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Gold loan NBFC Muthoot Finance’s net profit for the third quarter of FY16 increased by 21% to Rs 186.66 crore. Net profit for the third quarter of last fiscal had stood at Rs 154 crore.

Company officials said that the woes of the economy continue to impact the company’s performance and demand for credit is absent at higher levels.

The average loan ticket size of the company has declined by 3% year-on-year. Last financial year, the company had reported a net profit of Rs 670.52 crore.

Total income for India’s largest gold loan company for the quarter in review increased by 7% to Rs 1,141 crore from Rs 1,069 crore a year ago.

Commenting on the results George Alexander Muthoot, managing director said “Fall in interest cost as well as better control on expenditure and lower provisions has enabled us to show a better performance this quarter.

Since gold loans are of short duration and consequent to higher level of demand being absent, incremental growth in portfolio is muted. However, we are seeing good demand for the new customer friendly lifestyle schemes launched.

To meet unforeseen contingencies and as a matter of higher level of investor comfort, we have increased the standard asset provision again from 0.50% to 0.52%, thus in excess of regulatory requirement of 0.25%”.