

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED

31st MARCH 2023

Key Financial Results (Q4 & FY 22-23):

- Disbursements at ₹ 21,020 Cr for the quarter (Up by 65%) and ₹ 66,532 Cr for FY 22-23 (Up by 87% YoY)
- Total AUM at ₹ 112,782 Cr (Up by 36% YoY)
- Net Income Margin up at ₹ 2,060 Cr for the quarter (Up 32% YoY) and ₹ 7,229 Cr for FY 22-23 (Up 24% YoY)
- PBT at ₹ 1,159 Cr for the quarter (Up by 25%) and ₹ 3,600 Cr for FY 22-23 (Up by 25% YoY)

Chennai, May 3rd, 2023: The Board of Directors of CIFCL today approved the audited financial results for the quarter and year ended 31st March 2023.

Highlights:

Chola has delivered the best-ever disbursements, collections, and profitability in Q4 FY23. Chola has gained market share across the product segment in VF and other business units. The overall PV Industry sales in FY23 rose to 38.89 lakh units, an increase of 27 percent from 30.69 lakh units in 2021-22. Loan Against Property & SME loans witnessed strong growth in the current fiscal on the back of lower growth during the pandemic period, amidst a revival in demand from smaller businesses. Leveraging the industry growth, Chola has improved market share across Product segments. Retail AUM of NBFCs is expected to grow at a healthy 12-14% in FY2024, after a strong rebound in FY2023.

Performance Highlights:

Rs in Cr.

Particulars	Q4 FY 22	Q4 FY 23	Growth (Y-o-Y)	FY 22	FY 23	Growth (Y-o-Y)
Disbursements	12,718	21,020	65%	35,490	66,532	87%
AUM	82,904	112,782	36%	82,904	112,782	36%
Total Income	2,632	3,794	44%	10,139	12,978	28%
Finance Cost	-1,071	-1,734	62%	-4,299	-5,749	34%
Net Income	1,561	2,060	32%	5,840	7,229	24%
Total Expenses	-649	-787	21%	-2,069	-2,780	34%
Loan Losses	17	-114	-770%	-880	-850	-3%
Profit Before Tax	929	1,159	25%	2,891	3,600	25%
Profit After Tax	690	853	24%	2,147	2,666	24%

- Aggregate disbursements in Q4 FY 24 were at ₹ 21,020 Cr as against ₹ 12,718 Cr in Q4 FY 22 with a growth of 65%. Disbursements for FY 22-23 were, at ₹ 66,532 Cr as against ₹ 35,490 Cr in the previous year, for a growth of 87% Y-on-Y.
- Vehicle Finance (VF) disbursements were at ₹ 12,190 Cr in Q4 FY 23 as against ₹ 8,785 Cr in Q4 FY22, registering a growth of 39%. Disbursements for FY 22-23, were at ₹ 39,699 Cr as against ₹ 25,439 Cr in the previous year, for a growth of 56% Y-o-Y.
- Loan Against Property (LAP) business disbursed ₹ 2,762 Cr in Q4 FY 23, as against ₹ 1,870 Cr in Q4 FY 22, with a growth rate of 48%. Disbursements for FY 22-23, were at ₹ 9,299 Cr as against ₹ 5,536 Cr in the previous year, for a growth of 68% Y-o-Y.
- Home Loan (Affordable HL and Affordable LAP) business disbursed ₹ 1,405 Cr in Q4 FY 23, as against ₹ 549 Cr in Q4 FY 22 registering a growth of 156%. Disbursements for FY 22-23, were at ₹ 3,830 Cr as against ₹ 1,896 Cr in the previous year, for a growth of 102% Y-o-Y.
- Small and Medium Enterprises Loan (SME) business disbursed ₹ 2,104 Cr in Q4 FY 23, registering 127% growth over ₹ 929 Cr in Q4 FY 22. Disbursements for FY 22-23, were at ₹ 6,388 Cr as against ₹ 1,926 Cr in the previous year, for a growth of 232% Y-o-Y.
- Consumer and Small Enterprise Loans (CSEL) disbursed ₹ 2,364 Cr and ₹ 6,865 Cr in Q4 and for FY 22-23.
- Secured Business and Personal Loan (SBPL) disbursed ₹ 196 Cr and ₹ 451 Cr in Q4 and for FY 22-23.
- Assets under management as of 31st Mar 2023, stood at ₹ 112,782 Cr as compared to ₹ 82,904 Cr as of 31st Mar 2022, for a growth of 36% Y-O-Y.
- PBT-ROA for Q4 FY 23 was at 4.4% and for FY 22-23 was at 3.8%.
- ROE for FY 22-23 was at 20.6 % as against 20.4% in the previous year.
- The Company continues to hold a strong liquidity position with ₹ 5,042 Cr as cash balance as of the end of March 2023 (including Rs 1500 cr / Rs 1600 cr invested in Gsec / TBill shown under investments), with a total liquidity position of ₹ 9,119 Cr (including undrawn sanctioned lines). The ALM is comfortable with no negative cumulative mismatches across all time buckets.
- Consolidated Profit Before Tax (PBT) for Q4 FY 23 was at ₹ 1,163 Cr as against ₹ 927 Cr in Q4 FY 22 and for FY 22-23 were at ₹ 3,615 Cr as against ₹ 2,902 Cr previous year, for a growth of 25%.

Dividend:

The Board of Directors of the company has recommended a final dividend of ₹ 0.70 per share (35%) on the equity shares of the company, subject to the approval of the members of the company at the ensuing Annual General Meeting. This is in addition to the interim dividend of ₹ 1.30 per share (65%) for the financial year 2022-23 declared by the company on 31st January 2023.

Asset Quality

Stage 3 levels have improved from 3.51% on Dec 22 to 3.01% on March 23. GNPA % as per RBI norms also has come down to 4.63% in March'23 as against 5.37% in Dec-22 and NNPA as per RBI norms has come down to 3.11% in March -23 against 3.76% in Dec-22.

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

Capital Adequacy:

The Capital Adequacy Ratio (CAR) of the company as on 31st March 2023, was at 17.13% as against the regulatory requirement of 15%. Tier-I Capital was at 14.78% and Tier-II Capital was at 2.35%.

Maiden Public NCD Issue:

Our maiden public issue of secured, rated, redeemable NCDs for which the prospectus was filed in Q4 of FY 23 amounting to Rs.1000 Cr was oversubscribed by 2.6 times within the first 3 days of issue. The category wise subscription details at the end of Day 3 are presented below:

Category	Issue size(crores)	Total	Oversubscription (C-B)	No of times
Institution	200	710.31	510.31	3.55x
Corporate	250	1311.3	1061.27	5.25x
HNI	250	257.85	7.85	1.03x
Retail	300	306.97	6.97	1.02x
Total	1000	2586.4	1586.4	2.59x

Annexure

Stage wise ECL Summary

Stage wise Summary - Mar 23

Rs in Cr

Particulars	Asset	ECL Model	Management Overlay	Total Provn	NNPA
	Rs in Cr	Rs in Cr	Rs in Cr	Rs in Cr	Rs in Cr
Stage 1A	99,641	431	-	431	99,210
Stage 1B	272	13	-	13	258
Total Stage 1	99,913	445	-	445	99,468
Stage 2A	2,483	225	-	225	2,258
Stage 2B	1,460	177	-	177	1,283
Total Stage 2	3,943	402	-	402	3,541
Stage 3	3,222	1,482	-	1,482	1,740
Total Stage 3	3,222	1,482	-	1,482	1,740
Total	107,077	2,329	-	2,329	104,748
NPA as per RBI (incl Sec)	4,953	1,672	-	1,672	3,281
NNPA RBI %					3.11%

Stage wise Summary - Dec 22

Rs in Cr

Particulars	Asset	ECL Model	Management Overlay	Total Provn	NNPA
	Rs in Cr	Rs in Cr	Rs in Cr	Rs in Cr	Rs in Cr
Stage 1A	87,602	442	-	442	87,160
Stage 1B	221	11	-	11	210
Total Stage 1	87,823	453	-	453	87,369
Stage 2A	3,145	301	-	301	2,844
Stage 2B	1,558	193	20	213	1,345
Total Stage 2	4,704	494	20	514	4,189
Stage 3	3,367	899	480	1,379	1,988
Total Stage 3	3,367	899	480	1,379	1,988
Total	95,893	1,847	500	2,347	93,546
NPA as per RBI (incl Sec)	5,146	1,103	500	1,603	3,542
NNPA RBI %					3.76%

Stage wise Summary - Mar 23

Particulars	Asset	ECL Model	Management Overlay	Total Provn	NNPA %
	%	PCR (%)	PCR (%)	PCR (%)	%
Stage 1A	93.06%	0.43%	0.00%	0.43%	92.65%
Stage 1B	0.25%	4.93%	0.00%	4.93%	0.24%
Total Stage 1	93.31%	0.45%	0.00%	0.45%	92.89%
Stage 2A	2.32%	9.07%	0.00%	9.07%	2.11%
Stage 2B	1.36%	12.13%	0.00%	12.13%	1.20%
Total Stage 2	3.68%	10.20%	0.00%	10.20%	3.31%
Stage 3	3.01%	46.00%	0.00%	46.00%	1.62%
Total Stage 3	3.01%	46.00%	0.00%	46.00%	1.62%
Total	100.00%	2.17%	0.00%	2.17%	97.83%
NPA as per RBI (incl Sec)	4.63%	33.77%	0.00%	33.77%	3.06%
NNPA RBI %					3.11%

Stage wise Summary - Dec 22

Particulars	Asset	ECL Model	Management Overlay	Total Provn	NNPA %
	%	PCR (%)	PCR (%)	PCR (%)	%
Stage 1A	91.35%	0.50%	0.00%	0.50%	90.89%
Stage 1B	0.23%	5.07%	0.00%	5.07%	0.22%
Total Stage 1	91.58%	0.52%	0.00%	0.52%	91.11%
Stage 2A	3.28%	9.58%	0.00%	9.58%	2.97%
Stage 2B	1.62%	12.40%	1.29%	13.68%	1.40%
Total Stage 2	4.91%	10.51%	0.43%	10.94%	4.37%
Stage 3	3.51%	26.71%	14.25%	40.96%	2.07%
Total Stage 3	3.51%	26.71%	14.25%	40.96%	2.07%
Total	100.00%	1.93%	0.52%	2.45%	97.55%
NPA as per RBI (incl Sec)	5.37%	21.44%	9.72%	31.16%	3.69%
NNPA RBI %					3.76%

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 RBI norms							
Particulars		Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Gross Assets Stage 1 & 2	Represents assets which had been an NPA in the past but yet to be normalised though it has moved to stage 1 currently - Hence an NPA as per RBI norms	65,083	68,254	73,135	78,461	84,498	92,526	103,856
Gross Assets Stage 3	Represents assets which continues to be a NPA as on the closing date - Hence an NPA as per RBI norms	4,271	4,244	3,343	3,408	3,375	3,367	3,222
Stage 3 Assets to Total Gross Assets Coverage Ratio (%) - Stage 3		6.16%	5.85%	4.37%	4.16%	3.84%	3.51%	3.01%
		36.45%	38.80%	39.67%	40.69%	41.48%	40.96%	46.00%

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 1191 branches across India with assets under management above INR 112782 Crores.

The mission of Chola is to enable customers enter a better life. Chola has a growing clientele of over 21 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

Founded in 1900, the INR 547 Billion (INR 54,722 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, Power Conversion Equipment, Transformers & Reactors for the Power T&D segment, Solutions for Railways in Rolling Stock & Signalling Equipment, 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, Rhodius, 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 59,000 employees.

For more details, visit <https://www.murugappa.com/>

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