

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)**

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED**

**31<sup>st</sup> MARCH 2022**

**Key Financial results (Q4 & FY 21-22):**

- Disbursements at ₹ 12,718 Cr for the quarter (Up by 58%) and ₹ 35,490 Cr for FY 21-22 (Up by 36% YoY)
- Total AUM at ₹ 82,904 Cr (Up by 8% YoY)
- Net Income Margin up at ₹ 1,516 Cr for the quarter (Up 13% YoY) and ₹ 5,757 Cr for FY 21-22 (Up 16% YoY)
- PAT at ₹ 690 Cr for the quarter (Up 184% YoY) and ₹ 2,147 Cr for FY 21-22 (Up by 42% YoY)

**Chennai, May 05, 2022:** The Board of Directors of CIFCL today announced the audited financial results for the quarter and financial year ended 31<sup>st</sup> March 2022.

**Highlights:**

The impact of third wave on the Indian economy turned out to be muted than the previous two waves. Nationwide rapid vaccination coverage contributed to blunting the impact of Omicron and boosting consumer confidence and business optimism. The company had delivered its best-ever disbursements, collections, and profitability in Q4 FY22. The stellar performance was aided by strong signs of recovery in both Auto and Mortgage Industry. All major CV OEMs reported double digit growth in March'22 aided by pick up in infra projects, growth in logistics and e-commerce sector coupled with easing of finance option. Strong rebound in residential housing sales in the current quarter was aided by demand from consumers after deferral of home buying due to Covid19.

**Performance Highlights:**

Particulars	Rs in Cr					
	Q4 FY-21	Q4 FY-22	Growth (Y-o-Y)	YTD Mar 21	YTD Mar 22	Growth (Y-o-Y)
<b>Disbursements</b>	<b>8,071</b>	<b>12,718</b>	<b>58%</b>	<b>26,043</b>	<b>35,490</b>	<b>36%</b>
<b>AUM</b>	<b>76,518</b>	<b>82,904</b>	<b>8%</b>	<b>76,518</b>	<b>82,904</b>	<b>8%</b>
Total Income	2,478	2,632	6%	9,576	10,139	6%
Finance Cost	-1,120	-1,071	-4%	-4,576	-4,299	-6%
<b>Net Income Margin</b>	<b>1,358</b>	<b>1,561</b>	<b>15%</b>	<b>5,000</b>	<b>5,840</b>	<b>17%</b>
Total Expenses	-514	-649	26%	-1,583	-2,069	31%
Loan Losses	-520	17	-103%	-1,378	-880	-36%
<b>Profit Before Tax</b>	<b>324</b>	<b>929</b>	<b>187%</b>	<b>2,038</b>	<b>2,891</b>	<b>42%</b>
<b>Profit After Tax</b>	<b>243</b>	<b>690</b>	<b>184%</b>	<b>1,515</b>	<b>2,147</b>	<b>42%</b>

- Aggregate disbursements in Q4 FY 22 were at ₹ 12,718 Cr as against ₹ 8,071 Cr in Q4 FY 21 with a growth of 58%. Disbursements for FY 22 were at ₹ 35,490 Cr as against ₹ 26,043 Cr in the previous year registering the growth of 36% Y-on-Y.

- Vehicle Finance (VF) disbursements were at ₹ 8,785 Cr in Q4 FY 22 as against ₹ 6,153 Cr in Q4 FY21, growth of 43%. Disbursements for FY 22, were at ₹ 25,439 Cr as against ₹ 20,249 Cr in the previous year, reporting a growth of 26% Y-o-Y.
- Loan Against Property including Affordable LAP, business disbursed ₹ 1,978 Cr in Q4 FY 22, as against ₹ 1,191 Cr in Q4 FY 21, with a growth rate of 66%. The Disbursements for FY 22 were at ₹ 5,862 Cr as against ₹ 3,627 Cr in the previous year, registering a good growth rate of 62% Y-o-Y.
- Home Loan (HL) business disbursed ₹ 441 Cr in Q4 FY 22, as against ₹ 538 Cr in Q4 FY 21. The Disbursements for FY 22 were at ₹ 1,571 Cr as against ₹ 1,542 Cr in the previous year.
- New businesses Consumer and Small Enterprise Loans (CSEL), Secured Business and Personal Loans (SBPL) launched last year and along with Small and Medium Enterprises Loans business made disbursements of ₹ 1515 Cr in Q4 of FY 22 which is a growth of 702% and ₹ 2619 Cr in the full year, which is a growth of 319% YoY.
- Assets under management as of 31<sup>st</sup> March 2022, stood at ₹ 82,904 Cr as compared to ₹ 76,518 Cr as of 31<sup>st</sup> March 2021.
- Profits after Tax (PAT) for Q4 FY 22 were at ₹ 690 Cr compared to ₹ 243 Cr in Q4 FY 21, reporting a growth of 184%. PAT for FY 21-22, were at ₹ 2,147 Cr as against ₹ 1,515 Cr in the same period last year registering a growth of 42%.
- PBT-ROA for Q4 FY 22 was at 4.8% and for FY 21-22 was at 3.9% as against 1.8% and 3.0% respectively in the same period last year.
- ROE for Q4 FY 22 was at 24.6% as against 10.4% in previous year.
- The Company continues to hold a strong liquidity position with ₹ 5,341 Cr as cash balance as at end of March 2022 (including ₹ 1500 Cr invested in Gsec shown under investments), with a total liquidity position of ₹ 13,246 Cr (including undrawn sanctioned lines). The ALM is comfortable with no negative cumulative mismatches across all time buckets.

### **Dividend:**

The Board of Directors of the company has recommended a 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 2021-22 declared by the company on 1<sup>st</sup> February 2022.

### **Asset Quality**

#### **Adoption of RBI circular on revised NPA norms**

RBI had issued a circular in Nov 21 directing NBFC to adopt a tighter provisioning norm and accordingly, from 1<sup>st</sup> November 2021 onwards we have started tracking daily DPD and for agreements which crossed 90 DPD we continued to classify them as NPA until all dues towards principal and interest are collected in full. RBI had issued a clarificatory circular on February 15<sup>th</sup>, 2022, deferring the implementation date to September 30<sup>th</sup>, 2022. However, on a conservative note, we propose to early adopt these norms under IRAC.

The ECL model provisions this year is stress tested with the impact of Covid being built into the PD and LGD computations and hence the ECL model provisions across stages had increased over Dec-

21. Apart from this, we had also factored in a write-off of ₹ 190 Cr for long overdue accounts where further recovery is expected to be minimal. Towards these a part of the management overlay amounting to ₹ 336 crs was utilised and the Management overlay provisions carried in books as of Mar'22 stands at ₹ 500 Cr.

CIFCL asset quality as at end of March 2022, represented by Stage 3 assets stood at 4.37% with a provision coverage of 39.67%, as against 5.85% as at end of December 2021 with a provision coverage of 38.80%. The total provisions currently carried against the overall book is 3.04% as against the normal overall provision levels of 1.75% carried prior to the Covid-19 pandemic.

As per revised RBI norms (circular dated Nov 12<sup>th</sup>, 2021) GNPA% and NNPA% as of March 2022 is at 6.82% and 4.75% respectively. We carry ₹ 564 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 31<sup>st</sup> March 2022, was at 19.6% as against the regulatory requirement of 15%. Tier-I Capital was at 16.5%.

### **Subsidiaries' / Associate's / JV's Performance**

Revenue from Cholamandalam Securities Limited business for the year FY 22 is ₹ 40.12 Cr and from the Cholamandalam Home Finance Limited is ₹ 55 Cr. Net Revenues from two new investments, Payswiff Technologies Private Limited and Paytail Commerce Private Limited is ₹ 49.3 Cr and ₹ 1.5 Cr respectively for the FY 22.

**Annexure**
**Stage wise ECL Summary – Mar 22**

Particulars	Asset	ECL	Mgmt	Total	NNPA	Total
	Rs in Cr	Model	Overlay	Provn	Rs in Cr	Provn
		Rs in Cr	Rs in Cr	Rs in Cr	Rs in Cr	PCR %
Stage 1A	67,059	330	-	330	66,729	0.49%
Stage 1B	259	13	-	13	246	5.06%
<b>Total Stage 1</b>	<b>67,318</b>	<b>343</b>	<b>-</b>	<b>343</b>	<b>66,975</b>	<b>0.51%</b>
Stage 2A	4,207	417	-	417	3,791	9.90%
Stage 2B	1,610	198	45	243	1,367	15.09%
<b>Total Stage 2</b>	<b>5,817</b>	<b>615</b>	<b>45</b>	<b>660</b>	<b>5,158</b>	<b>11.34%</b>
Stage 3	3,266	809	455	1,265	2,001	38.72%
Stage 3 - Legal	77	62	-	62	15	79.95%
<b>Total Stage 3</b>	<b>3,343</b>	<b>871</b>	<b>455</b>	<b>1,326</b>	<b>2,017</b>	<b>39.67%</b>
<b>Total</b>	<b>76,478</b>	<b>1,829</b>	<b>500</b>	<b>2,329</b>	<b>74,149</b>	<b>3.04%</b>
<b>NPA as per RBI (incl Sec)</b>	<b>5,212</b>	<b>1,082</b>	<b>500</b>	<b>1,582</b>	<b>3,630</b>	<b>30.36%</b>
<b>NNPA RBI %</b>					<b>4.85%</b>	

Particulars	Asset	ECL	Mgmt	Total	NNPA
	%	Model	Overlay	Provn	Rs in Cr
		PCR (%)	PCR (%)	PCR (%)	%
Stage 1A	87.68%	0.49%	0.00%	0.49%	87.25%
Stage 1B	0.34%	5.06%	0.00%	5.06%	0.32%
<b>Total Stage 1</b>	<b>88.02%</b>	<b>0.51%</b>	<b>0.00%</b>	<b>0.51%</b>	<b>87.57%</b>
Stage 2A	5.50%	9.90%	0.00%	9.90%	4.96%
Stage 2B	2.11%	12.32%	2.77%	15.09%	1.79%
<b>Total Stage 2</b>	<b>7.61%</b>	<b>10.57%</b>	<b>0.77%</b>	<b>11.34%</b>	<b>6.74%</b>
Stage 3	4.27%	24.78%	13.94%	38.72%	2.62%
Stage 3 - Legal	0.10%	79.95%	0.00%	79.95%	0.02%
<b>Total Stage 3</b>	<b>4.37%</b>	<b>26.05%</b>	<b>13.62%</b>	<b>39.67%</b>	<b>2.64%</b>
<b>Total</b>	<b>100.00%</b>	<b>2.39%</b>	<b>0.65%</b>	<b>3.04%</b>	<b>96.96%</b>
<b>NPA as per RBI (incl Sec)</b>	<b>6.82%</b>	<b>20.76%</b>	<b>9.59%</b>	<b>30.36%</b>	<b>4.75%</b>
<b>NNPA RBI %</b>					<b>4.85%</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

	<b>Rs in Cr</b>				
	<b>Mar-21</b>	<b>Jun-21</b>	<b>Sep-21</b>	<b>Dec-21</b>	<b>Mar-22</b>
Gross Assets - Stage 3	2,705	4,545	4,271	4,244	3,343
Stage 3 Assets to Total Gross Assets	3.96%	6.79%	6.16%	5.85%	4.37%
ECL Provisions - Stage 3	1,197	1,614	1,557	1,647	1,326
<b>Coverage ratio (%) - Stage 3</b>	<b>44.27%</b>	<b>35.51%</b>	<b>36.45%</b>	<b>38.80%</b>	<b>39.67%</b>
Gross Assets - Stage 1&2	65,579	62,348	65,083	68,254	73,135
ECL Provisions - Stage 1 & 2	1,247	1,313	1,282	1,252	1,003
<b>Coverage ratio (%) - Stage 1&amp;2</b>	<b>1.90%</b>	<b>2.11%</b>	<b>1.97%</b>	<b>1.83%</b>	<b>1.37%</b>
<b>Total ECL Provision</b>	<b>2,444</b>	<b>2,926</b>	<b>2,839</b>	<b>2,899</b>	<b>2,329</b>
<b>Overall Provision Coverage</b>	<b>3.58%</b>	<b>4.37%</b>	<b>4.09%</b>	<b>4.00%</b>	<b>3.04%</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 1145 branches across India with assets under management above INR 82,904 Crores.

The mission of Chola is to enable customers enter a better life. Chola has a growing clientele of over 16 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 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 <https://www.murugappa.com>

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