

Chola profit up by 36% in auto lending business,

Chennai, July 27:

Cholamandalam Investment and Finance Company (Chola), the financial services arm of Chennai-headquartered Murugappa Group, on Monday reported a 32.6% jump in its net profit at Rs 291.09 crore for the fourth quarter of FY 18 as compared to Rs 219.55 crore in the same quarter previous fiscal. Aggregate disbursements of the company for the quarter were at Rs 8,007 crore as against Rs 5,213 crore in Q4 of FY17, registering a growth of 54%, riding on the growth in commercial vehicle industry.

Cholamandalam Investment & Finance Company grew its topline and bottomline during the first quarter of this fiscal, aided by robust lending in vehicle business.

Its profit after tax grew 36 per cent at Rs.285 crore, compared to Rs.210 crore in the year-ago quarter. Its total income stood at Rs.1,597 crore against Rs.1,296 crore, a 23 per cent increase.

Riding on the growth of the commercial vehicle industry, total disbursements grew 45 per cent at Rs.7,014 crore in the June quarter

(Rs.4,853 crore in Q1 of the previous fiscal).

The vehicle lending business disbursed Rs.5,665 crore (Rs.3,819 crore), clocking a growth of 48 per cent year-on-year. Heavy and light commercial vehicle segments continued to show strong growth, complemented by used vehicles, according to a statement.

The company's home equity business disbursed Rs.939 crore (Rs.740 crore), registering a 27 per cent growth.

The company ended the June 2018 quarter with gross NPA of 2.99 per cent, marginally up

from 2.94 per cent in the March 2018 quarter and down from 4.73 per cent in the year-ago period.

Net NPA stood at 1.71 per cent, up from 1.66 per cent in Q4 of FY18 and down from 3.17 per cent in the year-ago quarter. Its assets under management grew 30 per cent at Rs.46,663 crore (Rs.35,869 crore).

N Srinivasan, Executive Vice-Chairman and Managing Director, has expressed his desire to step down as Director and Managing Director of the company. The board has accepted his request and he will be relieved at end of business hours on August 18.

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.