

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CHOLA)
Audited FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2017

Disbursements grew by 24%: PBT grew by 32% QoQ

Chennai, October 31 2017: The Board of Directors of Cholamandalam Investment and Finance Company Limited today approved its audited financial results for the half year ended and quarter ended 30th September 2017.

Highlights:

Rs in Cr.

Disbursements	Q2 FY 18	Q1 FY 18	Q2 FY 17	Growth YoY	Growth QoQ
Vehicle Finance	4,295	3,819	3,247	32.3%	12.5%
Home Equity	830	740	901	-7.9%	12.2%
Others	368	294	296	24.5%	25.1%
Total	5,492	4,853	4,444	23.6%	13.2%

The aggregate disbursements for the quarter were at ₹5,492 Cr as against ₹ 4,444 Cr in Q2 of FY17, registering a growth of 24%. The growth compared to Q1 was higher by 13%.

Vehicle Finance business disbursed Rs 4,295 Crs as against ₹ 3,247 Cr. in Q2 of FY17 clocking a growth of 32% YoY. This was achieved through strong growth in Heavy and Mini Light Commercial Vehicle (MLCV) Volumes, and Used Vehicles. Growth over Q1 was 12.5%

Home Equity disbursements clocked a growth of 12% over Q1 of FY 18, reflecting the growth coming back in this sector post the de-monetisation slow-down.

Assets under management grew by 13% at Rs 37450 Crores compared to corresponding period of the last financial year, which stood at Rs 33180 Crores

Financial Performance





Rs in Cr.

Particulars	Q2	Q1	Q2	Growth (YoY)	Growth (QoQ)
	FY 18	FY 18	FY 17		
Total Income	1,295.97	1,234.86	1,162.64	11.5%	4.9%
PAT	227.25	206.58	170.94	32.9%	10.0%
EPS - In Rs	14.5	13.2	10.9	32.9%	10.0%
Net Income Margin*	9.6%	9.5%	8.4%	14.3%	0.9%
ROTA - PBT*	4.5%	4.4%	3.7%	20.9%	2.3%
ROE - In %	19.7%	18.9%	17.3%		

* As % of Average Assets

provisioning norms for Q2 FY18 is at 3 months overdue basis and for Q2 FY17 is at 4 months overdue basis

Highlights: Y-o-Y

- PBT grew by 32% 
- Total Income up by 11% 
- NIM improved to 9.6% 
- ROTA – PBT grew by 21% 

Net Income Margin (NIM) for the quarter was 9.6% higher than the NIM of 8.4% in Q2 of FY 17 and the NIM of 9.5% was recorded in Q1 FY 18. The growth in NIM is due to better product-mix and lower cost of borrowings. The PBT-ROTA for Q2 FY18 improved to 4.5% as against 3.7% in Q2 FY17.

Divisional Performance

Vehicle Finance: (VF)

Particulars	Rs in Cr.				
	Q2 FY 18	Q1 FY 18	Q2 FY 17	Growth (YoY)	Growth (QoQ)
Net Income Margin	554.76	526.74	432.46	28.3%	5.3%
PBT	242.59	209.79	161.89	49.8%	15.6%
ROTA - PBT*	3.8%	3.5%	3.0%	26.7%	11.0%

* As % of Average Assets

provisioning norms for Q2 FY18 is at 3 months overdue basis and for Q2 FY17 is at 4 months overdue basis

Highlights: Y-o-Y

- NIM improved by 28% ↑
- PBT grew by 50% ↑
- ROTA – PBT (%) grew by 27% ↑

The division has recorded a PBT of Rs. 242.59 Cr. for the quarter as against the Rs 161.89 Cr in Q2 of FY 17 registering a growth of 49.8%. As compared to Q1 of FY 18 also the division recorded a growth of 15.6%.

Home Equity (HE):

Particulars	Rs in Cr.				
	Q2 FY 18	Q1 FY 18	Q2 FY 17	Growth (YoY)	Growth (QoQ)
Net Income Margin	107.44	103.89	105.23	2.1%	3.4%
PBT	62.17	59.43	48.82	27.3%	4.6%
ROTA - PBT*	2.6%	2.5%	2.1%	24.7%	2.7%

* As % of Average Assets

provisioning norms for Q2 FY18 is at 3 months overdue basis and for Q2 FY17 is at 4 months overdue basis

Highlights: Y-o-Y

- PBT grew by 27% ↑
- ROTA – PBT (%) grew by 25% ↑

The division has reported a PBT of Rs.62.17 Cr. for the quarter as against the Rs 48.82 Cr in Q2 of FY 17 recording a growth of 27.3%. As compared to Q1 of FY 18 also the PBT grew by 5%

GNPA, NNPA and Provision Coverage

The GNPA, NNPA and Provision coverage levels have improved consistently over the quarters in VF. In Home Equity, the increasing trend of GNPA has been reversed this quarter. CIFCL recognizes GNPA on 3 months overdue basis (as against current RBI norms of recognition on 4 months overdue basis). The details given below reflect the same basis (at 3 months basis) for all the past quarters also.

Particulars	VF			HE			Overall		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR	GNPA	NNPA	PCR
Mar-17	4.18%	2.82%	32.72%	5.77%	4.04%	30.00%	4.66%	3.19%	31.64%
Jun-17	4.17%	2.74%	34.32%	6.03%	4.17%	30.76%	4.73%	3.17%	33.08%
Sep-17	3.78%	2.43%	35.61%	5.98%	3.97%	33.70%	4.46%	2.89%	35.08%

Capital Adequacy:

The Capital Adequacy Ratio (CAR) of the company as on 30th September 2017, was at 19.29% (Tier I – 13.98% and Tier II -5.31%) as against the regulatory requirement of 15%.

Others:

The company's rating for long term debt has been upgraded from AA to AA+ by India Ratings and CARE Ratings in the current quarter.

Subsidiaries Performance:

The subsidiaries Cholamandalam Securities Limited (CSEC), Cholamandalam Distribution Services Limited (CDSL) and White Data System India Private Limited (WDSI) together made a profit before tax of ₹ 1.16 Cr in Q2 FY18, as against ₹ 2.17 Cr in the same quarter last year. On a half year basis, the subsidiaries made a profit before tax of ₹ 2.19 Cr, as against Rs. 4.21 Cr in H1 FY17. The drop in profits of the subsidiaries is on account of expected losses in the startup business of WDSI during initial years of growth.

Consolidated Results:

The consolidated profit after tax for Q2 FY18 is ₹ 228.17 Cr. as against ₹ 167.68 Cr. in Q2 of FY17, registering a growth of 36%.

About Chola:

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 725 branches across India with assets under management above INR 35,000 Crores. The subsidiaries of Chola are Cholamandalam Securities Limited (CSEC), Cholamandalam Distribution Services Limited (CDSL) and White Data Systems India Private Limited (WDSI).

The vision 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 300 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including eight listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal 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, Bio-products 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 32,000 employees. For more details, visit www.murugappa.com