

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CHOLA)**  
**UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>st</sup> DECEMBER**  
**2017**

**Disbursements grew by 55%; PAT grew by 53% YoY**

**Chennai, January 30, 2018:** The Board of Directors of Cholamandalam Investment and Finance Company Limited today approved its un-audited financial results for the quarter/nine months ended 31<sup>st</sup> December 2017.

**Highlights:**

Rs in Cr.

Disbursements	Q3 FY 18	Q2 FY 18	Q3 FY 17	Growth YoY
Vehicle Finance	5,607	4,295	3,490	60.7%
Home Equity	799	830	619	29.0%
Others	356	368	264	34.6%
<b>Total</b>	<b>6,761</b>	<b>5,492</b>	<b>4,373</b>	<b>54.6%</b>

- Aggregate disbursements for the quarter were at ₹6,761 Cr as against ₹ 4,373 Cr in Q3 of FY17, registering a growth of 55%. The growth compared to Q2 was higher by 23%.
- Vehicle Finance business disbursed ₹ 5,607 Crs as against ₹ 3,490 Cr. in Q3 of FY17 clocking a growth of 61% YoY. HCV and LCV continued to show strong growth, complemented by Used vehicles.
- Home Equity business disbursed ₹ 799 Crs as against ₹ 619 Crs in Q3 FY 17, registering a growth of 29% YoY.
- Assets under management grew by 20% at Rs 40,056 Crores compared to corresponding period of the last financial year, which stood at Rs 33,381 Crores

**Company Financial Performance**

Rs in Cr.

Particulars	Q3	Q2	Q3	Growth (YoY)
	FY 18	FY 18	FY 17	
Total Income	1,383.26	1,295.97	1,175.77	17.6%
PAT	249.20	227.25	162.52	53.3%
EPS - In Rs	16.0	14.5	10.4	53.4%
Net Income Margin*	9.6%	9.6%	8.4%	
ROTA - PBT*	4.6%	4.5%	3.5%	
ROE - In %	20.6%	19.7%	15.8%	

**Highlights: Y-o-Y**

- PAT grew by 53%
- Total Income up by 18%
- NIM improved to 9.6%
- ROTA – PBT improved to 4.6%



Net Income Margin (NIM) for the quarter was 9.6% higher than the NIM of 8.4% in Q3 of FY 17 and has been maintained at the same level as of Q2 FY 18. The PBT-ROTA for Q3 FY18 improved to 4.6% as against 3.5% in Q3 FY17.

### Divisional Performance




#### Vehicle Finance: (VF)

Particulars	Rs in Cr.			Growth (YoY)
	Q3 FY 18	Q2 FY 18	Q3 FY 17	
Net Income Margin	605.59	554.76	458.47	32.1%
PBT	257.62	242.59	168.88	52.5%
ROTA - PBT*	3.8%	3.8%	3.1%	

\* As % of Average Assets

# provisioning norms for Q3 FY18 is at 3 months overdue basis and for Q3 FY17 is at 4 months overdue basis

#### Highlights: Y-o-Y

- NIM improved by 32% 
- PBT grew by 53% 
- ROTA – PBT (%) improved to 3.8% 

The division has recorded a PBT of Rs. 257.62 Cr. for the quarter as against the Rs 168.88 Cr in Q3 of FY 17 registering a growth of 52.5%. As compared to Q2 of FY 18 also the division recorded a growth of 6.2%.

#### Home Equity (HE):

Particulars	Rs in Cr.			Growth (YoY)
	Q3 FY 18	Q2 FY 18	Q3 FY 17	
Net Income Margin	103.53	107.44	101.69	1.8%
PBT	54.00	62.17	53.42	1.1%
ROTA - PBT*	2.2%	2.6%	2.2%	

\* As % of Average Assets

# provisioning norms for Q3 FY18 is at 3 months overdue basis and for Q3 FY17 is at 4 months overdue basis

#### Highlights: Y-o-Y

- NIM improved by 2% 
- PBT maintained at 54Cr 

The division has reported a PBT of Rs.54.00 Cr. for the quarter as against the Rs 53.42 Cr in Q3 of FY 17 recording a flat growth.

### **GNPA, NNPA and Provision Coverage**

Aggressive collection efforts have started paying off. The GNPA, NNPA and Provision coverage levels have improved consistently over the quarters. CIFCL recognizes GNPA on 3 months overdue basis. In absolute terms GNPA has been brought down by Rs.185 Crs compared to Q2. The details given below reflect the same basis ( at 3 months basis) for all the past quarters also.

Particulars	VF			HE			Overall		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR	GNPA	NNPA	PCR
Jun-17	4.17%	2.74%	34.32%	6.03%	4.17%	30.76%	<b>4.73%</b>	<b>3.17%</b>	<b>33.08%</b>
Sep-17	3.78%	2.43%	35.61%	5.98%	3.97%	33.70%	<b>4.46%</b>	<b>2.89%</b>	<b>35.08%</b>
Dec-17	2.78%	1.67%	39.81%	5.98%	4.10%	31.53%	<b>3.70%</b>	<b>2.34%</b>	<b>36.83%</b>

In HE, many cases are under resolution through court (or) under arbitration proceedings.

### **Capital Adequacy:**

The Capital Adequacy Ratio (CAR) of the company as on 31<sup>st</sup> December 2017, was at 18.52% (Tier I – 13.8% and Tier II -4.7%) as against the regulatory requirement of 15%.

### **Interim Dividend:**

The Board of Directors of the Company declared an Interim dividend of 45% being ₹ 4.5 per share (as against 35% at ₹ 3.5 per share as interim dividend in FY 16-17) on the equity shares of the Company, for the year ending March 31, 2018.

### **Subsidiaries Performance:**

The subsidiaries Cholamandalam Securities Limited (CSEC), Cholamandalam Distribution Services Limited (CDSL) and White Data System India Private Limited (WDSI) together made a profit before tax of ₹ 0.92 Cr in Q3 FY18, as against ₹ 0.91 Cr in the same quarter last year. On a year to date basis, the subsidiaries made a profit before tax of ₹ 3.11 Cr, as against Rs. 5.13 Cr in Dec FY17. The drop in profits of the subsidiaries is on account of expected losses in the startup business of WDSI during initial years of growth.

### **Consolidated Results:**

The consolidated profit after tax for Q3 FY18 is ₹ 249.72 Cr. as against ₹ 162.96 Cr. in Q3 of FY18, registering a growth of 53%.



## **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 858 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 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](http://www.cholamandalam.com)

## **About Murugappa Group**

Founded in 1900, the INR 300 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., 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 32,000 employees. For more details, visit [www.murugappa.com](http://www.murugappa.com)