

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CHOLA)  
ANNOUNCES AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH 2017**

**Chennai, April 28 2017:** The Board of Directors of Cholamandalam Investment and Finance Company Limited today approved its unaudited financial results for the quarter and its audited financial results for the year ended 31<sup>st</sup> March 2017.

### Highlights

- Profit after tax for Q4 FY17 at ₹ 220 Cr, growth of 14% compared to same quarter last year. For the full year, profit after tax at ₹ 719 Cr, 26% higher than PAT of FY16.
- Q4 FY17 profit before tax is ₹ 338 Cr, a growth of 14% compared to same quarter last year. For the full year, profit before tax is ₹ 1106 Cr, 27% higher than PBT of FY16.
- Revised NPA provisioning norms to 3 months from 4 months which is ahead of RBI regulation and increased the standard asset provisioning from 0.35% to 0.40%.
- GNPA and NNPA (on 3 months overdue basis) stood at 4.7% and 3.2% respectively when compared with last quarter level of 4.8% and 3.1%.
- 13% YOY growth in Net Income Margin (NIM). NIM is 9.3% for Q4 FY17 and 8.6% for the full year.
- Disbursements grew by 13% in FY17 on Y-o-Y basis.
- Final Dividend recommended – 20%

### Financial Performance

Particulars	Q4 FY 17	Q4 FY 16	Growth (%)		FY 17	FY 16	Growth (%)	
Net Income Margin (₹. In Cr.)	665.88	603.42	10%	↑	2429.55	2142.94	13%	↑
PBT (₹. In Cr.)	337.60	296.16	14%	↑	1105.58	870.77	27%	↑
PAT (₹. In Cr.)	219.55	192.03	14%	↑	718.74	568.45	26%	↑
EPS – (in ₹.)	14.05	12.30	14%	↑	46.01	37.50	23%	↑
Net Income Margin (as % of assets)	9.34%	9.39%			8.62%	8.74%		
Total Expenses (as % of assets)	3.86%	3.25%			3.60%	3.45%		
Net Credit Losses (as % of assets)	0.74%	1.54%			1.10%	1.74%		
PBT (as % of assets)	4.74%	4.61%			3.92%	3.55%		
ROE – (in %)	21.02%	21.43%			18.04%	16.64%		

Chola disbursed ₹ 4,407 Cr in Q4 FY 17 in our Vehicle Finance business as against ₹ 3,760 Cr in Q4 FY16. Vehicle Finance registered a disbursement growth of 17% on Y-o-Y basis and 17% as compared to the same quarter in the previous year. However, Home Equity disbursement declined by 45%, from ₹ 994 Cr in Q4 FY16 to ₹ 544 Cr in Q4 FY17 and on a Y-o-Y basis the decline was 12%. Chola's aggregate disbursements for the quarter were ₹ 18,591 Cr. as against ₹ 16,380 Cr. in Q4 of FY16.

Chola's Net Income Margin (NIM) is 9.3% for the quarter, compared to 9.4% in the same quarter last year. The NIM for FY17 is 8.6%, compared to 8.7% in FY16.

The operating expense to asset ratio for FY 17 is 3.6% as compared to 3.4% in FY 16, and has increased primarily due to one-time VAT liability and branch expansion.

The GNPA is 4.66% (at 3 months' overdue) and NNPA is 3.19%.

Chola's PBT-ROTA for FY17 improved to 3.9% as against 3.6% in FY16.

#### **Capital Adequacy:**

The capital adequacy ratio (CAR) of the company was at 18.64% as against the regulatory requirement of 15%. Tier I capital is at 13.61% against regulatory requirement of 10%.

#### **Dividend:**

The Board of Directors of Chola has recommended a Final Dividend on Equity shares at the rate of 20% being ₹ 2.00 per equity share of ₹10 each. Along with the Interim Dividend of 35% already paid in Jan 2017, the total equity dividend paid for the year by the company will be at 55%.

#### **Subsidiaries Performance:**

The subsidiaries together made a profit before tax of ₹ 6.86 Cr in FY 17 as against ₹ 8.21 Cr in FY16.

#### **Consolidated Results:**

The consolidated profit after tax for Q4 FY17 is ₹ 221 Cr as against ₹ 194 Cr in Q4 FY16, registering a growth of 14% and the full year consolidated profit after tax for FY 17 is Rs.719 Cr as against Rs.575 in FY 16.

### **About Cholamandalam Investment and Finance Company Limited**

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 703 branches across India with assets under management above INR 35,000 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 7.75 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](http://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](http://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>