

Chola embarks on next wave of growth through new business divisions, digital partnerships & strategic investment in the Consumer and SME eco-system.

Chennai, January 19th January 2022: Cholamandalam Investment & Finance Company Limited (Chola), the financial services arm of Murugappa Group, while consolidating its position as a leading player in the Vehicle Finance, Loan against Property, and Housing Finance businesses, launched the following three new business divisions in the Consumer and SME eco-system namely.

- Consumer & Small Enterprise Loan (CSEL)
- Secured Business & Personal Loan (SBPL)
- SME Loan (SME)

Consumer & Small Enterprise Loan (CSEL)

CSEL will focus on the following new product segments through traditional, direct to customer and digital partnership channels:

Personal & Professional Loans: It is one of the fastest-growing segments in India with INR 3,50,000cr+ originations. Despite this kind of growth, there are a lot of individuals who do not have access to credit in India. Given this backdrop, Chola is entering into the Personal Loan segment to provide these loans to salaried and self-employed professionals. The product range would include Term Loans, Flexi-loans etc. Chola will leverage advanced analytics-based underwriting using bureau and alternate data to underwrite these customers.

Micro & Small Enterprise Loans: The MSME segment is significantly under-penetrated in India with more than 60 per cent of MSMEs not having access to formalized credit. Considering the importance and contribution of MSMEs to India's economy, Chola is introducing Small Enterprise Loans which will be offered to small businesses in the manufacturing, trading, and services segments. The product range would include Term Loans, Flexi-loans etc.

The company entered in strategic partnership with 3 leading Fintech companies - **BankBazaar**, **Kreditbee** and **Paytail**. With these alliances, the company intends to drive greater financial inclusion especially among those customers who are economically active but not having adequate access to formal credit.

BankBazaar

BankBazaar is a leading online marketplace for instant customized rate quotes on loans and credit cards. The partnership will enable pre-approved personal loans to salaried customers who are active on BankBazaar's platform. Chola and BankBazaar will leverage their advanced technology and digital capabilities to offer loans 100 per cent digitally.

Kreditbee

KreditBee is one of the leading players in the digital lending segment in India, disbursing to over 5 million customers over the last few years.

Chola has entered into a co-lending arrangement with them for funding loans to Salaried and Self-employed customers with good repayment track record in Tier 1/2/3 markets.

Paytail

Paytail is a new age Fintech company focusing on offline 'Buy Now Pay Later' through brand partnerships. Through a funding partnership with Paytail, Chola has started providing check-out financing to customers with good repayment track record in Tier II, III & IV markets who do not own a credit card.

Secured Business & Personal Loan (SBPL)

The SBPL vertical will offer loans to self-employed non-professionals, through traditional channels. These loans will enable small businesses like traders and service providers to meet their funding requirements for day-to-day operation and business improvements. These loans will create a positive impact in the lives of millions of informal micro-enterprise customers in India.

SME Loan

SME will focus on the following businesses through traditional and digital partnership channels

- 1) Term loan and working capital Finance
- 2) Equipment Finance
- 3) Supply Chain Finance

The lending landscape for MSME business in India is undergoing a paradigm shift with access to reliable data such as E-way bills, GST details etc. enabling robust underwriting of such customers. This has opened a large opportunity for players like Chola who have physical presence across India to capitalise on this opportunity. Through the SME vertical, Chola, will focus on providing term loans, working capital finance, equipment finance and supply chain finance to SME customers.

Speaking on the above, Mr. Vellayan Subbiah, Chairman, Cholamandalam Investment & Finance Company Ltd said, “We are excited to launch three new business divisions in the Consumer and SME eco-system spaces. We have also partnered with leading Fintech companies - BankBazaar, Kreditbee and Paytail. All these brands come with a culture of innovation and excellence, and proven track records in their respective domains. We are confident that these initiatives and partnerships will go a long way in helping us towards making our products and services easily available to our potential customers. The company is also in advanced discussions with many more Fintechs & digital ecosystem partners for sourcing of personal loans, professional loans, Micro & Small business loans and BNPL. The company is expecting to go live with these partnerships over the next 3-4 months”. “The broader plan is to leverage our 40+ years of lending experience and 1100+ branch network to grow each segment rapidly over the next few years. We believe that these partnerships will help us in large scale customer acquisition and drive our next wave of growth,” adds Mr. Subbiah.

Mr. Adhil Shetty, CEO of BankBazaar.com said “At BankBazaar, our aim has always been to leverage technology to digitize the customer journey at every step and make the entire customer experience seamless. In keeping with this vision, we are happy to partner with one of India’s largest NBFCs, Chola Finance, to enable customers access personal loans through a 100% digital journey.”

Mr. Madhusudan Ekambaram, CEO of Kreditbee said “As we scale up in pursuit of our vision to make personal finance easy & accessible to the youth of India, we look to co-operate with like-minded partners. I’m happy to ascertain that our engagement with Cholamandalam Investment and Finance Company has been one of our key initiatives, and we look forward to continue expanding on the same as we move along.”

Mr. Vikas Garg, Co-Founder of Paytail said “BNPL in offline retail is a \$300bn universe and massively untapped especially in the long tail. The market has at least a 6X growth potential of what it is today and will continue to define the growth trajectory of India’s overall retail. We at Paytail are very happy to partner with Chola with a shared mission and vision for the space. Together we are going to write the biggest BNPL story of the country”

Investment in Payswiff Technologies Pvt Ltd

Chola has entered into an agreement to make a strategic investment in the equity shares of Payswiff Technologies Private Limited (Payswiff) up to a sum not exceeding Rs.450 crores in one or more tranches. The total investment will result in the Company holding about 70% of the equity capital of Payswiff on a fully diluted basis and Payswiff will become a subsidiary of Chola. Payswiff is a leading POS provider in India enabling online payment gateway services for e-commerce businesses and providing e-commerce solutions with a total merchant base of 3 lakh+ small to mid-sized merchants like supermarkets, medical stores etc.

“Chola will become the majority investor in Payswiff post-investment transaction and will be uniquely positioned amongst NBFCs to offer a comprehensive product offering to meet end to end needs of MSMEs including Lending, Payment solutions, Neo banking and many other value-added services. This acquisition proposal is in line with the long-term strategy of the company to explore and expand in the entire lending ecosystem particularly in the MSME segment. Payswiff being a company forming part of the digital and technology ecosystem in the MSME segment is expected to add value to the existing Chola ecosystem. This investment will provide a platform to build new-age MSME offering at scale and access to the MSME network across the country.” said Mr Subbiah.

Mr. Prabhuram, Founder, MD & CEO of Payswiff said “India is amidst a historical Fintech revolution where we are seeing rapid and massive adoption of digital payment systems by consumers, merchants as well as banks. We are excited to join hands with Chola, one of the largest NBFCs in India. This presents us a unique opportunity to jointly work in leveraging strengths and gives us the power and ability to be at the forefront of driving innovation and transform India’s financial and banking services.”

About Chola

Cholamandalam Investment and Finance Company Limited (Chola), incorporated in 1978 as the financial services arm of the Murugappa Group. Chola commenced business as an equipment financing company and has today emerged as a comprehensive financial services provider offering vehicle finance, home loans, home equity loans, SME loans, investment advisory services, stock broking and a variety of other financial services to customers.

Chola’s vision has always been to enable customers enter a better life. The company has a growing clientele of over 16 lakh happy customers across the nation. Ever since its inception and all through its growth, Chola has kept a clear sight of its values. The basic tenet of these values is a strict adherence to ethics and a responsibility to all those who come within its corporate ambit - customers, shareholders, employees, and society.

Chola operates from 1137 branches across India with assets under management above INR 75,000 Crores. The subsidiaries of Chola are Cholamandalam Securities Limited (CSEC), Cholamandalam Home Finance Limited (CHFL). For more details, please visit www.cholamandalam.com

About Murugappa Group

Founded in 1900, the INR 417 Billion (41,713 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd. and Wendt (India) Ltd.

The Group holds leadership position in several product lines including Abrasives, Technical Ceramics, Electro Minerals, Auto Components & Systems, Bicycles, Fertilisers, Sugar, Tea and Spirulina (Nutraceuticals). The Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.



Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 53,000 employees. For more details, visit www.murugappa.com