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Cholamandalam Investment profit rises 31%

Chennai, Jan 31: 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 Rs.145.70 crore (Rs. 111.29 crore) on a total income of Rs. 1,053.83 crore (Rs.

964.60 crore) for the quarter ended December 31, 2015.

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

Arul Selvan, 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 Rs. 2.50 (25 per cent) a share of Rs. 10.

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