

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CHOLA) UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2018

Q1 FY19: Disbursements grew by 45% and PAT grew by 36% over Q1 FY18

Chennai, July 26, 2018: The Board of Directors of Cholamandalam Investment and Finance Company Limited today approved its un-audited financial results for the quarter ended 30th June 2018.

Highlights:

The Company has adopted Indian Accounting Standards (Ind AS) for FY19 with Ind AS compliant comparatives for FY18. Accordingly figures for previous years/periods have been recast and reviewed by Statutory Auditors as per new Accounting Standards

Q1 Performance:

Rs in Cr.

Disbursements	Q1	Q1	Growth	As per Ind AS	Q1	Q1	Growth
	FY18	FY19	Q-o-Q		FY18	FY19	Q-o-Q
Vehicle Finance	3,819	5,665	48%	Total Income	1,296	1,597	23%
Home Equity	740	939	27%	PAT	210	285	36%
Others	294	411	40%	EPS - in Rs	53.83	73.20	36%
Total	4,853	7,015	45%	ROTA - PBT*	3.8%	4.0%	
				ROE - in %	19.1%	21.8%	

*As % of average assets

Disbursements grew by 45% 

PAT grew by 36% 

ROTA – PBT improved by 20bps 

- Aggregate disbursements for the quarter were at ₹ 7,014 Cr as against ₹ 4,853 Cr in Q1 of FY18, registering a growth of 45%, riding on the growth in CV industry.
- Vehicle Finance business disbursed ₹ 5,665 Crs as against ₹ 3,819 Cr. in Q1 of FY18 clocking a growth of 48% YoY. HCV and LCV continued to show strong growth, complemented by Used vehicles.
- Home Equity business disbursed ₹ 939 Crs as against ₹ 740 Crs in Q1 FY 18, registering a growth of 27% YoY, getting back to normalcy.
- Assets under management grew by 30% at Rs 46,663 Crores compared to the last financial year, which stood at Rs 35,869 Crores
- The PBT-ROTA for Q1 FY19 improved to 4.0% as against 3.8% in Q1 FY18.

GNPA, NNPA and Provision Coverage Ratio

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%	4.73%	3.17%	33.08%
Jun-18	2.18%	1.08%	47.34%	5.15%	3.72%	32.41%	2.99%	1.71%	42.72%

*NNPA % is as per Ind AS for Jun-18

Capital Adequacy:

The Capital Adequacy Ratio (CAR) of the company as on 30th June 2018, was at 18.15% (Tier I – 13.41% and Tier II -4.74%) as against the regulatory requirement of 15%.

Summary of reconciliation of Standalone Profit between previous IGAAP and Ind AS:

Particulars	Rs in Cr.		
	Q1 FY19	Q1 FY18	Full Year FY18
Profit before tax as per IGAAP	402.47	318.13	1,483.31
Adjustments as per IND AS - (charge) / Benefit			
Adoption of Effective Interest Rate (EIR) for amortisation of income and expenses - financial assets at amortised cost	(18.63)	(1.29)	(17.72)
Adoption of EIR for amortisation of expenses - financial liabilities at amortised cost	(0.11)	(0.00)	(0.28)
Profit(net) on De-recognition of financial assets	36.09	(8.03)	(56.28)
Expected Credit Loss (ECL) and related adjustments under Ind AS 109	20.12	17.18	28.65
Impact of application of Ind AS 115 on revenue from certain customer contracts	1.53	-	(28.47)
Fair valuation of stock options as per Ind AS 102	(1.63)	(2.49)	(8.47)
Re-measurement gain/ loss on defined benefit obligation plan recognised in 'Other Comprehensive Income' as per Ind AS 19	(1.06)	0.69	(0.66)
Total Adjustment - (Charge) / benefit	36.31	6.07	(83.22)
Profit before tax as per Ind AS	438.78	324.20	1,400.09
Tax Expenses (including Current and deferred tax)	(153.53)	(114.52)	(483.32)
Profit after tax as per Ind AS	285.25	209.68	916.77

Subsidiaries Performance:

Subsidiaries	Rs in Cr.			
	Revenue (Ind AS)		PAT (Ind AS)	
	Q1 FY18	Q1 FY19	Q1 FY18	Q1 FY19
Cholamandalam Securities Ltd	4.27	5.89	0.47	1.64
Cholamandalam Home Finance Ltd	2.17	9.48	0.78	-4.56
White Data Systems India Pvt Ltd	7.13	23.01	-0.95	-1.82

CHANGES TO THE BOARD OF DIRECTORS OF CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Mr. N Srinivasan, Executive Vice Chairman and Managing Director, Cholamandalam Investment and Finance Company Limited ('the Company'), expressed his desire to the Board of Directors of the Company at their meeting held today (July 26, 2018) to stepdown as a Director and as Managing Director of the Company. The Board of Directors of the Company accordingly considered the request and decided to accept his request and he will be relieved as a Director and Managing Director of the Company effective end of business hours on August 18, 2018.

Mr. N Srinivasan has served the Board of the Company with distinction since being appointed as a Director in December 2006. He has been Vice Chairman since 2012 and Executive Vice Chairman and Managing Director from August 2017. His resolute and focused leadership during this crucial period between 2008 and 2010 enabled the business emerge stronger after the turmoil of the global financial crises and the Company's separation from its joint venture. The Board of Directors thanks Mr. N Srinivasan for his immense contribution to the success of this Company and wishes him well in future.

Mr. M B N Rao will retire from the Board and as Chairman upon reaching retirement age norm at the end of the business of hours on July 26, 2018 after serving the Board since 2010. The Board places on record its appreciation to Mr. M.B.N. Rao's invaluable guidance and support to the Board over these years.

Consequent upon retirement of Mr. M.B.N. Rao, Mr. M.M. Murugappan will assume office as its Chairman. Mr. M.M. Murugappan is the Executive Chairman of the Murugappa Corporate Advisory Board. He serves in the Boards of Murugappa Group companies and also in the Boards of other leading companies in India. Mr. M.M. Murugappan has over 40 years of experience in diverse areas of Technology, R & D, Strategy, Business Development and Human Resources.

The Board is confident that Mr. Arun Alagappan as the Executive Director, along with Company's strong, experienced, committed and long-serving management team, will continue providing leadership to the business. The Board will provide the strategic direction and support to the Company to continue on its growth path.



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 883 branches across India with assets under management above INR 46,000 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

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

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