

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CHOLA)
ANNOUNCES AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2015

Chennai, April 24th 2015: The Board of Directors of Cholamandalam Investment and Finance Company Limited today approved and adopted its Financial Results for the fourth quarter and full year ended 31st March 2015.

Results at a glance

- Q4 FY15 profit before tax is ₹ 203 Cr, a growth of 48% on a Q-on-Q basis. For the full year, profit before tax is ₹ 657 Cr, 19% higher than PBT of FY14
- We have accelerated provisioning to 5 months' overdue and adopted standard asset provisioning to 0.30% a year ahead of the RBI's mandate.
- 16% YOY growth in Net Income Margin (NIM).
- Healthy growth in closing assets of 13% on a Q-on-Q and Y-on-Y basis
- Decline in Gross / Net NPAs (on 6 months' overdue basis) from 2.77% in Dec-14 to 2.38%
- Profit after tax for Q4 FY15 at ₹ 136 Cr, growth of 50% on a Q-on-Q basis. For the full year, profit after tax at ₹ 435 Cr, 20% higher than PAT of FY14

Performance Highlights

Particulars	Q4 FY 15	Q4 FY 14	QoQ Growth (%)	Q3 FY 15	FY 15	FY 14	YoY Growth (%)
Net Income Margin (Rs. In Cr.)	451.89	393.67	15% ↑	464.95	1,730.80	1,491.76	16% ↑
Net Income Margin (as % of assets)	8.0	7.9		8.2	7.9	7.7	
Total Expenses (as % of assets)	-3.4	-3.5		-3.5	-3.4	-3.4	
Net Credit Losses (as % of assets)	-1.0	-1.7		-1.8	-1.5	-1.5	
PBT (Rs. In Cr.)	203.38	137.58	48% ↑	168.69	657.22	550.20	19% ↑
PBT (as % of assets)	3.6	2.8		3.0	3.0	2.8	
PAT (Rs. In Cr.)	135.65	90.73	50% ↑	111.29	435.16	364.01	20% ↑
EPS - in Rs.	9.34	6.34	47% ↑	7.65	30.09	25.43	18% ↑
ROE - in %	17.6	16.2		17.2	15.8	16.9	

We disbursed ₹ 2564 Cr in our Vehicle Finance business as against ₹ 2795 Cr. in Q4 of FY14. A continued cautious approach towards disbursements resulted in 8 % degrowth as compared to the same quarter in the previous year. However, Home Equity disbursement grew by 9%, from ₹ 785 Cr in Q4 FY14 to ₹ 857 Cr in Q4 FY15. Chola's aggregate disbursements for the quarter were ₹ 3508 Cr as against ₹ 3672 Cr in Q4 of FY14.

Chola's Net Income Margin (NIM) was 8.0% for the quarter, compared to 7.9% in the same quarter of last year. The NIM was strengthened by a healthy increase in interest income, substantial increase in Fee & Other Income, and a sustained reduction in interest cost. The NIM for FY15 was 7.9%, compared to 7.7% in FY14.

Collections performance improved through the quarter resulting in roll-forward rates in all buckets dropping consistently and an improved GNPA position. The GNPA is 3.12% (at 5 months' overdue) and NNPA is 2.03%.

Chola's PBT-ROTA for FY15 improved to 3% as against 2.8% in FY14.

Capital Adequacy:

The capital adequacy ratio (CAR) of the company was at 21.24% as against the regulatory requirement of 15%.

Dividend:

The Board of Directors of Chola has declared a Final Dividend on Equity shares at the rate of 10% being ₹ 1.00 per equity share of ₹10 each. Along with the Interim Dividend of 25% already declared in Q3 FY15, the Total Equity Dividend declared by the company is 35%.

Subsidiaries Performance:

The subsidiaries Cholamandalam Securities Limited (CSEC) and Cholamandalam Distribution Services Limited (CDSL) together made a profit before tax of ₹ 1.26 Cr in Q4, as against ₹ 1.62 Cr in the same quarter last year. On a full year basis, the subsidiaries made a PBT of ₹ 9 Cr. as against ₹ 4.28 Cr. in FY14. CDSL has submitted an application to the RBI for a Payments Bank License.

Consolidated Results:

The consolidated profit after tax for Q4 is ₹ 137 Cr. as against ₹ 92 Cr. in Q4 of FY14, registering a growth of 49%.

About Cholamandalam Investment and Finance Company Limited

Cholamandalam Investment and Finance Company Limited was 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 25,000 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.

About Murugappa Group

Founded in 1900, the INR 243 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including ten 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., Sabero Organics 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 like Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Crucible, 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, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The organization 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