

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>th</sup> June 2023**

**Key Financial Results (Q1 FY 23-24):**

- Disbursements at ₹ 20,015 Cr for the quarter (Up by 50%)
- Total AUM at ₹ 122,755 Cr (Up by 42% YoY)
- Net Income Margin up at ₹ 2,127 Cr for the quarter (Up 30% YoY)
- PBT at ₹ 968 Cr for the quarter (Up by 27%)

**Chennai, August 1<sup>st</sup>, 2023:** The Board of Directors of CIFCL today approved the unaudited financial results for the quarter ended 30<sup>th</sup> June 2023.

**Highlights:**

The NBFC Retail industry AUM growth is expected to be 18-20% in FY24. Secured NBFC Retail Loans consisting of VF and other secured business loans is forecasted to grow at 14-16%. Chola's growth momentum continues in Q1 FY24 across its diversified business segments.

**Performance Highlights:**

Particulars	<i>Rs in Cr.</i>		
	Q1 FY 23	Q1 FY 24	Growth (Y-o-Y)
<b>Disbursements</b>	<b>13,329</b>	<b>20,015</b>	<b>50%</b>
<b>AUM</b>	<b>86,703</b>	<b>1,22,755</b>	<b>42%</b>
Total Income	2,771	4,134	49%
Finance Cost	-1,131	-2,007	77%
<b>Net Income</b>	<b>1,640</b>	<b>2,127</b>	<b>30%</b>
Total Expenses	-580	-787	36%
Loan Losses	-299	-372	25%
<b>Profit Before Tax</b>	<b>762</b>	<b>968</b>	<b>27%</b>
<b>Profit After Tax</b>	<b>566</b>	<b>726</b>	<b>28%</b>

- Aggregate disbursements in Q1 FY 24 were at ₹ 20,015 Cr as against ₹ 13,329 Cr in Q1 FY 23 with a growth of 50%.

- Vehicle Finance (VF) disbursements were at ₹ 11,301 Cr in Q1 FY 24 as against ₹ 8,562 Cr in Q1 FY23, registering a growth of 32%.
- Loan Against Property (LAP) business disbursed ₹ 2,679 Cr in Q1 FY 24, as against ₹ 2,036 Cr in Q1 FY23, with a growth rate of 32%.
- Home Loan (Affordable HL and Affordable LAP) business disbursed ₹ 1,454 Cr in Q1 FY 24, as against ₹ 611 Cr in Q1 FY23 registering a growth of 138%.
- Small and Medium Enterprises Loan (SME) business disbursed ₹ 2,045 Cr in Q1 FY 24, registering 98% growth over ₹ 1030 Cr in Q1 FY23.
- Consumer and Small Enterprise Loans (CSEL) disbursed ₹ 2,355 Cr in Q1 FY 24, as against ₹ 1,055 Cr in Q1 FY23 registering a growth of 123%.
- Secured Business and Personal Loan (SBPL) disbursed ₹ 182 Cr in Q1 FY 24.
- Assets under management as of 30<sup>th</sup> June 2023, stood at ₹ 122,755 Cr as compared to ₹ 86,703 Cr as of 30<sup>th</sup> June 2022, for a growth of 42% Y-O-Y.
- PBT Growth is at 27% as compared to overall asset growth of 42%(YoY). This is primarily due to the fact the Cost of funds was lowest in Q1 of FY 23 and progressively increased over the subsequent quarters. Vehicle Finance book is a fixed rate book whereby repricing of the portfolio happens progressively, as the proportion of new book is replaced with higher yield book.
- PBT-ROA for Q1 FY 24 was at 3.3%.
- ROE for FY 22-23 was at 19.9%.
- The Company continues to hold a strong liquidity position with ₹ 7,069 Cr as cash balance as of the end of June 2023 (including ₹ 1,500 cr / ₹ 1,600 cr invested in Gsec / TBill shown under investments), with a total liquidity position of ₹ 9,479 Cr (including undrawn sanctioned lines). The ALM is comfortable with no negative cumulative mismatches across all time buckets.
- Consolidated Profit Before Tax (PBT) for Q1 FY 24 was at ₹ 956 Cr as against ₹ 764 Cr in Q1 FY 23, reporting a growth of 25%.

### **Asset Quality:**

Stage 3 levels have marginally increased to 3.06% in June 23 from 3.01% in March 23. GNPA % as per RBI norms has reduced to 4.30% in June'23 as against 4.63% in March-23 and NNPA as per RBI norms has also dropped to 2.82% in June -23 against 3.11% in March-23. NNPA is below the threshold of 6% prescribed by RBI as 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 on 30<sup>th</sup> June 2023, was at 17.44% as against the regulatory requirement of 15%. Tier-I Capital was at 15.14% and Tier-II Capital was at 2.30%.

### **Capital Issue – Qualified Institutional Placement**

The Board of Directors at their meeting held this afternoon have, subject to the approval of shareholders, approved a proposal for Capital raising by way of qualified institutional placements (equity issuance and/or compulsory convertible securities) at a price to be determined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. We are targeting to raise Rs 4000 crs by way of these instruments, subject to necessary approvals.

## Annexure

### Stage wise ECL Summary

#### 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
<b>Total Stage 1</b>	<b>1,08,126</b>	<b>477</b>	<b>1,07,649</b>
Stage 2A	2,859	263	2,596
Stage 2B	1,200	149	1,052
<b>Total Stage 2</b>	<b>4,059</b>	<b>412</b>	<b>3,648</b>
Stage 3	3,546	1,610	1,936
<b>Total Stage 3</b>	<b>3,546</b>	<b>1,610</b>	<b>1,936</b>
<b>Total</b>	<b>1,15,731</b>	<b>2,499</b>	<b>1,13,232</b>
<b>NPA as per RBI (incl Sec)</b>	<b>4,978</b>	<b>1,769</b>	<b>3,208</b>
<b>NNPA RBI %</b>			<b>2.82%</b>

#### Stage wise Summary - Mar 23

Particulars	Asset	ECL Provn	NNPA
	Rs in Cr	Rs in Cr	Rs in Cr
Stage 1A	99,641	431	99,210
Stage 1B	272	13	258
<b>Total Stage 1</b>	<b>99,913</b>	<b>445</b>	<b>99,468</b>
Stage 2A	2,483	225	2,258
Stage 2B	1,460	177	1,283
<b>Total Stage 2</b>	<b>3,943</b>	<b>402</b>	<b>3,541</b>
Stage 3	3,222	1,482	1,740
<b>Total Stage 3</b>	<b>3,222</b>	<b>1,482</b>	<b>1,740</b>
<b>Total</b>	<b>1,07,077</b>	<b>2,329</b>	<b>1,04,748</b>
<b>NPA as per RBI (incl Sec)</b>	<b>4,953</b>	<b>1,672</b>	<b>3,281</b>
<b>NNPA RBI %</b>			<b>3.11%</b>

#### Stage wise Summary - Jun 23

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

#### Stage wise Summary - Mar 23

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

#### 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

#### Rs in Cr.

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

## 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 1204 branches across India with assets under management above INR 122755 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](http://www.cholamandalam.com)

## About Murugappa Group

Founded in 1900, the INR 742 Billion (INR 74,220 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 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's businesses hold leadership positions 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's businesses serve customers across the length and breadth of India and in over 50 countries.

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 73,000 employees.

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

For further information contact:

Mohamed Chola Ph: +91 44 4090 7252	Vijay Shekhar Concept Public Relations M: +91 97890 52198
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