

Chola net rises 33% in Q2

OUR BUREAU

Chennai October 31

Cholamandalam Investment & Finance Company has reported a 33 per cent rise in net profit at ₹227 crore in the second quarter, against ₹171 crore in a year-ago period, on the back of strong growth in vehicle loan disbursements.

Total income from operations rose 11.5 per cent to ₹1,296 crore (₹1,163 crore a year ago).

The company's net interest margin was higher at 9.6 per cent as against 8.4 per cent in the year-ago period and 9.5 per cent in Q1 of this fiscal.

"The growth in NIM was due

to better product mix and lower cost of borrowings," said a company statement.

Total disbursements rose 24 per cent to ₹5,492 crore (₹4,444 crore in Q2 FY17). It disbursed ₹4,295 crore of vehicle loans as against ₹3,247 crore in the year-ago period, an increase of 32 per cent.

Vehicle loans surge

This was driven by strong growth in its mini, light and heavy commercial vehicle volumes, as also healthy growth in used vehicles.

Chola closed the September quarter with a gross non-per-

forming asset (GNPA) ratio of 4.46 per cent (on three months' overdue) compared with 3.5 per cent (on four months' overdue) in the September 2016 quarter.

Net NPA stood at 2.89 per cent for the second quarter this fiscal.

Assets under management grew 13 per cent to ₹37,450 crore (₹33,180 crore).

Capital adequacy ratio stood at 19.29 per cent.

On consolidated basis, Cholamandalam Investment & Finance's net profit grew 36 per cent to ₹228 crore in Q2 (₹168 crore in a year-ago quarter).