

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CHOLA)
ANNOUNCES UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2016**

Chennai, July 29 2016: The Board of Directors of Cholamandalam Investment and Finance Company Limited today approved its un-audited Financial Results for the first quarter ended 30th June 2016.

Results at a glance

- Profit after tax for Q1 FY17 at ₹ 166 Cr - growth of 50% over Q1 FY16.
- Q1 FY17 profit before tax is ₹ 254 Cr - growth of 49% compared to Q1 last year.
- Net Income Margin (NIM) is at 8.4%.
- Managed closing assets is ₹ 30,826 Cr - growth of 18% over Q1 of FY16.
- ₹ 4,561 Cr of disbursements, representing a growth of 30 % over Q1 of FY16
- Gross NPA (on 4 months' overdue basis) is retained at 3.6%.
- Net Credit Losses as a % of average assets reduced to 1.2% from 1.8%.
- ICRA has revised the outlook from AA/stable to AA/positive on our long-term debt instruments.

Performance Highlights

| Particulars | Q1 FY 17 | Q1 FY 16 | Growth (%) |
|-------------------------------------|---------------------|---------------------|-----------------------|
| Net Income Margin (Rs. In Cr.) | 560.42 | 490.23 | |
| Net Income Margin (as % of assets) | 8.4 | 8.5 | |
| Total Expenses (as % of assets) | -3.4 | -3.7 | |
| Net Credit Losses (as % of assets)* | -1.2 | -1.8 | |
| PBT (Rs. In Cr.) | 253.70 | 170.52 | 49% ↑ |
| PBT (as % of assets) | 3.8 | 2.9 | |
| PAT (Rs. In Cr.) | 165.73 | 110.25 | 50% ↑ |
| EPS - in Rs. | 10.61 | 7.57 | 40% ↑ |
| ROE - in % | 17.8 | 13.7 | |

The one-time provision created in Mar'16, on a prudent basis, to meet the provisioning norms to be complied by Mar'18, has been retained as standard assets provision.



We disbursed ₹ 3,326 Cr in our Vehicle Finance business as against ₹ 2,588 Cr. in Q1 of FY16. This was a growth of 29%. Home Equity disbursements grew by 19%, from ₹ 831 Cr in Q1 FY16 to ₹ 991 Cr in Q1 FY17. Chola's aggregate disbursements for the quarter were ₹ 4,561 Cr as against ₹ 3,508 Cr in Q1 of FY16.

Chola's Net Income Margin (NIM) was 8.4% for the quarter, compared to 8.5% in the same quarter of last year.

We continue to enhance the focus on collections. The company was able to ride out the traditionally difficult first quarter, retaining the GNPA at 3.6% (at 4 months' overdue) and NNPA is 2.1%.

Chola's PBT-ROTA for Q1 FY17 improved to 3.8% as against 2.9% in Q1 FY16.

Capital Adequacy:

The capital adequacy ratio (CAR) of the company was at 18.73% as against the regulatory requirement of 15%.

Subsidiaries Performance:

The subsidiaries Cholamandalam Securities Limited (CSEC), Cholamandalam Distribution Services Limited (CDSL) and White Data Systems India Private Limited (WDSI) together made a profit before tax of ₹ 2.05 Cr in Q1 FY17, as against ₹ 1.25 Cr in the same quarter last year.

Consolidated Results:

The consolidated profit after tax for Q1 is ₹ 167 Cr. as against ₹ 111 Cr. in Q1 of FY17, registering a growth of 50%.



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 Chola are Cholamandalam Securities Limited (CSEC), Cholamandalam Distribution Services Limited (CDSL) and White Data Systems India Private Limited (WDSI).

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 295 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, Ladybird, Mach City, 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

For further information, please contact:

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A presentation for investors is being separately placed on our website:

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