

## Cholamandalam Finance Q4 profit up 42% on vehicle financing

**Chennai:** Diversified non-banking finance company Cholamandalam Finance saw Q4 profit up 41.6% to ₹192 crore from last year from strength in its commercial vehicle finance lending business. Chennai-based Cholamandalam Investment & Finance Co Ltd disbursed ₹3,760 crore through its vehicle business in the fourth quarter, a growth of 47% in its loan book, compared to ₹2,564 crore in the same quarter last year. "With favourable revival of the commercial vehicle market coupled with our focussed approach and strengthening dealership networks, the vehicle finance division registered a disbursement growth of 32% for the full year," said Cholamandalam in its earning release. For the full year, the group saw a profit of ₹568.46 crore, an increase in 31% since last year. The group also saw an equal rise in its home loan portfolio with a 16% growth in book to ₹994 crore in Q4. Net interest margin as percentage of assets improved to 9.4% in Q4 from 8% for the same period last year. The board also recommended a 20% increase in dividend, subject to approval. Cholamandalam's asset quality improve with non-performing loans (NPAs) decreasing sequentially to 3.5% in March 2016 from 4.3% in December 2015. The company set aside more money — ₹54.80 crore towards its bad loans that were three months overdue. TNN