

Chola Q2 net profit rises 49%

Firm attributes increase to robust vehicle financing growth

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Cholamandalam Investment and Finance Co. Ltd. (Chola), a Murugappa Group firm, has reported 49.39% increase in its standalone net profit at ₹304.67 crore for the quarter ended September 2018, against ₹203.93 crore for the corresponding period in the previous year. This was primarily propelled by a robust growth in vehicle financing, said a top executive.

Asset quality

“We have posted good growth in the second quarter due to robust vehicle financing,” said Arun Alagappan, executive director of the company. He said the as-



Arun Alagappan

set quality of the company had improved considerably, and the focus would remain on stepping it up further.

For the quarter under review, Chola posted revenue of ₹1,675.73 crore (₹1,350.25 crore), an increase of 24.10% over the corresponding quarter of the previous year.

At ₹1,318.31 crore (₹1,010.64 crore), vehicle financing accounted for 75% of its total revenue.

Revenue from home equity stood at ₹296.68 crore (₹302.95 crore). Disbursal of vehicle finance was at ₹5,542 crore (₹4,295 crore) for the quarter. Disbursal for home equity (loan against property for business purposes) increased to ₹910 crore from ₹830 crore. Net NPA declined to 1.6% from 2.9%.

To a question, Mr. Alagappan said that liquidity had been pretty good for the company. “There is enough cash in the system as we are able to source funds without any problem since we are among the top NBFCs and have a good rating.”