



Chola gets buy from JM Financial

Cholamandalam Investment and Finance (CIFIC) reported strong numbers with Q3FY18 net profit of ₹225 crore, up 59 per cent YoY. Disbursement growth accelerated (55 per cent YoY), leading to a 20 per cent growth in assets under management during the same period. Asset quality trends improved on strong recoveries in vehicle finance, as gross non-performing loans improved to 3.7 per cent, credit costs declined 30 basis points YoY and coverage ratio improved 155 basis points. The management expects growth momentum in vehicle finance to continue led by branch expansion (CIFIC has added 324 branches in the past two years taking total branch count to 858) and increasing penetration of home equity branches to nullify increasing competition. Additionally, company has got the approval to set up housing finance companies (HFC).

Broking firm: JM Financial

Rating: Buy

Closing price: ₹1,275.25