

# Cholamandalam Investment and Finance Company Limited

## 33<sup>rd</sup> Annual General Meeting

July 28<sup>TH</sup> 2011

# Executive Summary

- Murugappa Group and DBS Bank agreed to separate amicably
- Name of the Company changed from Cholamandalam DBS Finance Limited to Cholamandalam Investment and Finance Company Limited
- Chola rebounds with highest ever profits of Rs.100 Cr.
- Disbursements for the year aggregated to Rs.5731 Cr. (Vehicle Finance & Home Equity)
- Gross Assets base has crossed Rs.10,000 Cr.
- Achieved Asset Financing Company (AFC) Status
- Infusion of Capital by International Finance Corporation (IFC) and other Private Equity Investors aggregating to Rs.250 Cr.
- Improved ratings from CRISIL & CARE, Change in outlook to “Positive” by ICRA and to “Stable “ by FITCH

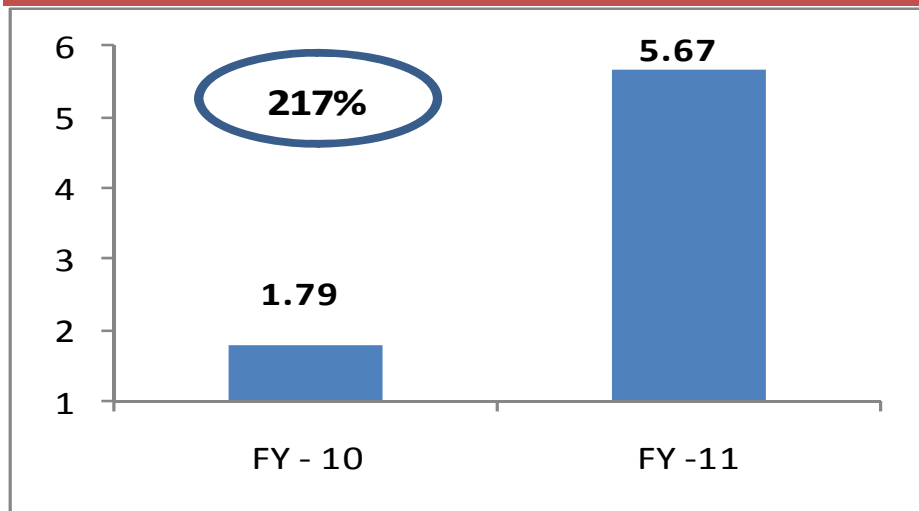
## Key Highlights – Chola

Particulars	FY – 2009 – 10	FY – 2010 – 11	Growth
Disbursements in Cr.	3866	5731	48%
Managed Assets – Net in Cr.	6850	9133	33%
Profit Before Tax – In Cr.	31.33	100.11	219%
Profit After Tax – In Cr.	15.42	62.18	303%
Capital Adequacy Ratio - %	14.80%	16.67%	12%
Gross Non Performing Loans / Total Assets - %	5.53%	2.61%	152%
Net Non Performing Loans / Total Assets - %	1.70%	0.33%	181%
Dividend to Shareholders - %	10%	15%	50%

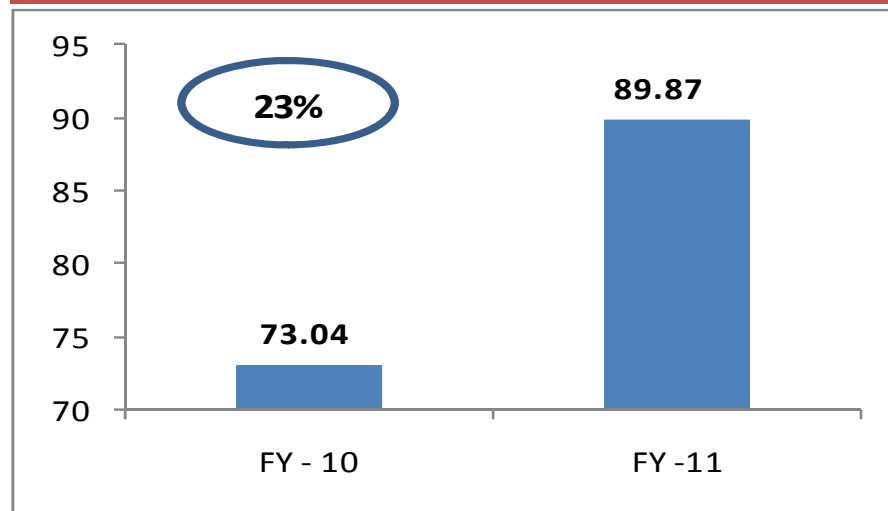
# Key Highlights – Shareholders

Rs.

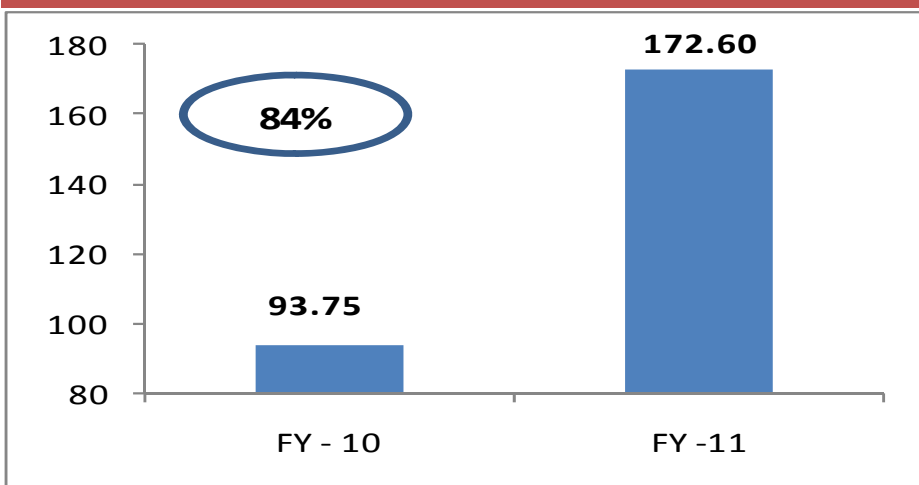
## Earning Per Share



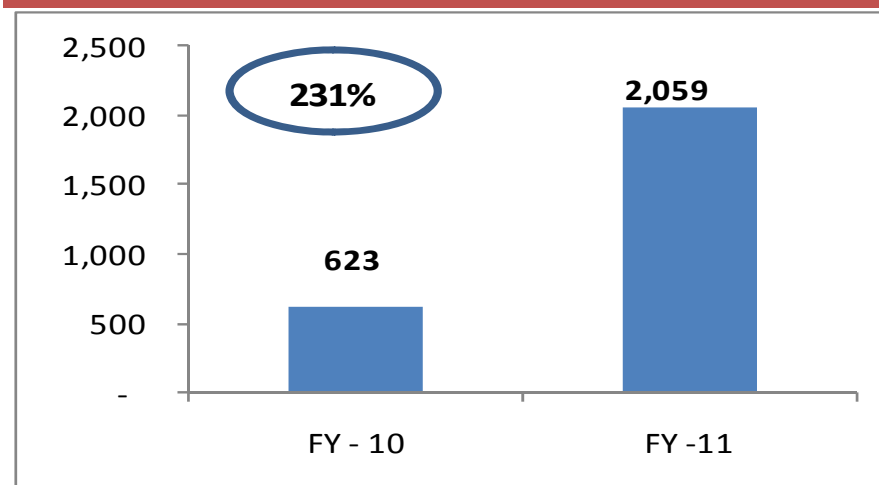
## Book Value Per Share




## Market Price Per Share



## Market Capitalisation in Cr.



# Business Lines

Asset Class		Description	Assets* as at 31 Mar '11
Vehicle Finance		→ Provides vehicle financing for NEW and USED HCVs, LCVs, SCVs, MLCVs, MUVs and Cars	<b>Managed #</b> <b>Rs in Cr.</b> <b>6026</b> <b>(66%)</b>
Home Equity		→ Provides loans against residential property to self employed individuals	<b>2171</b> <b>(24%)</b>
Business Finance		→ Provides loans against collateral of equity shares, commercial/ residential property and combination of current assets and shares	<b>780</b> <b>(8%)</b>
Personal Loans		→ Disbursements discontinued since October 2008 and currently only collection activities are continued.	<b>157</b> <b>(2%)</b>

\* Assets are net of Provisions

#Managed assets refers to Own assets + off balance sheet items which have been securitized / sold on a bilateral assignment basis.

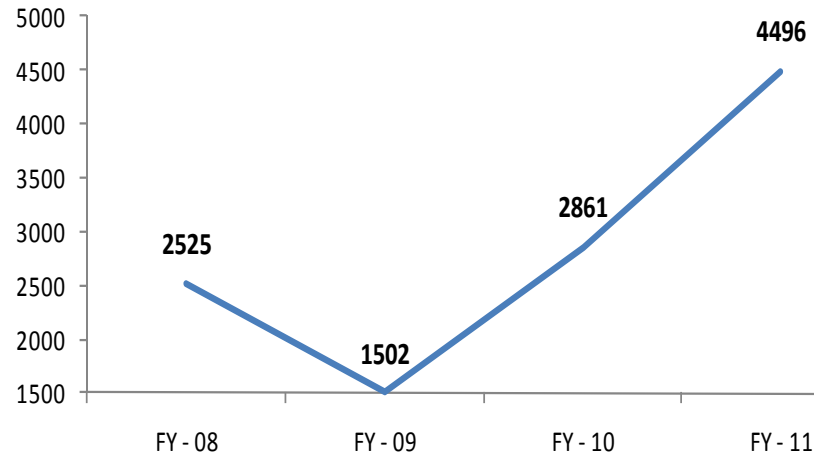
**Total**

**9133**

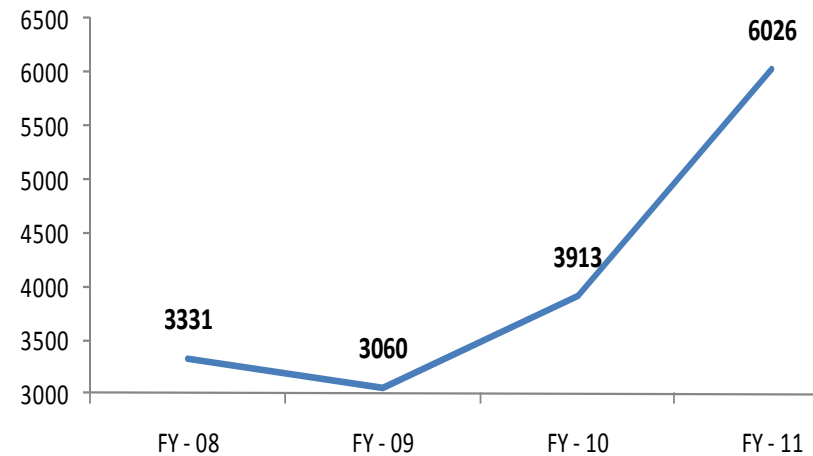
# Key Highlights – Vehicle Finance

Rs in Cr.

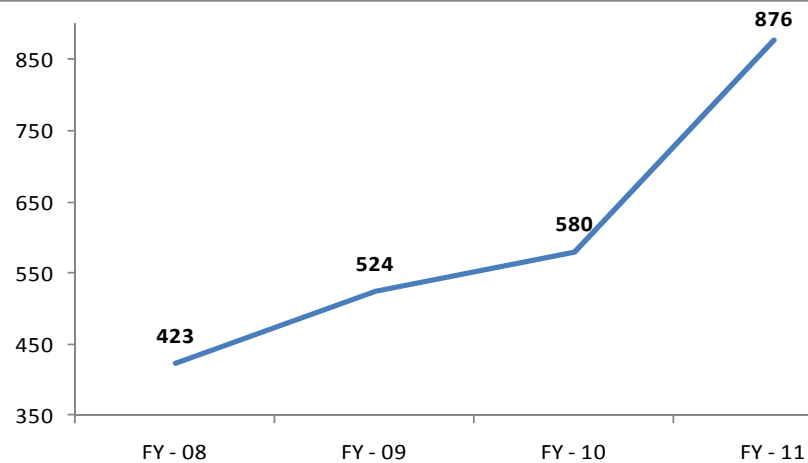
## Disbursements



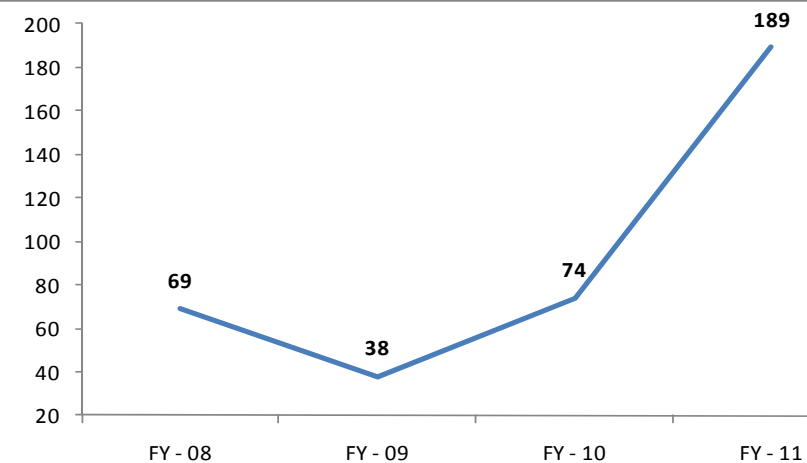
## Managed Assets



## Income



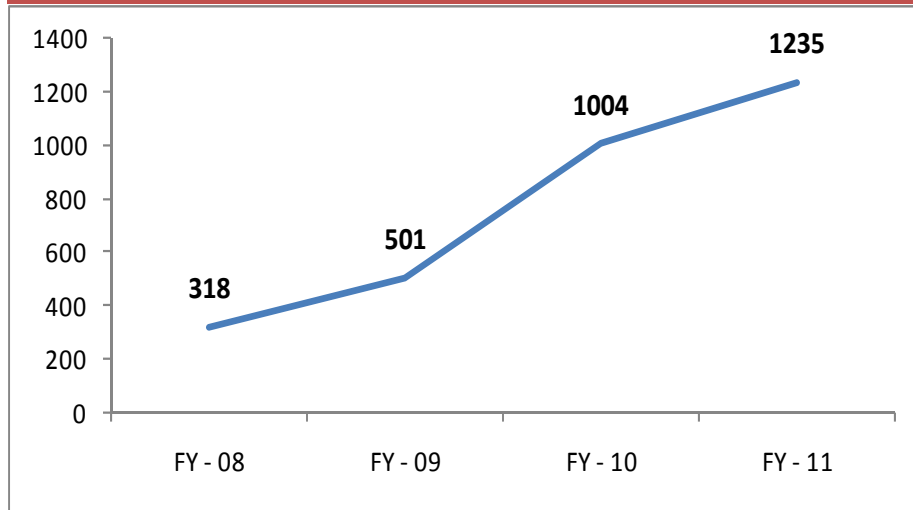
## Profit Before Tax



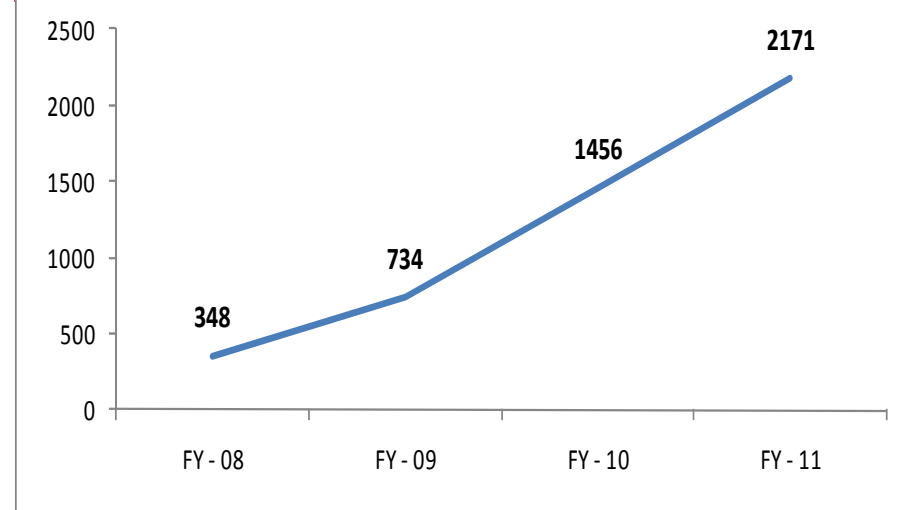
# Key Highlights – Home Equity

Rs in Cr.

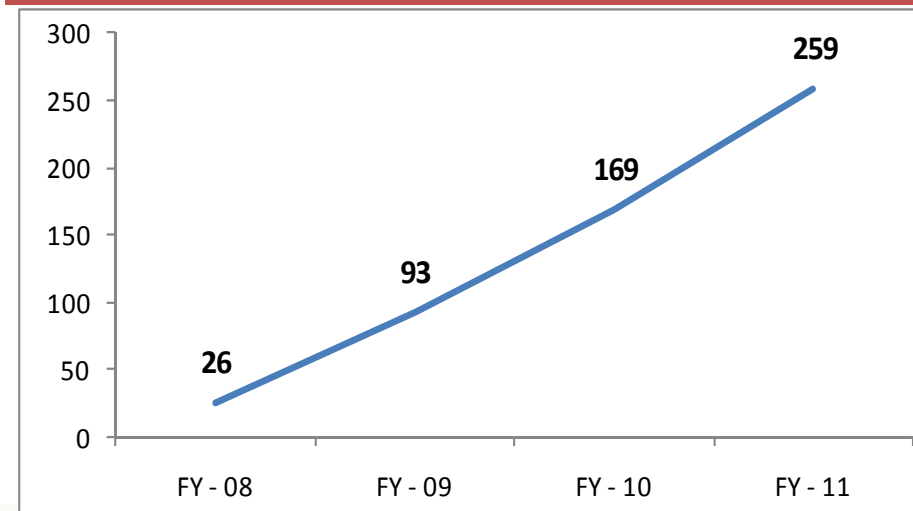
## Disbursements



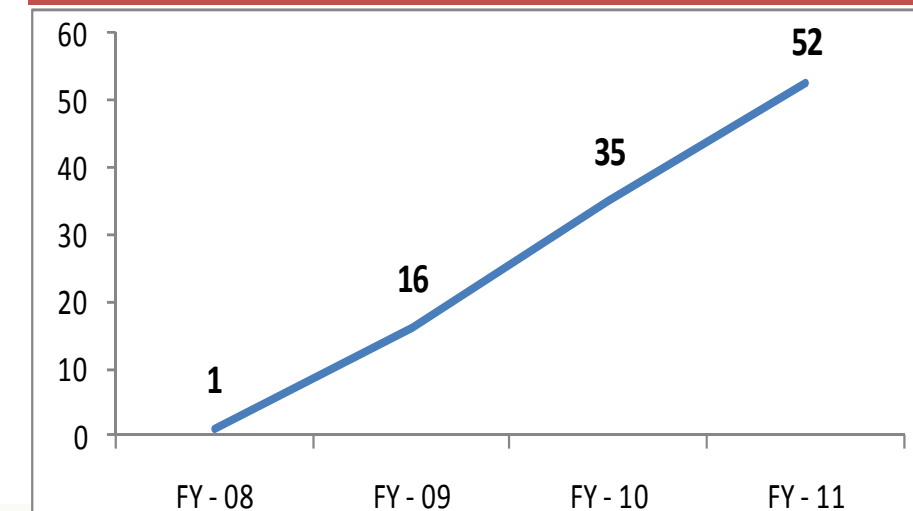
## Managed Assets



## Income



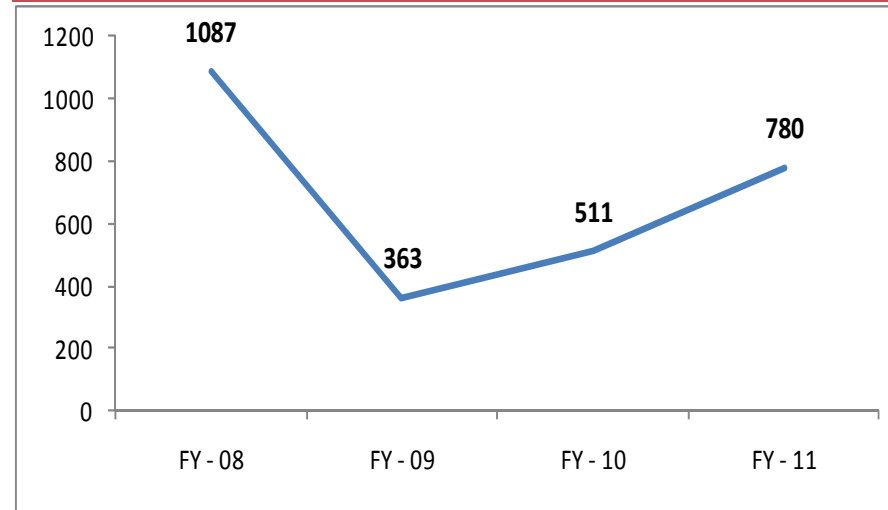
## Profit Before Tax



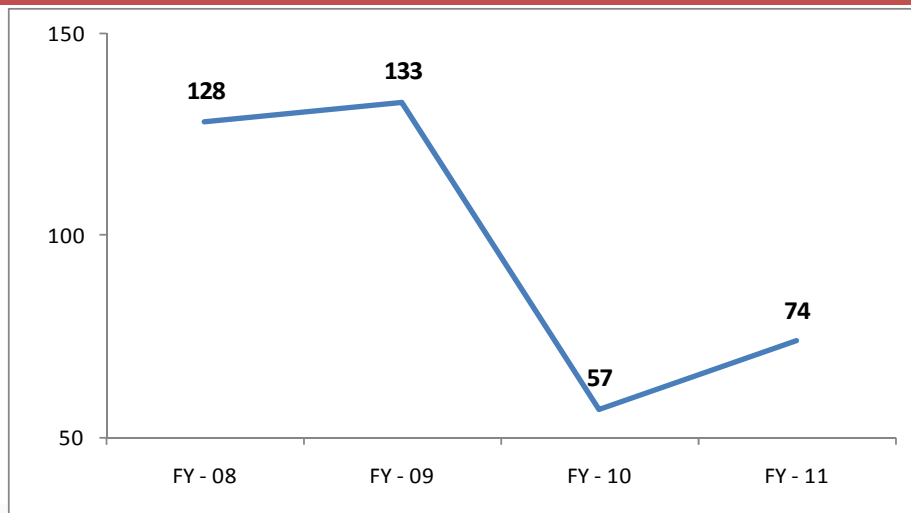
# Key Highlights – Business Finance

Rs in Cr.

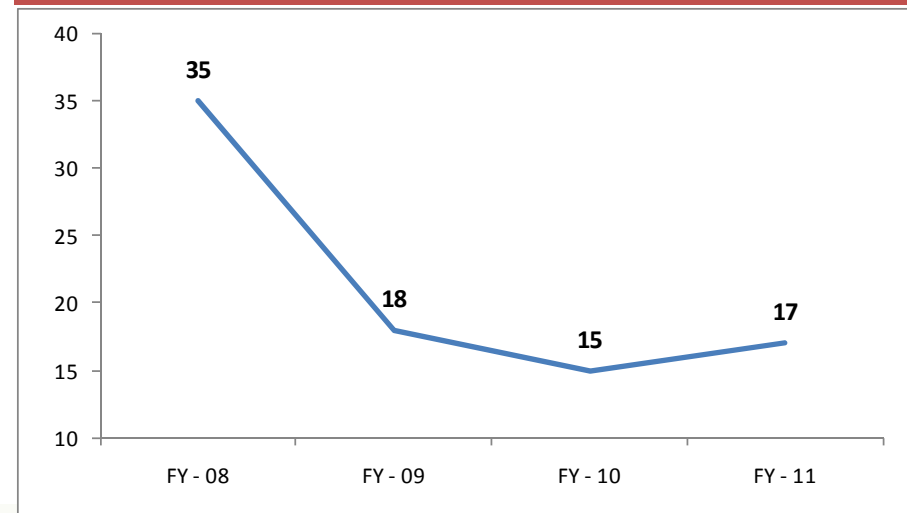
## Managed Assets



## Income

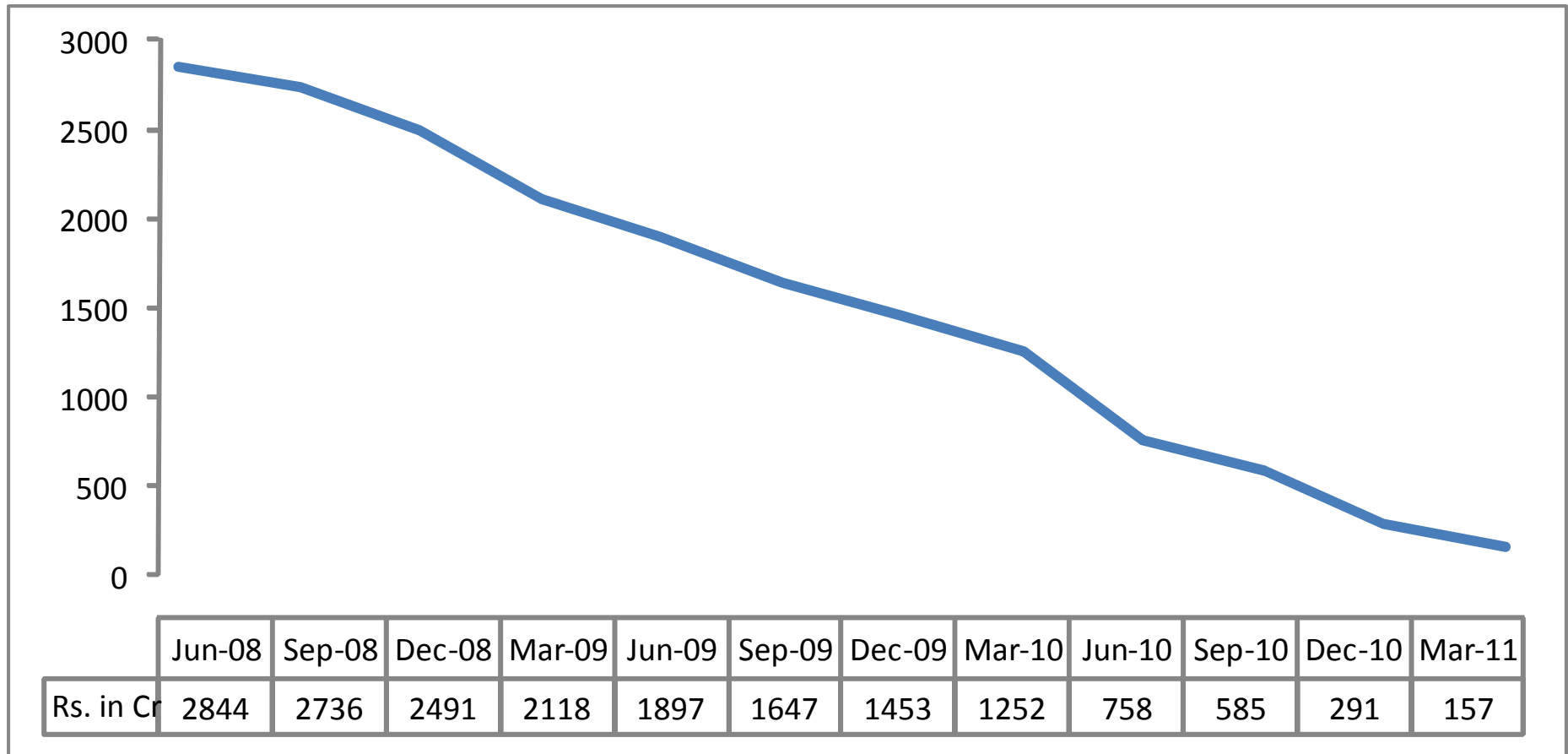


## Profit Before Tax





## Key Highlights – Personal Loans



- Personal Loan exposure brought down to 1% of the Managed Assets
- 100% provision coverage for all Non Performing Loans
- Expected to completely run down by Sept 2011

# Credit Rating

- Short Term Instruments : ICRA (A1 +) and CRISIL (P1+)
  
- Long Term Instruments : CARE (AA), ICRA (LAA - / Positive), Fitch (FAA - / Stable) and CRISIL (AA - / Stable)
  
- Perpetual Debt Instrument : CARE (A+) and ICRA (LA+)
  
- Consistent investment grade rating of debt instruments since inception
- Long term relationships with banks ensured continued lending
- A consortium of 18 banks with approved limits of ~ Rs.1875 Cr.

# Subsidiaries Performance

- **Broking :**

- Income for the year was Rs.10.14 Cr.
- Profit Before Tax was Rs.0.49 Cr. as against profit before tax of Rs.3.48 Cr.

- **Distribution Services :**

- Income from Operations for the year was Rs.11.51 Cr.
- Profit Before Tax was Rs.6.90 Cr. as against profit before tax of Rs.6.89 Cr.

- **Chola Factoring :**

- During the year, the company infused Rs.20 Cr. to strengthen its capital base.
- Loss before tax of Rs.8.16 Cr. as against loss before tax of Rs.8.62 Cr.

# Strategy – Road Ahead



## **Launch of New Products :**

- a) Pilot Launch of Loan against Gold – FY 2011-12
- b) Tractor Financing – Launched in April 2011

## **New line of business being evaluated are:**

- 1) Asset backed Agricultural financing
- 2) Construction equipment
- 3) SME Loans

## **Line extensions being evaluated are:**

- 1) Utility Vehicles
- 2) Housing Loans

# Financial Results – Q -1 of FY 12

## Q – 1 – Financial Results

Particulars	Q – 1 – FY 11	Q – 1 – FY 12	Growth
Disbursements in Cr.	1246	1672	34%
Profit Before Tax in Cr.	23.39	62.70	168%
Profit After Tax in Cr.	15.78	37.88	140%
Capital Adequacy Ratio - %	15.74%	16.77%	6%
Earning Per Share in Rs.	1.74	3.17	82%
Market Price Per Share in Rs.	135.65	160.80	19%

Thank You