

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th
SEPTEMBER 2023

Key Financial Results (Q2 and H1 FY 23-24):

- **Disbursements for the quarter was ₹ 21,542 Cr (Up by 47%) and for the half year ₹ 41,557 Cr (Up by 49% YoY)**
- **Total AUM at ₹ 1,33,775 Cr (Up by 46% YoY)**
- **Net Income for the quarter was ₹ 2,367 Cr (Up 39% YoY) and for the half year ₹ 4,493 Cr (Up 35% YoY)**
- **PAT for the quarter was ₹ 762 Cr (Up by 35%) and for the half year ₹ 1,489 Cr (Up by 32% YoY)**

Chennai, November 2nd, 2023: The Board of Directors of CIFCL today approved the unaudited financial results for the quarter and half year ended 30th September 2023.

Highlights:

Growth in Disbursements and AUM for Chola was robust in Q2, due to all round growth in demand.

- Pickup in replacement demand from end user segments in the auto sector supported growth for Vehicle Finance.
- Loan Against Property business witnessed a healthy revival due to growth in demand from SME segments
- Home loans continued to register above average growth due to revival in earnings of Self employed non-professionals.
- The new segments of SME, CSEL and SBPL also continued to register growth though on a smaller base.

In Q2, CIFCL launched a composite QIP issue of equity shares (Rs 2,000 crores at a price of Rs 1180 per share) and compulsorily convertible debentures (Rs 2,000 crores at a face value of Rs 100000), overall aggregating to Rs 4,000 crores. The funds from the investors were received in the first week of October 23 and the allotment has been since completed on 5th October 2023.

Performance Highlights:

Rs in Cr.

Particulars	Q2 FY 23	Q2 FY 24	Growth (Y-o-Y)	YTD Sep-22	YTD Sep-23	Growth (Y-o-Y)
Disbursements	14,623	21,542	47%	27,953	41,557	49%
AUM	91,841	1,33,775	46%	91,841	1,33,775	46%
Total Income	3,038	4,572	51%	5,809	8,706	50%
Finance Cost	-1,340	-2,205	65%	-2,471	-4,212	70%
Net Income	1,697	2,367	39%	3,337	4,493	35%
Total Expenses	-661	-946	43%	-1,241	-1,733	40%
Loan Losses	-278	-400	44%	-577	-772	34%
Profit Before Tax	758	1,021	35%	1,520	1,988	31%
Profit After Tax	563	762	35%	1,129	1,489	32%

- Aggregate disbursements in Q2 FY 24 were at ₹ 21,542 Cr as against ₹ 14,623 Cr in Q2 FY 23 with a growth of 47%. Disbursements in H1 FY 24 were at ₹ 41,557 Cr as against ₹ 27,953 Cr registering a growth of 49% Y-o-Y.
- Vehicle Finance (VF) disbursements were at ₹ 11,731 Cr in Q2 FY 24 as against ₹ 8,502 Cr in Q2 FY23, registering a growth of 38%. Disbursements in H1 FY 24, were at ₹ 23,032 Cr as against ₹ 17,063 Cr in the previous year, reporting a growth of 35% Y-o-Y.
- Loan Against Property (LAP) business disbursed ₹ 3,192 Cr in Q2 FY 24, as against ₹ 2,246 Cr in Q2 FY23, with a growth rate of 42%. The Disbursements in H1 FY 24 were at ₹ 5,872 Cr as against ₹ 4,282 Cr in the previous year, registering a growth of 37% Y-o-Y.
- Home Loan (Affordable HL and Affordable LAP) business disbursed ₹ 1,575 Cr in Q2 FY 24, as against ₹ 743 Cr in Q2 FY23 registering a growth of 112%. The Disbursements in H2 FY 23 were at ₹ 3,029 Cr as against ₹ 1,354 Cr in the previous year, registering a growth of 124% Y-o-Y.
- Small and Medium Enterprises Loan (SME) business disbursed ₹ 1,945 Cr in Q2 FY 24, registering 32% growth over ₹ 1,473 Cr in Q2 FY23. The disbursements in H1 FY24 were at ₹ 3,990 Cr, registering 59% growth over ₹ 2,503 Cr in H1 FY 23.
- Consumer and Small Enterprise Loans (CSEL) disbursed ₹ 2,853 Cr in Q2 FY 24, as against ₹ 1,579 Cr in Q2 FY23 registering a growth of 81%. The disbursements in H1 FY24 were at ₹ 5,207 Cr, registering 98% growth over ₹ 2,633 Cr in H1 FY 23.
- Secured Business and Personal Loan (SBPL) disbursed ₹ 246 Cr and ₹ 428 Cr in Q2 and H1 respectively for FY 24.
- Assets under management as of 30th September 2023, stood at ₹ 133,775 Cr as compared to ₹ 91,841 Cr as of 30th September 2022, clocking a growth of 46% Y-O-Y.

- PBT Growth in Q2 was at 35% and for H1 was at 31% as compared to overall asset growth of 46%(YoY).
- PBT-ROA for Q2 FY 24 was at 3.2% and for the half year was at 3.3%.
- ROE for H1 FY 24 was at 19.8 % as against 18.3% in the previous year.
- The Company continues to hold a strong liquidity position with ₹ 11034 Cr as cash balance as at the end of Sep 2023 (including Rs 1500 cr each invested in Gsec / TBill shown under investments), with a total liquidity position of ₹ 13569 Cr (including undrawn sanctioned lines). The ALM is comfortable with no negative cumulative mismatches across all time buckets.
- Consolidated Profit Before Tax (PBT) for Q2 FY 24 was at ₹ 1,065 Cr as against ₹ 762 Cr in Q2 FY 23 registering a growth of 40%. For H1 FY 24 the consolidated profit was at ₹2,021 Cr as against ₹1,526 Cr in H1 FY 23 with a growth of 32%.

Asset Quality:

Stage 3 asset level has reduced to 2.96% as of September 23 from 3.06% as of end June 23. GNPA % as per RBI norms reduced to 4.07% as of September 23 as against 4.30% in June 23. NNPA as per RBI norms has also dropped to 2.59% as of September 23 against 2.82% in June 23. NNPA is below the threshold of 6% prescribed by RBI as the threshold for PCA.

The details of the stagewise assets and provisions are given in the Annexure.

Capital Adequacy:

The Capital Adequacy Ratio (CAR) of the company as of 30th September 2023, was at 16.62% as against the regulatory requirement of 15%. Tier-I Capital was at 14.66% and Tier-II Capital was at 1.96%. Post the Capital raise, the Capital Adequacy ratio is above 20%, effective 5th Oct 23.

Annexure

Stage wise ECL Summary

Stage wise Summary - Sep 23

Particulars	Asset	ECL Provn	NNPA
	Rs in Cr	Rs in Cr	Rs in Cr
Stage 1A	1,17,589	505	1,17,084
Stage 1B	229	11	218
Total Stage 1	1,17,818	516	1,17,303
Stage 2A	2,872	269	2,603
Stage 2B	1,169	145	1,024
Total Stage 2	4,041	414	3,627
Stage 3	3,719	1,760	1,959
Total Stage 3	3,719	1,760	1,959
Total	1,25,578	2,689	1,22,889
NPA as per RBI (incl Sec)	5,117	1,915	3,202
NNPA RBI %			2.59%

Stage wise Summary - Jun 23

Particulars	Asset	ECL Provn	NNPA
	Rs in Cr	Rs in Cr	Rs in Cr
Stage 1A	1,07,894	466	1,07,428
Stage 1B	232	11	221
Total Stage 1	1,08,126	477	1,07,649
Stage 2A	2,859	263	2,596
Stage 2B	1,200	149	1,052
Total Stage 2	4,059	412	3,648
Stage 3	3,546	1,610	1,936
Total Stage 3	3,546	1,610	1,936
Total	1,15,731	2,499	1,13,232
NPA as per RBI (incl Sec)	4,978	1,769	3,208
NNPA RBI %			2.82%

Particulars	Asset	ECL Provn	NNPA %
	%	PCR (%)	%
Stage 1A	93.64%	0.43%	93.24%
Stage 1B	0.18%	4.69%	0.17%
Total Stage 1	93.82%	0.44%	93.41%
Stage 2A	2.29%	9.37%	2.07%
Stage 2B	0.93%	12.39%	0.82%
Total Stage 2	3.22%	10.24%	2.89%
Stage 3	2.96%	47.32%	1.56%
Total Stage 3	2.96%	47.32%	1.56%
Total	100.00%	2.14%	97.86%
NPA as per RBI (incl Sec)	4.07%	37.43%	2.55%
NNPA RBI %			2.59%

Particulars	Asset	ECL Provn	NNPA %
	%	PCR (%)	%
Stage 1A	93.23%	0.43%	92.83%
Stage 1B	0.20%	4.71%	0.19%
Total Stage 1	93.43%	0.44%	93.02%
Stage 2A	2.47%	9.21%	2.24%
Stage 2B	1.04%	12.38%	0.91%
Total Stage 2	3.51%	10.15%	3.15%
Stage 3	3.06%	45.40%	1.67%
Total Stage 3	3.06%	45.40%	1.67%
Total	100.00%	2.16%	97.84%
NPA as per RBI (incl Sec)	4.30%	35.55%	2.77%
NNPA RBI %			2.82%

Rs in Cr.

Particulars	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23
Gross Assets - Stage 1 & 2	78,461	84,498	92,526	1,03,856	1,12,185	1,21,860
Gross Assets - Stage 3	3,408	3,375	3,367	3,222	3,546	3,719
Stage 3 Assets to Total Gross Assets	4.16%	3.84%	3.51%	3.01%	3.06%	2.96%
Coverage Ratio (%) - Stage 3	40.69%	41.48%	40.96%	46.00%	45.40%	47.32%

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

About Cholamandalam

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 operates from 1267 branches across India with assets under management above INR 133755 Crores.

The mission of Chola is to enable customers enter a better life. Chola has a growing clientele of over 25 lakh happy customers across the nation. Ever since its inception and all through its growth, the company 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.

For more details, please visit www.cholamandalam.com

About Murugappa Group

A 123-year-old conglomerate with presence across India and the world, the INR 742 billion Murugappa Group has diverse businesses in agriculture, engineering, financial services and more.

The Group has 10 listed companies under its umbrella — Carborundum Universal Limited, CG Power & Industrial Solutions Limited, Cholamandalam Financial Holdings Limited, Cholamandalam Investment & Finance Company Limited, Cholamandalam MS General Insurance Company Limited, Coromandel International Limited, Coromandel Engineering Limited, EID Parry (India) Limited, Shanthi Gears Limited, Tube Investments of India Limited and Wendt India Limited. Brands such as Ajax, Hercules, BSA, Montra, Montra Electric, Mach City, Gromor, Paramfos, Parry's are part of the Group's illustrious stable.

Abrasives, technical ceramics, electro minerals, electric vehicles, auto components, fans, transformers, signalling equipment for railways, bicycles, fertilisers, sugar, tea and several other products make up the Group's business interests.

Guided by the five lights — integrity, passion, quality, respect and responsibility — and a culture of professionalism, the Group has a workforce of over 73,000 employees.

For more information, see www.murugappa.com

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