

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% YoY

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%		

Highlights: Y-o-Y

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

* 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

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)

Rs in Cr.

Particulars	Q2	Q1	Q2	Growth (YoY)	Growth (QoQ)
	FY 18	FY 18	FY 17		
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):

Rs in Cr.

Particulars	Q2	Q1	Q2	Growth (YoY)	Growth (QoQ)
	FY 18	FY 18	FY 17		
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%.