

Cholamandalam Investment registers 2.3% increase in net profit

Chennai, Apr 28: Cholamandalam Investment & Finance Company Ltd (CIFCL) has reported a marginal increase of 2.3% in its standalone net profit for the fourth quarter ended March 2019 to Rs.292 crore from Rs.285 crore a year earlier, despite a challenging period faced by the industry.

However, the company's total income grew 29 per cent at Rs.1885 crore as against Rs.1456 crore in a year ago period, helped by strong revenue growth in the vehicle finance business. Interest income grew to Rs.1770 crore the March 2019 quarter

from Rs.1380 crore, an increase of 28 per cent.

For the full year ended March 31, 2019, the company's net profit grew by 29 per cent at Rs.1186 crore (Rs.918 crore in 2017-18). Total income stood at Rs.6993 crore (Rs.5480 crore), posting an increase of 28 per cent, according to a statement. The company said the industry faced liquidity constraints due to the restrictive supply of market funds. However, it was able to tap the banking lines and deploy it optimally. Further, the company has been maintaining cash cover at about Rs.3000 crore, to manage funds position for the next

three months.

The aggregate disbursements for the year 2018-19 saw an increase of 21 per cent at Rs.30,451 crore as against Rs.25,114 crore in the previous fiscal. The company ended the March 2019 quarter with GNPA (gross NPA) of 2.3 per cent, down from 2.8 per cent in Q3 and 3.0 per cent in Q4 of previous fiscal. Net NPA stood at 1.1 per cent (1.5 per cent in Q3 and 1.7 per cent in the year-ago quarter).

The Board declared a final dividend of 20 per cent (Rs.2 per share). It had announced an interim dividend of 45 per cent (Rs.4.5

per share) earlier. The Board also recommended sub-division of equity shares of Rs.10 each to five shares of Rs.2 each. Approval of the shareholders is being sought through a postal ballot for the proposal. Cholamandalam's assets under management grew 26 per cent at Rs.54,279 crore (Rs.42,924 cr in the previous fiscal).