

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CHOLA)
ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2015**

Chennai, January 29 2016: The Board of Directors of Cholamandalam Investment and Finance Company Limited today approved its unaudited financial results for the quarter and nine months ended 31st December 2015.

Highlights

- Interim dividend declared – 25% i.e. ₹ 2.50 per equity share of ₹ 10 each.
- Profit after tax for Q3 FY16 at ₹ 146 Cr, a growth of 31% over Q3 FY15. For the Nine months period, PAT at ₹ 376 Cr, a growth of 26% over same period last year.
- Q3 FY16 disbursements Rs. 4260 Cr, representing a growth of 38 % over Q3 FY15.
- Total Assets Under Management has crossed ₹ 30,000 Crores.
- 17% growth in Net Income Margin (NIM) during the quarter, compared to Q3 FY15.
- Gross NPA (on 4 months' overdue basis) marginally declined to 4.30% in Dec-15 compared to 4.42% in Sep-15.

Financial Performance

Particulars	Q3 FY 16	Q3 FY 15	Growth (%)		YTD Dec 15	YTD Dec 14	Growth (%)	
Net Income Margin (₹. In Cr.)	542.98	464.95	17%	↑	1539.52	1278.91	20%	↑
PBT (₹. In Cr.)	220.94	168.69	31%	↑	574.61	453.84	27%	↑
PAT (₹. In Cr.)	145.70	111.29	31%	↑	376.42	299.52	26%	↑
EPS - in ₹.	9.33	7.65	22%	↑	25.06	20.75	21%	↑
Net Income Margin (as % of assets)	8.77%	8.21%			8.54%	7.83%		
Total Expenses (as % of assets)	-3.47%	-3.47%			-3.53%	-3.42%		
Net Credit Losses (as % of assets)*	-1.73%	-1.76%			-1.82%	-1.63%		
PBT (as % of assets)	3.57%	2.98%			3.19%	2.78%		
ROE - in %	16.70%	17.20%			14.95%	16.20%		

*Q3 FY16 on 4 months' overdue basis; Q3 FY15 on 6 months' overdue basis

Chola disbursed ₹ 3245 Cr in Vehicle Finance business as against ₹ 2290 Cr. in Q3 of FY15. This was possible on account of strong growth in Heavy Commercial Vehicle Volumes, and also healthy growth in Used Vehicles. Home Equity disbursements grew by 17%, from ₹ 754 Cr in Q3 FY15 to ₹ 882 Cr in Q3 FY16. Chola's aggregate disbursements for the quarter were ₹ 4,260 Cr as against ₹ 3082 Cr in Q3 of FY15, a growth of 38%.

Chola's Net Income Margin (NIM) was 8.8% for the quarter, compared to 8.2% in the same quarter of last year.

Chola was able to exit the quarter at a GNPA level of 4.30% at 4 months' overdue, which is marginally lower than the GNPA at the end of Sep 15 (4.42%).

Chola's PBT-ROTA for Q3 FY16 improved to 3.6% as against 3.0% in Q3 FY15, even after accounting for the early adoption. For the Nine month period, ROTA was at 3.2%, compared to 2.8% in the previous year.

Investment:

The Board at its meeting held on December 23, 2015 had approved a proposal to invest upto a sum not exceeding ₹ 8 Cr. in M/s. White Data Systems India Private Limited (White Data) towards acquiring controlling stake of 63%. White Data is in the business of providing holistic freight data solutions. This investment is expected to leverage synergies for the Company and its customers.

The Board approved to invest an additional sum of ₹ 75 Cr. in equity shares of the wholly owned subsidiary - Cholamandalam Distribution Services Limited (CDSL) for setting up payment bank operations.

Interim Dividend:

The Board of Directors of the Company declared an Interim dividend of 25% being ₹ 2.50 per share on the equity shares of the Company, for the year ending March 31, 2016.

Capital Adequacy:

The capital adequacy ratio (CAR) of the company was at 20.10% as against the regulatory requirement of 15%.

Subsidiaries Performance:

The subsidiaries Cholamandalam Securities Limited (CSEC) and Cholamandalam Distribution Services Limited (CDSL) together made a profit before tax of ₹ 3.11 Cr in Q3 FY16, as against ₹ 2.17 Cr in the same quarter last year. For the Nine months period, the subsidiaries made a profit before tax of ₹ 6.14 Cr, as against Rs. 5.56 Cr in YTD December FY15.

Consolidated Results:

The consolidated profit after tax for Q3 FY16 is ₹ 148 Cr. as against ₹ 113 Cr. in Q3 of FY15, registering a growth of 31%.

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:

<http://www.cholamandalam.com/investor-presentation.aspx>