






CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED

30th SEPTEMBER 2019

Total AUM crossed ₹ 64,000 Crs and Up 23%

Key Financial results (H1 FY 19-20):

-  Disbursements up at ₹ 15,954 Cr for the H1 FY 20 (Up 15% YoY).
-  Total Income up at ₹ 4,227 Cr for the H1 FY 20 (Up 29% YoY).
-  PBT up at ₹ 1,006 Cr for the H1 FY 20 (Up 12% YoY).
-  Total AUM up at ₹ 64,409 Cr (Up 23% YoY).
-  Gross Stage 3 Assets% reduced from 3.40% in Sep18 to 3.18% in Sep19

Chennai, November 5, 2019: The Board of Directors of CIFCL today approved the audited financial results for the quarter and half year ended 30th September 2019.

Highlights:

Q2 and H1 FY 19-20 Performance:

The company has posted a strong performance in Q2 and H1 FY20, despite the prevailing tough market conditions.

(Rs. In Cr)

Particulars	Q2 FY19	Q2 FY20	Growth (Y-o-Y)	YTD Sep 18	YTD Sep 19	Growth (Y-o-Y)
Disbursements	6,899	7,381	7%	13,913	15,954	15%
AUM	52,486	64,394	23%	52,486	64,394	23%
Total Income	1,675	2,197	31%	3,281	4,227	29%
Finance Cost	-857	-1,177	37%	-1,652	-2,264	37%
Net Income Margin	819	1,020	25%	1,630	1,963	20%
Total Expenses	-290	-402	38%	-572	-752	31%
Loan Losses	-69	-95	38%	-160	-205	28%
Profit before tax	460	523	14%	898	1,006	12%

Performance Highlights:

- Aggregate disbursements for half year were at ₹15,954 Cr against ₹13,913 Cr in the previous half year of FY 19, registering a growth of 15%. The disbursements for the quarter ended September 19 were at ₹ 7,381 Cr as against ₹ 6,899 Cr for the quarter ended September 18, registering a growth of 7%.
- Vehicle Finance (VF) business has clocked a volume of ₹ 12,736 Cr for the period ended September 2019 as against ₹ 11,323 Cr in the previous year, reporting a growth of 12%. The same numbers for the quarter ended September 19 were at ₹5,796 Cr as against ₹5609 Cr for the quarter ended September 18, registering the growth of 3%. The slow-down in VF disbursement can be explained by the stagnation in the industry volumes during this quarter.
- Home Equity (HE) business disbursed ₹ 2,165 Cr as against ₹ 1,849 Cr for period ended September 2018, marking a growth of 17% Y-o-Y. Disbursements for the quarter ended September 2019 were at ₹ 1,064 Cr as against ₹ 910 Cr for the quarter ended September 18 registering a growth of 17%.
- AUM grew by 23% at ₹ 64,409 Cr in H1 FY20 as compared to ₹ 52,486 Cr in H1 FY19.
- Vehicle Finance (VF) AUM grew by 24% to ₹ 43,901 Cr in H1 FY20 as against ₹ 35,507 Cr in H1 FY19.
- Home Equity (HE) AUM grew by 17% to ₹ 12,612 Cr in H1 FY20 as against ₹ 10,742 Cr in H1 FY19.
- Profits before Tax (PBT) for the half year ended September 2019 were at ₹ 1,006 Cr as against ₹ 898 Cr last year registering a growth of 12%. For the quarter ended September 19, the PBT was at ₹ 523 Cr as against ₹ 460 Cr for the quarter ended September 18, registering the growth of 14%.
- The PBT-ROTA for H1 FY20 is at 3.4% and ROE for H1 FY 20 is at 19%
- Our Branch presence increased to 1029 Branches in H1 FY20.

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 3.40% in Sep'18 to 3.18% in Sep'19 (under IND AS) with a provision coverage of 34.4%. As per the traditional IGAAP approach too, the GNPA levels have reduced from 2.95% in Sep'18 to 2.75% in Sep'19 with a provision coverage of 43.1%.

Capital Adequacy:

The Capital Adequacy Ratio (CAR) of the company as on 30th September 2019, was at 17.09% as against the regulatory requirement of 15%.

Changes in Tax Rates:

Pursuant to the Taxation Laws (Amendment) Ordinance 2019, promulgated on 20th September 2019, the Company intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from current financial year and accordingly has re-measured the current/deferred tax and the consequential effect has been fully recorded in the current period. Additional income tax expense of ₹ 80.21 Cr and ₹ 126.73 Cr has been recognized for the quarter and half year ended September 30,2019 respectively.

Executive Director's Comments:

Commenting on the results, Arun Alagappan, Executive Director, stated "In Q2 of FY 20, we were able to register a growth of 7% in our disbursements over Q2 of FY 19, in spite of the severe

slowdown in the market. The growth in AUM was over 20%. In Vehicle Finance, since there was slow down in commercial vehicle space, we increased our focus on the refinance and passenger vehicle segments to sustain our growth momentum. With recent government announcements as well as slew of festive season offers, we hope the volumes improve in the next few months. In the Home Equity and the Home Loan businesses we were able to deliver steady growth and we are positive on the business outlook for the rest of the year."

PRESS RELEASE

The Board of Cholamandalam appoints Mr. Arun Alagappan as the Managing Director of the Company

The Board of Directors of Cholamandalam Investment and Finance Company Limited (CIFCL) at their meeting held today approved the appointment of Mr. Arun Alagappan as the Managing Director of the Company for a period of five years effective 15th November 2019.

Mr Arun Alagappan, started his career with GE Capital Services India and after two years of stint there, joined the Murugappa Group in the year 1999. He had earlier served in the various businesses of the Murugappa Group viz., Parryware part of EID Parry India Limited, Tube Products of India and TI Cycles, both part of Tube Investments of India Limited before joining Cholamandalam Investment and Finance Company Limited as Executive Director on the 19th of August 2017. During his tenure the Assets Under Management of CIFCL grew from Rs.37,450 crores to Rs.64,000 crores and profit before tax grew from Rs.634 crores YTD Sep 2017 to Rs.1,006 crores YTD Sep 2019.



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 1029 branches across India with assets under management above INR 64,000 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

For further information contact:

Rajesh Radhakrishnan Chola Ph: +91 44 3000 7252	Vijay Shekhar Concept Public Relations M: +91 97890 52198
---	---