






CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2019

Total AUM crossed ₹ 62,000 Crs and Up by 35%

Key Financial results (Q1 FY 19-20):

-  Disbursements up at ₹ 8,572 Cr for the quarter (Up by 22% YoY).
-  Total Income up at ₹ 2,030 Cr for the quarter (Up by 26% YoY).
-  PAT up at ₹ 314 Cr for the quarter (Up by 10% YoY).
-  Total AUM up at ₹ 62,827 Cr (Up by 35% YoY)
-  Gross Stage 3 Assets% reduced from 3.57% in Jun18 to 2.97% in Jun19

Chennai, July 30, 2019: The Board of Directors of CIFCL today approved the unaudited financial results for the quarter ended 30th June 2019.

Highlights:

Q1 FY 19-20 Performance:

The company has posted a strong performance in Q1FY20, despite the prevailing tough market conditions.

(Rs. In Cr)

Particulars	Q1 FY19	Q1 FY20	Growth (Y-o-Y)
Disbursements	7,014	8,572	22%
Vehicle Finance	5,715	6,940	21%
Home Equity	939	1,101	17%
Others	361	531	47%
Total Income	1,606	2,030	26%
Finance Cost	-795	-1,087	37%
Net Income Margin	811	943	16%
Total Expenses	-282	-350	24%
Loan Losses	-91	-110	21%
Profit before tax	439	483	10%

Disbursements grew by 22%  AUM grew by 35%  PAT grew by 10% 

#Year-on-year figures

Performance Highlights:

- Aggregate disbursements for the quarter ended June 19 were at ₹ 8,572 Cr as against ₹ 7,014 Cr in the previous year registering a growth of 22%.
- Vehicle Finance (VF) business has clocked a volume of ₹ 6,940 Cr for the quarter ended June 2019 as against ₹ 5,715 Cr in the previous year, reporting a growth of 21% Y-o-Y.
- Home Equity (HE) business disbursed ₹ 1,101 Cr as against ₹ 939 Cr for Q1 FY19, marking a growth of 17% Y-o-Y.
- AUM grew by 35% at ₹ 62,827 Cr as compared to ₹ 46,709 Cr in Q1 FY19.
- Vehicle Finance (VF) AUM grew by 28% at ₹ 42,977 Cr as compared to ₹ 33,542 Cr in Q1 FY19.
- Home Equity (HE) AUM grew by 17% at ₹ 12,119 Cr as compared to ₹ 10,374 Cr in Q1 FY19.
- Profits after Tax (PAT) for the quarter ended June 2019 were at ₹ 314 Cr as against ₹ 285 Cr last year registering a growth of 10%.
- The PBT-ROTA for Q1 FY20 is at 3.4% and ROE for Q1 FY 20 is at 20%
- Further, the Company has been carrying excess liquidity from the second quarter of last financial year and continued during the current quarter as well. The excess money as of Jun 19, was held in fixed deposits for Rs.4753 Cr and balance of Rs.591 Cr in cash and current account balances with banks. This resulted in a negative carry and had adversely affected the Net Income Margins.
- Our Branch presence increased to 999 Branches.

Asset Quality

Notwithstanding the tight market conditions, CIFCL continues to demonstrate strong asset quality and has been able to reduce the Stage 3 receivables from 3.57% in Jun'18 to 2.97% in Jun'19 (under IND AS) with a provision coverage of 36.2%. As per the traditional IGAAP approach too, the GNPA levels have reduced from 3.15% in Jun'18 to 2.62% in Jun'19 with a provision coverage of 46.8%.

Capital Adequacy:

The Capital Adequacy Ratio (CAR) of the company as on 30th June 2019, was at 17.16% as against the regulatory requirement of 15%.

Executive Director's Comments:

Commenting on the results, Arun Alagappan, Executive Director, stated "In Q1 of FY 20, we were able to clock a robust growth in AUM of over 30%. In the Vehicle Finance business, we are well aware of the prevailing market situation. The company having seen similar business cycles in the past, is well equipped to manage the same and continue our growth trajectory. The Home Equity and the Home Loan businesses are also clocking steady growth – the exit of other weaker players from the market has led to a higher customer retention and disbursement growth in these



businesses. For the year ahead, despite our continued strong performance across key indicators, we remain cautiously optimistic of our growth plans. We continue to exercise due diligence on opportunities, keeping in mind the turbulent markets.”

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 999 branches across India with assets under management above INR 62,000 Crores.

The mission of Chola is to enable customers enter a better life. Chola has a growing clientele of over 8 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 369 Billion (36,893 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal 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.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bioproducts and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), 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 50,000 employees. For more details, visit www.murugappa.com

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