

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CHOLA)
ANNOUNCES AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2016**

Results at a glance

- Profit after tax for Q4 FY16 at ₹ 192 Cr, growth of 42% on a Q-on-Q basis. For the full year, profit after tax at ₹ 568 Cr, 31% higher than PAT of FY15
- Q4 FY16 profit before tax is ₹ 296 Cr, a growth of 46% on a Q-on-Q basis. For the full year, profit before tax is ₹ 871 Cr, 32% higher than PBT of FY15
- We have accelerated provisioning to 4 months' overdue and accelerated standard asset provisioning to 0.40%, ahead of the RBI's mandate. Also a one-time provision of Rs 55 Cr created as Standard Assets provision on a prudent basis to cover the revised asset classification norms required to be complied by March 2018
- Decline in Gross / Net NPAs (on 4 months' overdue basis) from 4.3% in Dec-15 to 3.5% in Mar-16.
- 24% YOY growth in Net Income Margin (NIM). NIM is 9.4 % for Q4 FY16 and 8.7 % for the full year
- Healthy growth in closing assets of 17% on a Q-on-Q and Y-on-Y basis
- Disbursements grew by 28% in FY 16 on Y-o-Y basis.
- Final Dividend recommended – 20%

Performance Highlights

Particulars	Q4 FY 16	Q4 FY 15	QoQ Growth (%)	FY 16	FY 15	YoY Growth (%)
Net Income Margin (Rs. In Cr.)	603.42	451.89	34% ↑	2,142.93	1,730.80	24% ↑
Net Income Margin (as % of assets)	9.4	8.0		8.7	7.9	
Total Expenses (as % of assets)	-3.2	-3.4		-3.4	-3.4	
Net Credit Losses (as % of assets)	-1.5*	-1.0		-1.5*	-1.5	
PBT (Rs. In Cr.)	296.17	203.38	46% ↑	870.77	657.22	32% ↑
PBT (as % of assets)	4.6	3.6		3.6	3.0	
PAT (Rs. In Cr.)	192.04	135.65	42% ↑	568.46	435.16	31% ↑
EPS - in Rs.	12.30	9.34	32% ↑	37.50	30.09	25% ↑
ROE - in %	21.5	17.6		16.7	15.8	

*includes additional provision of ₹ 55 Cr.



We disbursed ₹ 3,760 Cr in Q4 FY 16 in our Vehicle Finance business as against ₹ 2,564 Cr in Q4 FY15. With favourable revival of CV market coupled with our focussed approach and strengthening dealership networks, the VF division registered a disbursement growth of 32% on Y-o-Y basis and 47% as compared to the same quarter in the previous year. However, Home Equity disbursement grew by 16%, from ₹ 857 Cr in Q4 FY15 to ₹ 994 Cr in Q4 FY16 and grew by 14% on Y-o-Y basis. Chola's aggregate disbursements for the quarter were ₹ 4,941 Cr. as against ₹ 3,509 Cr. in Q4 of FY15.

Chola's Net Income Margin (NIM) was 9.4% for the quarter, compared to 8.0% in the same quarter last year. The NIM was strengthened by a healthy increase in interest income, reduction in cost of funds and substantial increase in Fee & Other Income. The NIM for FY16 was 8.7%, compared to 7.9% in FY15.

Chola has maintained expense to asset ratio at last year level due to increased productivity, inspite of increase in the asset book. It is at 3.4% for FY16 and 3.2% for Q4 of FY16.

Collections performance improved through the quarter resulting in roll-forward rates in all buckets dropping consistently and an improved GNPA position. The GNPA is 3.53% (at 4 months' overdue) and NNPA is 2.13%.

Company has created an additional standard asset provision for Rs 54.80 Cr towards provisioning for 3 months overdue, to the extent, to be complied by March 2018 as per RBI guidelines.

Chola's PBT-ROTA for FY16 improved to 3.6% as against 3.0% in FY15 after absorbing the above additional provision. While, the PAT-ROTA for FY 16 is at 2.3% as against 2.0% in FY15.

Capital Adequacy:

The capital adequacy ratio (CAR) of the company was at 19.68% as against the regulatory requirement of 15%.

Dividend:

The Board of Directors of Chola has recommended a Final Dividend on Equity shares at the rate of 20% being ₹ 2.00 per equity share of ₹10 each. Along with the Interim Dividend of 25% already paid in Feb 2016, the Total Equity Dividend paid for the year by the company will be at 45%.

Subsidiaries Performance:

The subsidiaries Cholamandalam Securities Limited (CSEC) and Cholamandalam Distribution Services Limited (CDSL) together made a profit before tax of ₹ 2.61 Cr in Q4, as against ₹ 1.27 Cr in the same quarter last year. On a full year basis, the subsidiaries made a PBT of ₹ 8.75 Cr. as against ₹ 9 Cr. in FY15. In Q4 of FY16, the Company has invested ₹ 8 Cr in White Data System India Private Limited (WDSI), thereby acquired a stake of 63%. WDSI has reported a net loss ₹ 0.54 Cr in its first year of operation, of which Chola's share is ₹ 0.06 Cr for the reporting period.

Consolidated Results:

The consolidated profit after tax for Q4 is ₹ 194 Cr. as against ₹ 137 Cr. in Q4 of FY15, registering a growth of 30%.



About Cholamandalam Investment and Finance Company Limited

Cholamandalam Investment and Finance Company Limited, 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 over 534 branches across India with assets under management above INR 30,000 Crores. The subsidiaries of Cholamandalam include Cholamandalam Securities Limited (CSEC) and Cholamandalam Distribution Services Limited (CDSL).

The vision of Chola is to enable customers enter a better life. Chola has a growing clientele of over 7.5 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, visit www.cholamandalam.com

About Murugappa Group

Founded in 1900, the INR 269 Billion 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 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., Parry Sugar 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, 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

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A presentation for investors is being separately placed on our website: www.cholamandalam.com