

January 27, 2015

NSE / BSE  
NSDL / CDSL / NSE - WDM / BSE – F Class

Dear Sirs,

**Sub: Intimation on the outcome of the Board Meeting dated 27<sup>th</sup> January 2015**

Kindly refer our letters dated 5<sup>th</sup> January 2015 and 20<sup>th</sup> January 2015, intimating you of the convening of the meeting of the Board of Directors and consideration of payment of interim dividend, respectively.

In this regard, we wish to inform you that the Board of Directors at their meeting held today have approved the following:

**1. Unaudited financial results:**

- A copy of the unaudited financial results as approved by the Board along with a copy of the Limited Review Report from the statutory auditors, M/s. Deloitte Haskins & Sells, Chennai for the quarter ended 31<sup>st</sup> December 2014. The results are also being published in the newspapers as per the listing agreement.
- A copy of the press release with regard to the above financial results being released for publication.

**2. Payment of Interim Dividend:**

Payment of an interim dividend out of profits of the Company for the period ended 31<sup>st</sup> December 2014 on–

- **Compulsorily Convertible Preference Shares (CCPS)** of Rs.100/- each at the rate of 1% per annum paid proportionately for the period commencing from 3<sup>rd</sup> September, 2014, being the date of allotment till 31<sup>st</sup> March 2015
- **Equity shares** at the rate of 25% being Rs.2.50 per equity share of Rs.10/- each.

The interim dividend shall be paid to those shareholders whose names appear in the register of members as on 6<sup>th</sup> February 2015 being the Record Date fixed for this purpose in respect of shares held in physical form and in case of shares held in dematerialised form, as per the details to be furnished by the depositories for this purpose as on the Record Date.

**3. Changes in the constitution of the Board:**

- Appointment of Mr. M M Murugappan residing at 'Coromandel House', 14, Boat Club Road, Chennai 600 028 as an additional director of the Company.
- Resignation of Mr. L Ramkumar as a director of the Company

The above changes are with immediate effect.

*Cond...2*

**Cholamandalam Investment and Finance Company Ltd.**

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

Tel : 91.44.30007172 / Fax : 91.44.25346464

Website : [www.cholamandalam.com](http://www.cholamandalam.com)

CIN – L65993TN1978PLC007576

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**4. Issue of Non-convertible Debentures:**

- Issue of 75,000 secured Redeemable, Non-Convertible Debentures of a face value of Rs.10 lakhs each at par aggregating to Rs.7,500 crores in one or more tranches on private placement basis.
- Issue of 6,000 unsecured Redeemable, Non-Convertible Debentures in the nature of subordinated debt of a face value of Rs.10 lakhs each at par aggregating to Rs.600 crores in one or more series on private placement basis and
- Issue of 1,000 unsecured Redeemable, Non-Convertible Debentures in the nature of perpetual debt of a face value of Rs.10 lacs each at par aggregating to Rs.100 crores in one or more series on private placement basis.

Kindly take the above information on record and acknowledge receipt.

Thanking you,

Yours faithfully,  
For Cholamandalam Investment and Finance Company Limited

  
P Sujatha  
Company Secretary

Encl.: As above

**INDEPENDENT AUDITORS' REVIEW REPORT  
TO THE BOARD OF DIRECTORS OF  
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") and Standalone Unaudited Financial Results of the Company for the Quarter and Nine Months ended 31 December 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The Statement includes the results of the following entities:


Company Name	Relationship
Cholamandalam Investment and Finance Company Limited	Company
Cholamandalam Distribution Services Limited	Subsidiary
Cholamandalam Securities Limited	Subsidiary

3. We did not review the interim financial results of two subsidiaries included in the consolidated financial results, whose interim financial results reflect total revenue of Rs. 566.48 lakhs and Rs. 1,872.38 Lakhs for the Quarter and Nine Months ended 31 December 2014, and total profit after tax of Rs.150.02 lakhs and Rs. 804.96 Lakhs for the Quarter and Nine Months ended 31 December 2014, as considered in the consolidated financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on the report of the other auditors.



4. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter ended 31 December 2014 of the Statement, from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**Geetha Suryanarayanan**  
Partner  
(Membership No. 29519)

CHENNAI, 27 January 2015



CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED  
CIN - 165993TN1978PLC007576  
Registered Office : DARE HOUSE, 2, NSC Bose Road, Chennai - 600 001.  
Statement of Standalone and Consolidated Unaudited Financial Results for the Quarter  
and Nine months ended December 31, 2014

Part I - Financial Information													₹ Lakhs
Particulars	Standalone						Consolidated						
	Unaudited			Audited			Unaudited			Audited			
	Three months ended 31.12.2014	Preceding three months ended 30.09.2014	Corresponding three months ended 31.12.2013 in Previous Year	Nine months ended 31.12.2014	Nine months ended 31.12.2013 in Previous Year	Previous Year ended 31.03.2014	Three months ended 31.12.2014	Preceding three months ended 30.09.2014	Corresponding three months ended 31.12.2013 in Previous Year	Nine months ended 31.12.2014	Nine months ended 31.12.2013 in Previous Year	Previous Year ended 31.03.2014	
	1	2	3	4	5	6	7	8	9	10	11	12	
1. a) Income from operations	95,819	91,027	83,836	272,843	239,267	323,163	96,384	91,695	84,246	274,677	240,496	324,899	
b) Other operating income	641	867	595	2,426	2,201	3,015	645	871	600	2,436	2,215	3,032	
2. Expenditure													
a) Interest (Financing Charges)	49,976	49,895	47,005	147,429	131,681	177,109	49,909	49,831	46,943	147,239	131,540	176,937	
b) Employees benefits expense	6,052	5,510	5,138	16,360	14,376	18,750	6,257	5,734	5,313	16,985	14,867	19,412	
c) Business origination outsourcing	4,228	4,953	5,196	14,093	14,212	19,732	4,317	5,059	5,286	14,378	14,456	20,063	
d) Other operating expenses	8,604	7,831	5,611	23,288	18,496	24,977	8,714	7,920	5,721	23,582	18,800	25,373	
e) Depreciation and amortisation expense (Refer note 4 in Part III)	770	688	541	2,105	1,550	2,363	781	705	564	2,154	1,633	2,464	
f) Provisions and loan losses	9,972	8,633	6,991	26,661	19,912	28,333	9,971	8,639	6,989	26,667	19,916	28,336	
g) Total	79,502	77,510	70,482	229,936	200,227	271,264	79,949	77,888	70,816	231,005	201,212	272,587	
3. Profit from Operations before Other Income & Exceptional Items (1-2)	16,858	14,384	13,949	45,333	41,241	54,914	17,080	14,678	14,030	46,108	41,499	55,344	
4. Other income	11	28	7	51	21	106	7	34	16	50	27	104	
5. Profit before Exceptional Items (3+4)	16,869	14,412	13,956	45,384	41,262	55,020	17,087	14,712	14,046	46,158	41,526	55,448	
6. Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-	
7. Profit from Ordinary Activities before Tax (5+6)	16,869	14,412	13,956	45,384	41,262	55,020	17,087	14,712	14,046	46,158	41,526	55,448	
8. Tax expense (including deferred tax)	5,740	4,899	4,740	15,432	13,934	18,619	5,808	4,799	4,740	15,401	13,934	18,620	
9. Net Profit from Ordinary Activities after Tax (7-8)	11,129	9,513	9,216	29,952	27,328	36,401	11,279	9,913	9,306	30,757	27,592	36,828	
10. Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-	-	-	-	-	-	
11. Net Profit for the Period (9-10)	11,129	9,513	9,216	29,952	27,328	36,401	11,279	9,913	9,306	30,757	27,592	36,828	
12. Paid-up equity share capital (Rs.10/- per share)	14,368	14,362	14,322	14,368	14,322	14,326	14,368	14,362	14,322	14,368	14,322	14,326	
13. Reserves excluding revaluation reserves	-	-	-	-	-	215,144	-	-	-	-	-	214,350	
14. Earnings per Share (EPS) - not annualised- before and after extraordinary Items (in Rs.)													
a) Basic	7.65	6.63	6.44	20.75	19.09	25.43	7.75	6.91	6.50	21.31	19.28	25.73	
b) Diluted	7.57	6.62	6.43	20.63	19.06	25.38	7.67	6.89	6.49	21.19	19.24	25.68	



Part II - Select Information for the three months and nine months ended December 31, 2014

Particulars	Standalone						Consolidated					
	Three months ended 31.12.2014	Preceding three months ended 30.09.2014	Corresponding three months ended 31.12.2013 in Previous Year	Nine months ended 31.12.2014	Nine months ended 31.12.2013 in Previous Year	Previous Year ended 31.03.2014	Three months ended 31.12.2014	Preceding three months ended 30.09.2014	Corresponding three months ended 31.12.2013 in Previous Year	Nine months ended 31.12.2014	Nine months ended 31.12.2013 in Previous Year	Previous Year ended 31.03.2014
	1	2	3	4	5	6	7	8	9	10	11	12
<b>A. Particulars of Shareholding</b>												
1. Public Shareholding												
- Number of shares	60,804,808	60,748,468	60,353,349	60,804,808	60,353,349	60,383,966	60,804,808	60,748,468	60,353,349	60,804,808	60,353,349	60,383,966
- Percentage of shareholding	42.34	42.32	42.16	42.34	42.16	42.17	42.34	42.32	42.16	42.34	42.16	42.17
2. Promoters and Promoter group shareholding												
a) Pledged / Encumbered												
- Number of shares	-	-	-	-	-	-	-	-	-	-	-	-
- Percentage of shares	-	-	-	-	-	-	-	-	-	-	-	-
as a% of the total shareholding of the promoter / promoter group	-	-	-	-	-	-	-	-	-	-	-	-
as a% of the total share capital of the company	-	-	-	-	-	-	-	-	-	-	-	-
b) Non encumbered												
- Number of shares	82,811,068	82,807,068	82,801,718	82,811,068	82,801,718	82,807,068	82,811,068	82,807,068	82,801,718	82,811,068	82,801,718	82,807,068
- Percentage of shares	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
as a% of the total shareholding of the promoter / promoter group	57.66	57.68	57.84	57.66	57.84	57.83	57.66	57.68	57.84	57.66	57.84	57.83
as a% of the total share capital of the company												

B. Investor Complaints	
Particulars	Three months ended December 31, 2014
Pending at the beginning of the quarter	0
Received during the quarter	0
Disposed off during the quarter	0
Remaining unresolved at the end of the quarter	0



**Notes**

1. The above Statement of Standalone and Consolidated Unaudited Financial Results for the three months and nine months ended December 31, 2014 was reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on January 27, 2015. The same has also been subjected to a limited review by the Statutory Auditors.
2. 60,340 options were exercised during the three months ended December 31, 2014. The total outstanding employee stock options as at December 31, 2014 is 4,91,579.
3. The Board of Directors of the Company have declared an Interim dividend out of the profits of the company for the period ended December 31, 2014 on -
  - Compulsorily Convertible Preference Shares (CCPS) of ₹ 100 each at the rate of 1% per annum paid proportionately for the period commencing from September 03, 2014, being the date of allotment till March 31, 2015
  - Equity shares at the rate of 25% being ₹ 2.50 per equity share of ₹ 10 each.
4. The Company revised the estimated useful life of some of the fixed assets in line with the Companies Act, 2013 w.e.f. April 01, 2014. Consequently, depreciation charge for the three months and nine months ended December 31, 2014 is lower by ₹ 30 lakhs and ₹ 90 lakhs respectively and Profit before tax is higher by this amount. In respect of consolidated results, depreciation charge for the three months and nine months ended December 31, 2014 is lower by ₹ 27 lakhs and ₹ 74 lakhs respectively and Profit before tax is higher by this amount.
5. Segmental Reporting: The Company is primarily engaged in the business of financing. All the activities of the Company revolve around the main business in India. As such there are no separate reportable segments as per Accounting Standard (AS) 17 "Segment Reporting" in respect of the Company. The Segmental Reporting in respect of the Consolidated Results is given in Appendix 1.
6. Prior period figures have been regrouped wherever necessary to conform to the current period presentation.

On behalf of the Board of Directors



Vellayan Subbiah  
Managing Director

Place : Chennai  
Date : January 27, 2015

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Segment wise Revenue, Results and Capital Employed for consolidated results under clause 41 of the listing agreement

₹ 'lakhs

Particulars	Consolidated					
	Unaudited					Audited
	Three months ended 31.12.2014	Preceding three months ended 30.09.2014	Corresponding three months ended 31.12.2013 in Previous Year	Nine months ended 31.12.2014	Nine months ended 31.12.2013 in Previous Year	Previous Year ended 31.03.2014
	1	2	3	4	5	6
<b>1. Segment Revenue</b>						
Financing	96,460	91,894	84,431	275,269	241,468	326,178
Distribution	326	320	291	975	890	1,183
Stock Broking	316	432	197	1,101	530	797
<b>Total</b>	<b>97,102</b>	<b>92,646</b>	<b>84,919</b>	<b>277,345</b>	<b>242,888</b>	<b>328,158</b>
Less: Inter-Segment revenue	(73)	(80)	(73)	(232)	(177)	(227)
<b>Net Revenue</b>	<b>97,029</b>	<b>92,566</b>	<b>84,846</b>	<b>277,113</b>	<b>242,711</b>	<b>327,931</b>
<b>2. Segment Results (Profit / (Loss) before tax)</b>						
Financing	16,858	14,387	13,940	45,340	41,241	54,922
Distribution	163	145	103	471	345	468
Stock Broking	59	146	(13)	297	(87)	(46)
<b>Total</b>	<b>17,080</b>	<b>14,678</b>	<b>14,030</b>	<b>46,108</b>	<b>41,499</b>	<b>55,344</b>
<b>Add: Other unallocable income net of unallocable expenditure</b>	<b>7</b>	<b>34</b>	<b>16</b>	<b>50</b>	<b>27</b>	<b>104</b>
<b>Net Profit before Tax</b>	<b>17,087</b>	<b>14,712</b>	<b>14,046</b>	<b>46,158</b>	<b>41,526</b>	<b>55,448</b>
<b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>						
Financing	285,003	275,500	206,567	285,003	206,567	206,719
Distribution	136	223	952	136	952	556
Stock Broking	1,251	1,213	895	1,251	895	1,595
Other Unallocable assets net of unallocable liabilities	23,599	21,694	16,823	23,599	16,823	19,807
<b>Total</b>	<b>309,989</b>	<b>298,630</b>	<b>225,237</b>	<b>309,989</b>	<b>225,237</b>	<b>228,677</b>

**Note:**

Management of the Company has identified the above reportable segments. Segment data for the previous periods, has been restated, wherever necessary, to conform to the current period presentation.

On behalf of the Board of Directors

Place : Chennai  
Date : January 27, 2015



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Vellayan Subbiah  
Managing Director



## **Cholamandalam Investment and Finance Company Limited**

### **Profits up by 21%, Total Income up by 14%**

#### **Q 3 - Performance Highlights:**

**Chennai – January 27, 2015**

The company registered a 21% growth in Profit before tax, clocking Rs.169 Cr. as against Rs.140 Cr. in Q 3 of 2013-14.

Profit after tax is Rs.111 Cr. as against Rs. 92 Cr. in Q 3 of 2013-14, also registering a growth of 21%.

The Company disbursed Rs.2290 Cr. in Vehicle Finance as against Rs. 2587 Cr. in Q 3 of 2013-14 and disbursed Rs.754 Cr. in Home Equity loans as against Rs. 688 Cr. in Q 3 of 2013-14. The aggregate disbursements of the Company for the quarter are Rs.3082 Cr. as against Rs. 3336 Cr. in Q 3 of 2013-14.

Total Income is Rs.965 Cr. compared to Rs.844 Cr. in Q 3 of 2013-14 registering a growth of 14%.

There appears to be an improvement in the CV segment, though the improvement is slower than expected. The Company's overall GNPA is at 2.8% and the NNPA is at 1.5% as on 31<sup>st</sup> December 2014. The company continues to maintain a cautious approach towards disbursements. As a result, the disbursement was lower by 11 % as compared to the same quarter in the previous year in the vehicle finance business.

#### **Financial Performance – Summary**

2013-14			2014-15			
Qtr - III	YTD - DEC		Qtr - III	Q-o-Q	YTD - DEC	Y-o-Y
Actuals			Actuals	Gr (%)	Actuals	Gr (%)
3,335.86	9,441.65	Disbursements	3,081.88	-8%	9,298.73	-2%
844.38	2,414.89	Total Income	964.71	14%	2,753.20	14%
<b>139.56</b>	<b>412.62</b>	<b>Profit Before Tax</b>	<b>168.69</b>	<b>21%</b>	<b>453.83</b>	<b>10%</b>
<b>92.16</b>	<b>273.28</b>	<b>Profit After Tax</b>	<b>111.29</b>	<b>21%</b>	<b>299.51</b>	<b>10%</b>

Rs in Cr.

The capital adequacy ratio (CAR) of the company was at 20.92% as against the regulatory requirement of 15%.

The Board of Directors of the Company have declared an Interim dividend out of the profits of the Company for the period ended December 31, 2014 on:

- Compulsorily Convertible Preference Shares (CCPS) of ₹ 100 each at the rate of 1% per annum paid proportionately for the period commencing from September 03, 2014, being the date of allotment till March 31, 2015

- Equity shares at the rate of 25% being ₹ 2.50 per equity share of ₹ 10 each.

### **Subsidiaries Performance:**

The subsidiaries Cholamandalam Securities Limited and Cholamandalam Distribution Services Limited had together made a profit before tax of Rs. 2.17 Cr. as against Rs. 0.91 Cr. in Q3 of 2013-14.

### **Consolidated Results:**

The consolidated profit after tax is Rs. 113 Cr. as against Rs. 93 Cr. in Q3 of 2013-14 registering a growth of 21.5%.