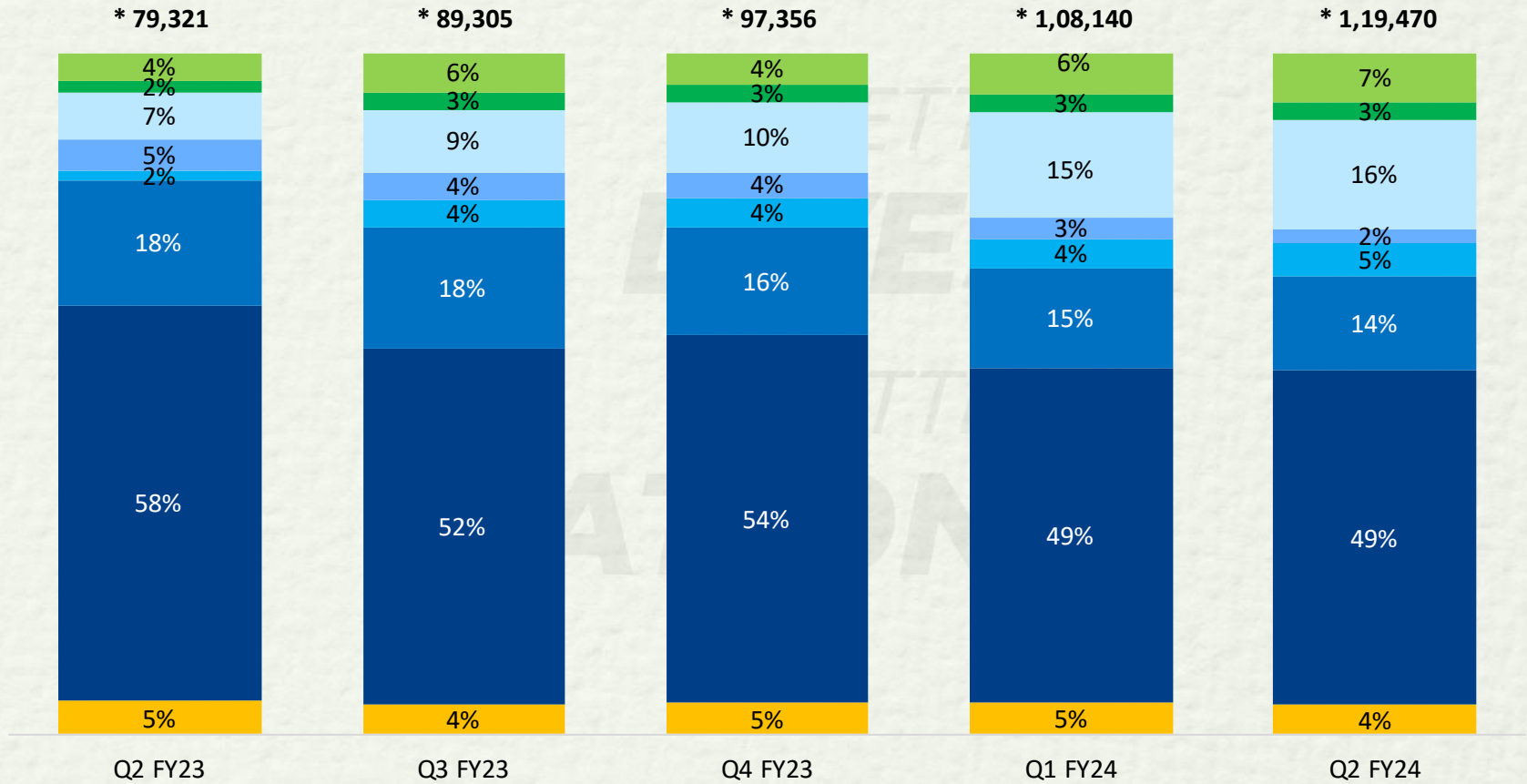
# Funding Profile



# Diversified Borrowings Profile (I/II)

(₹Cr)

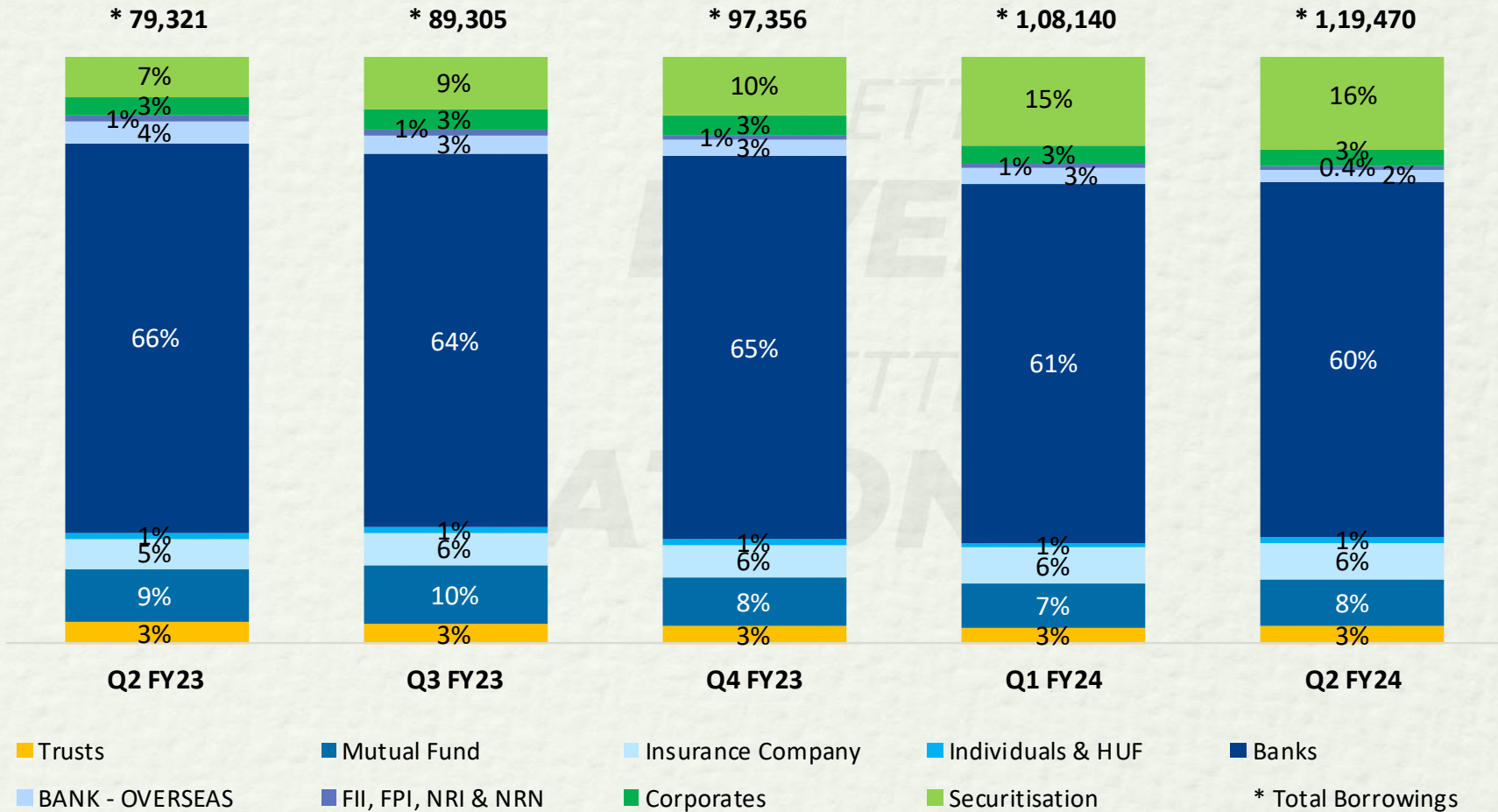
## Borrowing mix by instrument type



■ Tier II Capital 
 ■ Bank Term loans 
 ■ Debentures 
 ■ FII 
 ■ FCNR 
 ■ Securitisation 
 ■ CC / WCDL 
 ■ Commercial Papers / ICD 
 \* Total Borrowings

(₹Cr)

## Borrowing mix by investor type

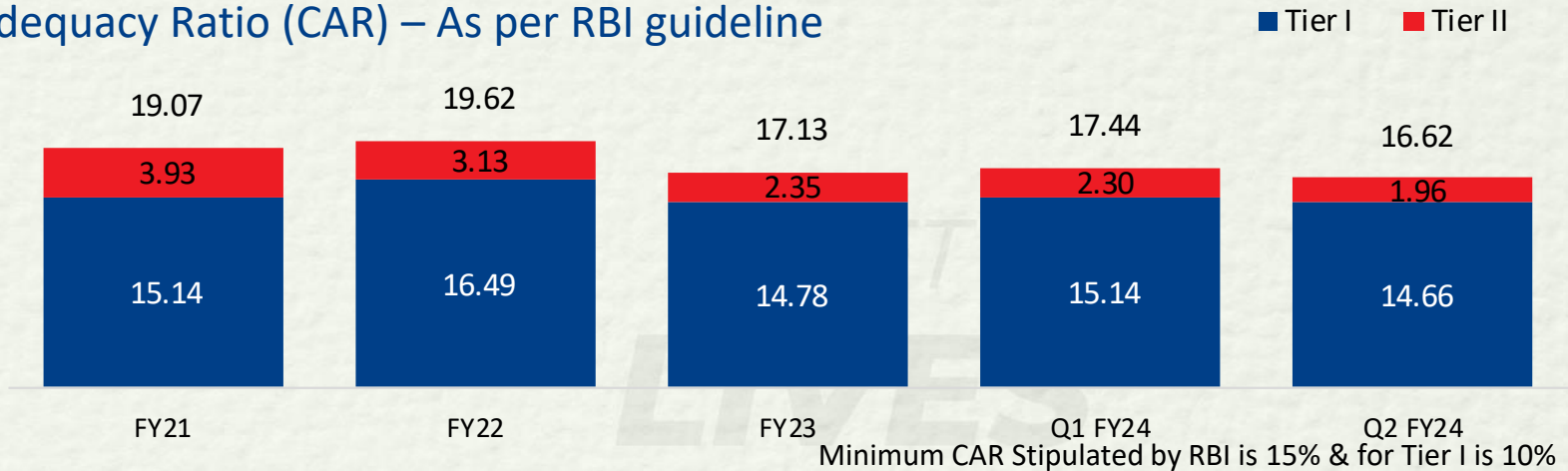


## ALM Statement as of 30<sup>th</sup> Sep 2023 (As per IND AS)

(₹Cr)

ALM snapshot as on 30th Sep 2023									
Particulars	1 m	>1 to 2m	>2 to 3m	>3 to 6m	>6m to 1 yr	>1 to 3 yr	>3 to 5 yr	>5 yr	Total
Cash & Bank Balances	6,843.82	472.69	2,210.54	3.10	707.40	600.00	196.18	-	11,033.73
Advances	4,140.98	3,942.35	3,440.65	11,157.62	18,522.61	50,402.97	14,730.67	18,430.29	1,24,768.13
Trade Receivable & Others	163.05	126.54	9.17	28.12	169.12	1,284.04	1,166.69	2,011.57	4,958.31
<b>Total Inflows (A)</b>	<b>11,147.85</b>	<b>4,541.59</b>	<b>5,660.35</b>	<b>11,188.84</b>	<b>19,399.13</b>	<b>52,287.01</b>	<b>16,093.54</b>	<b>20,441.86</b>	<b>1,40,760.16</b>
<b>Cumulative Total Inflows (B)</b>	<b>11,147.85</b>	<b>15,689.43</b>	<b>21,349.78</b>	<b>32,538.62</b>	<b>51,937.76</b>	<b>1,04,224.76</b>	<b>1,20,318.30</b>	<b>1,40,760.16</b>	
Borrowin Repayment-Bank & Others	4,588.31	1,874.47	3,852.37	7,300.16	13,937.06	43,249.59	13,871.48	344.31	89,017.76
Borrowin Repayment- Market	2,843.44	2,562.01	1,765.22	2,498.70	5,046.19	8,803.72	3,692.90	2,988.94	30,201.12
Capital Reserves and Surplus	-	-	-	-	-	-	-	16,024.06	16,024.06
Other Outflows	2,300.68	104.20	42.42	225.42	415.71	223.44	125.61	2,079.76	5,517.23
<b>Total Outflows (C)</b>	<b>9,732.42</b>	<b>4,540.68</b>	<b>5,660.01</b>	<b>10,024.28</b>	<b>19,398.97</b>	<b>52,276.75</b>	<b>17,689.99</b>	<b>21,437.07</b>	<b>1,40,760.16</b>
<b>Cumulative Total Outflows (D)</b>	<b>9,732.42</b>	<b>14,273.10</b>	<b>19,933.11</b>	<b>29,957.39</b>	<b>49,356.35</b>	<b>1,01,633.10</b>	<b>1,19,323.10</b>	<b>1,40,760.16</b>	
E. GAP (A - C)	1,415.43	0.91	0.34	1,164.56	0.16	10.26	(1,596.45)	(995.21)	
<b>F.Cumulative GAP (B - D)</b>	<b>1,415.43</b>	<b>1,416.33</b>	<b>1,416.68</b>	<b>2,581.24</b>	<b>2,581.40</b>	<b>2,591.66</b>	<b>995.21</b>	<b>0.00</b>	
<b>Cumulative GAP as % (F/D)</b>	<b>14.54%</b>	<b>9.92%</b>	<b>7.11%</b>	<b>8.62%</b>	<b>5.23%</b>	<b>2.55%</b>	<b>0.83%</b>	<b>0.00%</b>	

## Capital Adequacy Ratio (CAR) – As per RBI guideline



Launched a composite QIP issue of equity shares (Rs 2,000 crores) and compulsorily convertible debentures (Rs 2,000 crores), overall aggregating to **Rs 4,000 crores** and the allotment was done on October 5th 2023. Post the Capital raise, the Capital Adequacy ratio will be more than **20%** and Tier I will be more than **16.5%**.

## Credit Rating

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

# Consolidated Financials





## Consolidated Profit & Loss

(₹Cr)

Particulars	Q1 FY23	Q1 FY24	Q2 FY23	Q2 FY24	Growth % Q2-o-Q2	H1 FY23	H1 FY24	Growth % H1-o-H1
Income	2,796	4,171	3,067	4,695	53%	5,863	8,866	51%
Expenses	2,032	3,215	2,305	3,630	57%	4,337	6,845	58%
PBT	764	956	762	1,065	40%	1,526	2,021	32%
PAT	562	710	563	773	37%	1,125	1,483	32%



Environmental  
Social  
Governance

ENVIRONMENT

SOCIAL

GOVERNANCE

ESG



FY21

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

FY22

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

FY 23

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

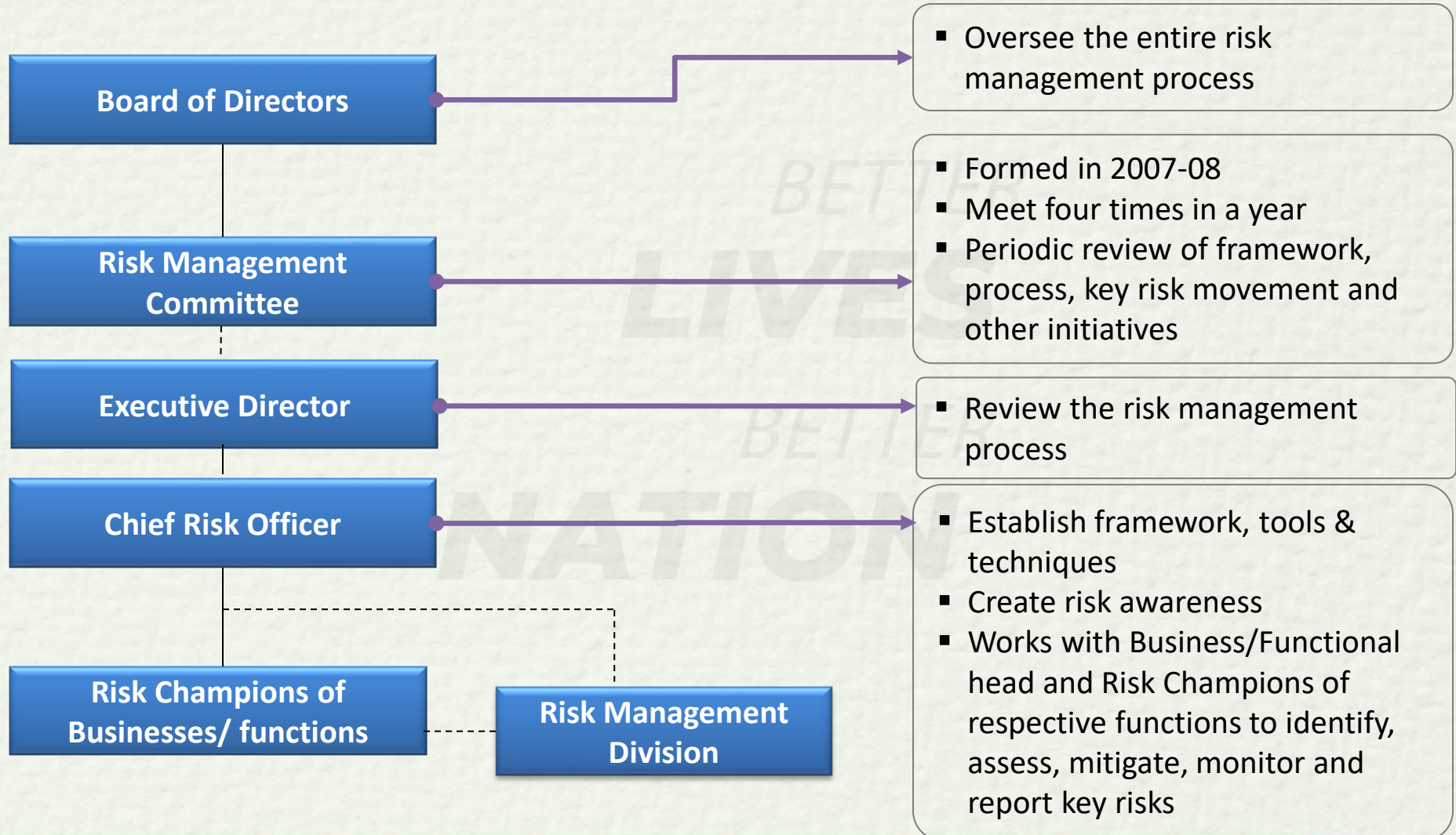
FY 24

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

# Risk Management



## Risk Governance Structure

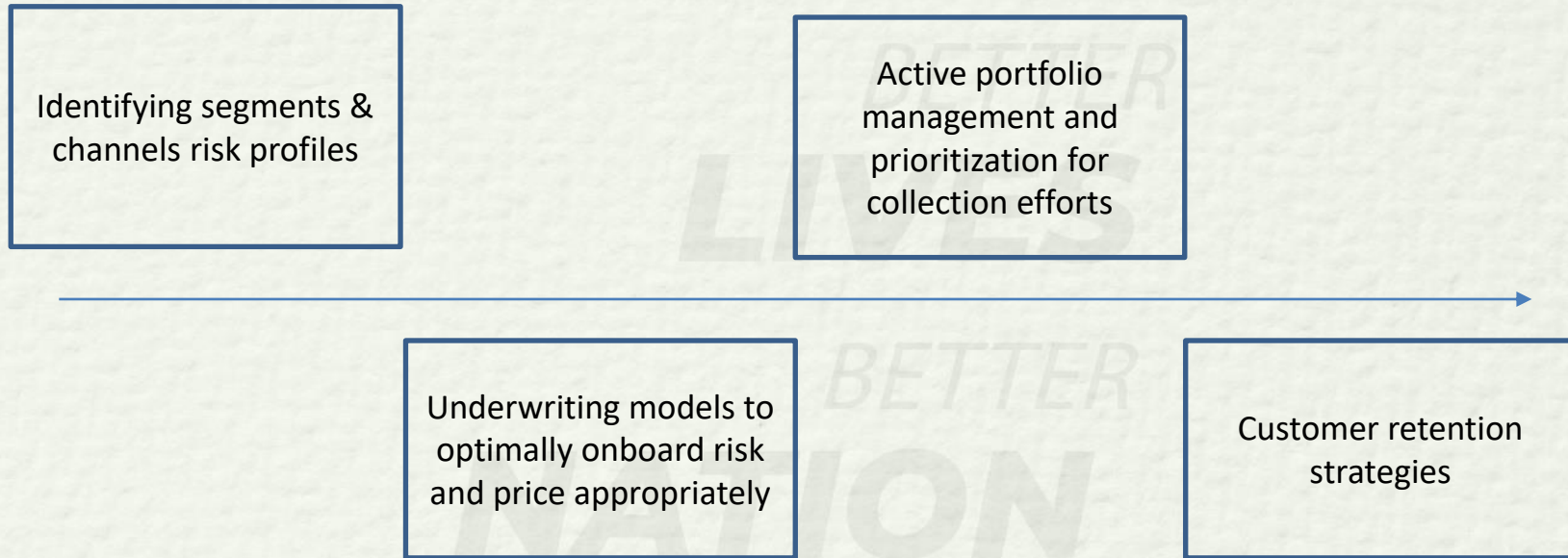


## Key Functions of Risk Management Division

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

## ERM as Value Centre in Business Processes

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



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

## ERM as Value Centre in Corporate Processes

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



# Information Technology



## Technology Infrastructure

### Provide resilient & scalable environment

- Optimize deployment architecture and rollout of scalable hybrid cloud solutions
- Execute network infrastructure transition for secure access to diverse workloads across locations
- Establish FinOps for optimal infrastructure utilization along with improved performance management
- Augmented asset and service management solution to handle all lifecycle events of technology assets

## Digital Engagement & Application Platform

### Deliver seamless digital experience for all

- Open market rollout of direct to customer digital App with 100% digital personal loan disbursement & online servicing
- Consolidation of core Loan Management System platform for the SME business
- Design and deploy enhanced functional capabilities in Originations solution for Home Loan business
- Increase RPA penetration for processes across reconciliation, payments, & payouts in the Finance & Operations functions.

## Security & Governance

### Embed cyber security & technology governance

- Continuous engagement Cyber Security domain teams for ongoing assessment across IT environment
- Increase cyber security and data handling awareness across organization's employee and customer base
- Establish and Improve cadence for governance and review of third-party partners & tech service providers
- Sustain clear electronic asset disposal policy and appropriate handling of e-waste

## People & Innovation

### Drive innovation & build new capabilities

- Ensure compliance with RBI master directions – technology systems, CBS / CFSS initiatives, and outsourcing
- Improve employee engagement & paperless processes via collaboration tools, digital metrics, and automated reports
- Deploy enhanced bots and engagement of customers using online, voice, WhatsApp, and marketing automation channels
- Competency based skill development for improved future readiness within Digital Technology function

## Contact us

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