

May 5, 2022

The Secretary
National Stock Exchange of India Limited
Capital Market – Listing,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

The Secretary
BSE Ltd.
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001

NSE SCRIP CODE: CHOLAFIN EQ

BSE SCRIP CODE: 511243

Dear Sirs,

Sub: Declaration in respect of unmodified opinion on Audited Financial Statements for the Financial Year ended 31st March, 2022

In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare and confirm that the joint statutory auditors, M/s. Price Waterhouse LLP and M/s. Sundaram & Srinivasan, Chartered Accountants have issued an unmodified audit report on Standalone and Consolidated Financial Results of the Company for the financial year ended 31st March, 2022.

Kindly take this communication on record.

Yours faithfully
For Cholamandalam Investment and Finance Company Limited



P. Sujatha
Company Secretary

Cholamandalam Investment and Finance Company Ltd.

Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India.

Tel : +91 44 40907172 / Fax : +91 44 25346464

Website : www.cholamandalam.com

CIN - L65993TN1978PLC007576

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
CIN - L65993TN1978PLC007576
Registered Office : DARE HOUSE, 2, NSC Bose Road, Chennai - 600 001.

Ratios disclosed pursuant to regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Particulars	Quarter ended			Year ended	
	31.03.2022 Un -Audited	31.12.2021 Un-audited	31.03.2021 Audited	31.03.2022 Un-Audited	31.03.2021 Audited
Debt Equity Ratio	5.91	5.94	6.67	5.91	6.67
Total Debts to Total Assets	0.84	0.84	0.85	0.84	0.85
Net profit Margin (%)	26.7%	20.7%	9.9%	21.4%	15.9%
Sector Specific Ratios					
Capital Adequacy ratio	19.6%	19.8%	19.1%	19.6%	19.1%
<u>As per Ind AS</u>					
Gross Stage 3 %	4.4%	5.9%	4.0%	4.4%	4.0%
Net Stage 3 %	2.7%	3.7%	2.2%	2.7%	2.2%
Provision Coverage Ratio	39.7%	38.8%	44.3%	39.7%	44.3%
<u>As per RBI asset classification norms</u>					
Gross NPA (%)	6.8%	8.5%	4.0%	6.8%	4.0%
Net NPA (%)	4.8%	5.8%	2.2%	4.8%	2.2%
Provision Coverage Ratio	30.4%	34.4%	44.3%	30.4%	44.3%

Note

1. The following ratios are not applicable to the Company as it is an NBFC:

Current ratio, Current liability ratio, Debt service coverage ratio, Interest service Coverage ratio, Long-term debt to working capital ratio, Bad debts to Account receivables ratio, Debtors turnover, Inventory turnover

2. Debenture redemption reserve is not applicable to the Company

3. Formulae for computation of ratios

Debt = Debt Securities + Borrowing other than Debt securities + subordinated liabilities

Equity = Equity share capital + other equity

a) Debt Equity ratio = Debt/Equity

b) Total Debts / Total Assets = Debt / Balance sheet total assets

c) Net profit Margin (%) = Profit for the period / Revenue from operations

d) Gross stage 3% = Gross stage 3 loans / Gross loans

e) Net stage 3 % = Net stage 3 loans / (Gross loans - Impairment allowance of Stage 3 loans)

f) Provision coverage ratio = Impairment allowance of Stage 3 loans / Gross stage 3 loans

g) . GNPA % = Gross NPA / Gross loans and Net NPA% = Net NPA/(Gross loans - provision for GNPA).

h) GNPA as per RBI asset classification norms for the periods ending December 31,2021 and March 31 , 2022 is computed in line with RBI circular dated November 12,2021. GNPA for other periods and Gross stage 3 as per Ind AS is based on overdue status of loans as on the reporting dates.



CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED

31st 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 31st 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)
Disbursements	8,071	12,718	58%	26,043	35,490	36%
AUM	76,518	82,904	8%	76,518	82,904	8%
Total Income	2,478	2,632	6%	9,576	10,139	6%
Finance Cost	-1,120	-1,071	-4%	-4,576	-4,299	-6%
Net Income Margin	1,358	1,561	15%	5,000	5,840	17%
Total Expenses	-514	-649	26%	-1,583	-2,069	31%
Loan Losses	-520	17	-103%	-1,378	-880	-36%
Profit Before Tax	324	929	187%	2,038	2,891	42%
Profit After Tax	243	690	184%	1,515	2,147	42%

- 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 disbursals 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 31st March 2022, stood at ₹ 82,904 Cr as compared to ₹ 76,518 Cr as of 31st 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 1st 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 1st 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 15th, 2022, deferring the implementation date to September 30th, 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 12th, 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 31st 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 Model	Mgmt Overlay	Total Provn	NNPA	Total Provn
	Rs in Cr	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%
Total Stage 1	67,318	343	-	343	66,975	0.51%
Stage 2A	4,207	417	-	417	3,791	9.90%
Stage 2B	1,610	198	45	243	1,367	15.09%
Total Stage 2	5,817	615	45	660	5,158	11.34%
Stage 3	3,266	809	455	1,265	2,001	38.72%
Stage 3 - Legal	77	62	-	62	15	79.95%
Total Stage 3	3,343	871	455	1,326	2,017	39.67%
Total	76,478	1,829	500	2,329	74,149	3.04%
NPA as per RBI (incl Sec)	5,212	1,082	500	1,582	3,630	30.36%
NNPA RBI %					4.85%	

Particulars	Asset	ECL Model	Mgmt Overlay	Total Provn	NNPA
	%	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%
Total Stage 1	88.02%	0.51%	0.00%	0.51%	87.57%
Stage 2A	5.50%	9.90%	0.00%	9.90%	4.96%
Stage 2B	2.11%	12.32%	2.77%	15.09%	1.79%
Total Stage 2	7.61%	10.57%	0.77%	11.34%	6.74%
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%
Total Stage 3	4.37%	26.05%	13.62%	39.67%	2.64%
Total	100.00%	2.39%	0.65%	3.04%	96.96%
NPA as per RBI (incl Sec)	6.82%	20.76%	9.59%	30.36%	4.75%
NNPA RBI %					4.85%

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

Rs in Cr

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
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
Coverage ratio (%) - Stage 3	44.27%	35.51%	36.45%	38.80%	39.67%
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
Coverage ratio (%) - Stage 1&2	1.90%	2.11%	1.97%	1.83%	1.37%
Total ECL Provision	2,444	2,926	2,839	2,899	2,329
Overall Provision Coverage	3.58%	4.37%	4.09%	4.00%	3.04%