

Cholamandalam Investment posts 31% rise in net profits

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Chennai: Cholamandalam Investment & Finance Co Ltd reported a 31% rise in third-quarter standalone profit after the Chennai-based lender saw more income from its vehicle and home loans. The unit of conglomerate Murugappa Group said it hoped to sustain the "same momentum into fourth-quarter".

Cholamandalam Investment reported a profit of ₹145.70 crore for the quarter ended December 31, 2015, compared to ₹111.29 crore for the same period last year.

The lender saw its total income from operations go up 9.3% to ₹1,053.83 crore. For the fourth quarter, the company said it would prefer maintaining a conservative outlook, given the current macro-economic condition. "We have been seeing a hardening in liquidity rates over the last few weeks. Hopefully this state of affairs won't persist and rates will stabilize," said Cholamandalam CFO Arul Selvan.

Cholamandalam's expenses rose 4.6% to ₹832.96 crore after it faced a one-time charge on a VAT liability and had to pay out more in bonuses to its employees with the retrospective implementation of the Minimum Wages Act.

Cholamandalam expects to see higher productivity with its sales force in the next quarter as the company steps up its digitization process.

"We have provided tablet PCs to as many as 9,000 of our field employees. If a customer had a good credit history and fulfills our requirements, then it will be possible to close the deal in one visit," he said.