

Cholamandalam Investment profit rises 31% in Q3

OUR BUREAU

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Strong growth in disbursements have contributed to Cholamandalam Investment and Finance reporting a 31 per cent growth in net profit for the third quarter of the current year compared with the corresponding quarter previously.

The Murugappa Group company reported a net profit of ₹145.70 crore (₹111.29 crore) on a total income of ₹1,053.83 crore (₹964.60 crore) for the quarter ended December 31, 2015.

Disbursements during the quarter grew 38 per cent to ₹4,260 crore.

Arul Selyan, CFO, said the growth in disbursements,

particularly in the commercial vehicle segments, except for the mini-commercial vehicles, cars, used vehicles and construction equipment contributed to the performance.

The company has also managed to contain cost of funds at about last year levels despite the growth.

This is due to the base rate reduction and market borrowings at attractive rates.

The company can sustain this pace of growth given the market conditions, he said.

It has declared an interim dividend of ₹2.50 (25 per cent) a share of ₹10.

On the BSE, the company's shares closed at ₹635.25 against the previous close of ₹626.95.