

Cholamandalam net

up by 25 %

Mumbai, July 28: Financial services company Cholamandalam Investment & Finance today reported a 25 per cent rise in June quarter net at Rs 207 crore helped by reduction in cost of funds and better net interest margin.

"Our cost of funds has declined. Net interest margin also improved. This has led to a 25 per cent increase in our profit," chief financial officer Arul Selvan said.

The cost of funds dipped to 7.4 per cent from 8.2 per cent in the same period last year, while NIM improved to 8 per cent from 7.1 per cent in the same quarter last year. Gross non-performing assets marginally rose to 4.7

per cent (at 3 months overdue) from 4.47 per cent, while net NPAs too rose to 3.2 per cent from 2.93 per cent.

It disbursed Rs 3,819 crore in vehicle finance business as against Rs 3,326 crore. Home equity or mortgage finance disbursements declined to Rs 740 crore in the quarter from Rs 991 crore.

Aggregate disbursements for the quarter stood at Rs 4,853 crore as against Rs 4,561 crore last year same period. The capital adequacy ratio was at 19.37 per cent as against the regulatory requirement of 15 per cent with tier I capital at 14.27 per cent and tier II capital at 5.10 per cent.