

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIFCL)
UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED
31st DECEMBER 2018**

“Assets under Management crosses Rs.50,000 Cr”

Q3 Performance

- ✓ **39% Growth in PAT over FY 18**
Highest ever quarterly PAT of ₹ 304 Cr.
- ✓ **32% Growth in Total Income over FY 18**
Total income of Rs. 1,831 Cr
- ✓ **AUM of ₹ 52,868 Cr (32% Growth)**

YTD Performance

- ✓ **41% Growth in PAT over FY 18**
Highest ever YTD PAT of Rs. 894 Cr.
- ✓ **26% Growth in Total Income over FY 18**
Total income of Rs. 5,120 Cr

Chennai, January 30, 2019: The Board of Directors of CIFCL today approved the un-audited financial results for the quarter/nine months ended 31st December 2018.

Highlights:

Q3 & YTD Dec Performance:

Rs in Cr.

Disbursements	Q3	Q3	YTD	YTD	Growth	Growth
	FY18	FY19	FY18	FY19	Q-o-Q	Y-o-Y
Vehicle Finance	5,607	6,240	13,720	17,447	11%	27%
Home Equity	799	954	2,368	2,803	19%	18%
Others	356	451	1,018	1,308	27%	29%
Total	6,761	7,644	17,106	21,558	13%	26%

Rs in Cr.

As per Ind AS	Q3	Q3	YTD	YTD	Growth	Growth
	FY18	FY19	FY18	FY19	Q-o-Q	Y-o-Y
Total Income	1,389	1,831	4,047	5,120	32%	26%
PAT	219	304	633	894	39%	41%
EPS - in Rs*	56.16	77.88	53.75	75.92	39%	41%
ROTA - PBT**	3.5%	3.6%	3.5%	3.8%		
ROE - in %	18.3%	20.7%	18.3%	21.4%		

**Annualized; **As % of average assets

Disbursements grew by 27%#  PAT grew by 41%#  ROTA – PBT improved by 30 bps# 

#Year-on-year figures

- Aggregate disbursements for the period ended December 18 were at ₹ 21,558 Cr as against ₹ 17,106 Cr in the same period in the previous year registering a growth of 26%. The disbursements for the quarter ended December 18 were at ₹ 7,644 Cr as against ₹ 6,761 Cr in Q3 of FY18, registering a growth of 13%.
- Vehicle Finance (VF) business has clocked a volume of ₹ 17,447 Cr for the period ended December 2018 as against ₹ 13,720 Cr for the same period in the previous year, reporting a growth of 27% Y-o-Y. The same numbers for the quarter ended December 18 were at ₹ 6240 Cr as against ₹ 5607 Cr in Q3 FY 18, reporting a growth of 11%. The slow-down in VF disbursement can be explained by the stagnation in the industry volumes during Q3. Despite the almost stagnant market, the company outperformed the industry with 48% quarter-on-quarter growth in the number of new vehicles financed compared to the 7% increase for the industry taken as a whole.
- Home Equity (HE) business disbursed ₹ 2,803 Cr as against ₹ 2,368 Cr for YTD December FY18, marking a growth of 18% YoY. The numbers for the quarter ended December 18 disbursements were at ₹ 954 Cr as against ₹ 799 Cr in Q3 of FY 18 registering a growth of 19%.
- Assets under management grew by 32% at ₹ 52,868 Cr as compared to ₹ 39,985 Cr in Q3 FY18.
- Profits after Tax (PAT) for the period ended December 18 were at ₹ 894 Cr as against ₹ 633 Cr last year registering a growth of 41%. For the quarter the PAT was at ₹ 304 Cr as against ₹ 219 Cr in Q3 FY 18.
- The PBT-ROTA for YTD FY19 improved to 3.8% as against 3.5% in YTD December of FY18. This improvement in RoTA can be attributed to two drivers- reduction in expected credit loss for HE & HL verticals and reduction in operating cost for the VF vertical.

Interim Dividend:

The Board of Directors of the Company declared an Interim dividend of 45% being ₹ 4.5 per share on the equity shares of the Company, for the year ending March 31, 2019.

Asset Quality

CIFCL continues to demonstrate strong asset quality and been able to reduce the Stage 3 receivables from 4.3% in Dec 17 to 3.3% in Dec'18 (under IND AS). As per the traditional IGAAP approach also the GNPA levels reduced from 3.7% in Dec 17 to 2.7%. A brief comparison under both IGAAP and IND AS is also given.

Rs. in Cr.

Particulars	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
As per IGAAP					
GNPA	1,467	1,278	1,377	1,347	1,375
NNPA	927	722	778	751	753
Provision	540	556	599	597	622
GNPA%	3.7%	2.9%	3.0%	2.8%	2.7%
NNPA%	2.3%	1.7%	1.7%	1.6%	1.5%
Provision Coverage%	36.8%	43.5%	43.5%	44.3%	45.2%
Standard Assets Provn	128	145	156	161	161
Standard Assets Provn %	0.40%	0.40%	0.40%	0.40%	0.40%
Total Provision	668	701	755	757	783

As per IND AS					
Gross Asset - Stage 3	1,668	1,496	1,620	1,608	1,639
Stage 3 Assets to Total Gross Assets	4.3%	3.5%	3.6%	3.4%	3.3%
ECL provision - Stage 3	598	543	591	591	604
Coverage Ratio (%) - Stage 3	35.8%	36.3%	36.5%	36.8%	36.9%
Gross Asset - Stage 1&2	37,534	41,601	43,623	46,082	48,261
ECL provision - Stage 1&2	359	355	367	348	371
Coverage Ratio (%) - Stage 1&2	1.0%	0.9%	0.8%	0.8%	0.8%
Total ECL Provision	957	899	958	939	975

Capital Adequacy:

The Capital Adequacy Ratio (CAR) of the company as on 31st December 2018, was at 17.83% as against the regulatory requirement of 15%. The Tier I capital was at 13.09% as against the regulatory requirement of 10%.

Executive Director Comments:

Commenting on the quarterly results, Arun Alagappan, Executive Director, stated "Growth in disbursements of 26% against the previous year is a significant achievement considering the sluggish performance of the market. Going forward, we see significant opportunities in the two wheeler & personal vehicle segment and expect these to be strong growth drivers. We also plan to deepen our presence in newer geographical areas by expanding to more than 1000 branches by the end of the year.

This quarter, the company achieved the highest after tax profit of ₹ 304 crore which is expected to improve in the periods to come, by a continued focus on reduction of operating cost & a shift towards higher yield segments."



About Chola

Cholamandalam Investment and Finance Company Limited (Chola), 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 891 branches across India with assets under management above INR 50,000 Crores. The subsidiaries of Chola are Cholamandalam Securities Limited (CSEC), Cholamandalam Distribution Services Limited (CDSL).

The mission of Chola is to enable customers enter a better life. Chola has a growing clientele of over 8 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, please visit www.cholamandalam.com

About Murugappa Group

Founded in 1900, the INR 329 Billion (32,893 Crores) 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., Shanthi Gears Ltd., Tube Investments of India Ltd., TI Financial Holdings 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, 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 35,000 employees. For more details, visit www.murugappa.com

For further information contact:

Rajesh Radhakrishnan Chola Ph: +91 44 3000 7252	Vijay Shekhar Concept Public Relations M: +91 97890 52198
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