

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED
31st DECEMBER 2022

Total AUM crossed the milestone of ₹ 1 Lakh Crore Up by 31% Y-o-Y

Key Financial results (Q3 & YTD Dec 2022):

- Disbursements at ₹ 17,559 Cr for the quarter (Up by 68%) and ₹ 45,512 Cr for YTD Dec 2022 (Up by 100% YoY)
- Total AUM at ₹ 103,789 Cr (Up by 31% YoY)
- Net Income Margin up at ₹ 1,832 Cr for the quarter (Up 22% YoY) and ₹ 5,169 Cr for YTD Dec 2022 (Up 21% YoY)
- PAT at ₹ 684 Cr for the quarter (Up by 31%) and ₹ 1,813 Cr for YTD Dec 2022 (Up by 24% YoY)

Chennai, January 31, 2023: The Board of Directors of CIFCL today announced the unaudited financial results for the quarter and nine months ended 31st December 2022.

Highlights:

Chola has delivered best-ever disbursements, collections, and profitability in Q3 FY23. Chola has gained market share across product segments in Vehicle Finance and other business units. Sales of commercial vehicles are expected to come close to the pre-pandemic peak of over a million units in FY23 due to improved fleet utilizations, strong replacement demand and pick-up in road construction projects across the country. Despite high inflation and high interest rates, strong festive season sales and workforce returning to metro cities has helped drive growth. The housing market has also been very strong.

Performance Highlights:

Particulars	Q3 FY-22	Q3 FY-23	Growth (Y-o-Y)	Rs in Cr		Growth (Y-o-Y)
				YTD Dec 21	YTD Dec 22	
Disbursements	10,430	17,559	68%	22,772	45,512	100%
AUM	79,161	103,789	31%	79,161	103,789	31%
Total Income	2,547	3,375	32%	7,507	9,184	22%
Finance Cost	-1,046	-1,543	48%	-3,228	-4,015	24%
Net Income	1,501	1,832	22%	4,279	5,169	21%
Total Expenses	-532	-752	41%	-1,420	-1,993	40%
Loan Losses	-265	-159	-40%	-897	-736	-18%
Profit Before Tax	704	921	31%	1,962	2,441	24%
Profit After Tax	524	684	31%	1,457	1,813	24%

- Aggregate disbursements in Q3 FY 23 were at ₹ 17,559 Cr as against ₹ 10,430 Cr in Q3 FY 22 with a growth of 68%. Disbursements for YTD Dec 2022 were at ₹ 45,512 Cr as against ₹ 22,772 Cr in the previous year registering growth of 100% Y-on-Y.
- Vehicle Finance (VF) disbursements were at ₹ 10,446 Cr in Q3 FY 23 as against ₹ 7,647 Cr in Q3 FY22, registering a growth of 37%. Disbursements for YTD Dec 2022 were at ₹ 27,509 Cr as against ₹ 16,654 Cr in the previous year, for a growth of 65% Y-o-Y.
- Loan Against Property (LAP) disbursed ₹ 2,255 Cr in Q3 FY 23, as against ₹ 1,661 Cr in Q3 FY 22, a growth rate of 36%. Disbursements for YTD Dec 2022 were at ₹ 6,537 Cr as against ₹ 3,666 Cr in the previous year, for a growth of 78% Y-o-Y.
- Home Loan (Affordable HL and Affordable LAP) disbursed ₹ 1,072 Cr in Q3 FY 23, as against ₹ 539 Cr in Q3 FY 22 registering growth of 99%. Disbursements for YTD Dec 2022 were at ₹ 2,425 Cr as against ₹ 1,347 Cr in the previous year, resulting in a growth of 80% Y-o-Y.
- Small and Medium Enterprises Loans (SME) disbursed ₹ 1,782 Cr in Q3 FY 23, registering 273% growth over ₹ 478 Cr in Q3 FY 22. Disbursements for YTD Dec 2022 were at ₹ 4,284 Cr as against ₹ 997 Cr in the previous year, resulting in a growth of 330% Y-o-Y.
- Consumer and Small Enterprise Loans (CSEL) disbursed ₹ 1,868 Cr and ₹ 4,501 Cr in Q3 and and nine months ending in FY 23.
- Secured Business and Personal Loan (SBPL) disbursed ₹ 137 Cr and ₹ 255 Cr in Q3 and nine months ending in FY 23.
- Assets under management as of 31st Dec 2022 stood at ₹ 103,789 Cr as compared to ₹ 79,161 Cr as of 31st Dec 2021.
- PBT-ROA for Q3 FY 23 was at 3.8% and for YTD Dec 22 was at 3.6% which was at similar levels in YTD Dec 21.
- ROE for the YTD Dec 22 was at 19.1 % as against 18.9% in previous year.
- The Company continues to hold a strong liquidity position with ₹ 7,396 Cr as cash balance as at end of December 2022 (including Rs 1500 cr / Rs 1700 cr invested in Gsec / TBill shown under investments), with a total liquidity position of ₹ 10,104 Cr (including undrawn sanctioned lines). The ALM is comfortable with no negative cumulative mismatches across all time buckets.
- Consolidated Profit After Tax (PAT) for Q3 FY 23 was ₹ 685 Cr as against ₹ 528 Cr in Q3 FY 22 and for YTD Dec 22 was ₹ 1,810 Cr as against ₹ 1,467 Cr previous year with a growth of 23%.

Interim Dividend

The Board of Directors of the Company approved the payment of Interim dividend of 65% being ₹ 1.30 per share on the equity shares of the Company, for the year ending March 31, 2023.

Asset Quality

CIFCL asset quality as at end of December 2022, represented by Stage 3 assets stood at 3.51% with a provision coverage of 40.96%, as against 3.84% as at end of September 2022 with a provision coverage of 41.48%. The total provisions currently carried against the overall book is 2.45% as against the normal overall provision levels of 1.75% carried prior to the Covid-19 pandemic.

As per revised RBI norms GNPA% and NNPA% as of December 2022 is at 5.37% and 3.69% respectively. We carry ₹ 726 Cr higher provisions under INDAS over IRAC.

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 December 2022, was at 17.75% as against the regulatory requirement of 15%. Tier-I Capital was at 15.12%.

Annexure

Stage wise ECL Summary – Dec 22

Rs in Cr

Particulars	Asset	ECL Model	Management Overlay	Total Provn	NNPA	Total Provn
	Rs in Cr	Rs in Cr	Rs in Cr	Rs in Cr	Rs in Cr	PCR %
Stage 1A	87,602	442	-	442	87,160	0.50%
Stage 1B	221	11	-	11	210	5.07%
Total Stage 1	87,823	453	-	453	87,369	0.52%
Stage 2A	3,145	301	-	301	2,844	9.58%
Stage 2B	1,558	193	20	213	1,345	13.68%
Total Stage 2	4,704	494	20	514	4,189	10.94%
Stage 3	3,367	899	480	1,379	1,988	40.96%
Total Stage 3	3,367	899	480	1,379	1,988	40.96%
Total	95,893	1,847	500	2,347	93,546	2.45%
NPA as per RBI (incl Sec)	5,146	1,103	500	1,603	3,542	31.16%
NNPA RBI %					3.76%	

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 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

	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Gross Assets - Stage 1 & 2	65,083	68,254	73,135	78,461	84,498	92,526
Gross Assets - Stage 3	4,271	4,244	3,343	3,408	3,375	3,367
Stage 3 Assets to Total Gross Assets	6.16%	5.85%	4.37%	4.16%	3.84%	3.51%
Coverage ratio (%) - Stage 3	36.45%	38.80%	39.67%	40.69%	41.48%	40.96%

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 1166 branches across India with assets under management above INR 103789 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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