

Sundaram Finance net up 34% in fourth quarter

Our Bureau

1

Small Business Ideas

2

Best Investments for Retirement

3

Life Insurance for Seniors

Full-year profit up 5%; growth driven by recovery of commercial vehicle segment: MD

TT Srinivasaraghavan, MD, Sundaram Finance

Chennai, May 30:

Sundaram Finance reported double-digit growth in profit in the January-March quarter, propelled mainly by strong recovery of the medium and heavy commercial vehicle industry.

In the quarter ended March 31, the company's net profit grew 34 per cent to Rs. 122 crore as against Rs. 91 crore in the year-ago quarter. Its gross profit rose to Rs. 434 crore (Rs. 412 crore in Q4 FY15) and other income to Rs. 37 crore (Rs. 10 crore).

Loan disbursements grew 14 per cent to Rs. 2,893 crore (Rs. 2,594 crore).

For the full year ended March 31, 2016, the company's net profit grew 5 per cent to Rs. 477 crore (Rs. 454 crore in FY15).

Disbursements in FY16 grew 14 per cent to Rs. 11,444 crore (Rs. 10,012 crore). The company said it improved market share in the CV space with better-than-industry growth.

"The highlights include growth of loan disbursements by 14 per cent. This is after two-three years of sluggishness in the auto industry as a whole and the M&HCV space in particular. It was a welcome return to growth... Disbursements to M&HCV segment grew by about 34 per cent. This was the key propeller of growth in 2015-16," TT Srinivasaraghavan, MD, Sundaram Finance, said.

As on March 31, the company's net non-performing assets (NPAs) stood at 0.92 per cent as against 0.52 per cent a year ago. This is especially significant as the company adopted the more stringent three-month NPA norm from 2015-16, two years ahead of the regulatory requirement. "We believe this helps in terms of clearly stating our position on asset quality. It also gives us the required headroom to adjust to the new regulatory environment," he added.

The company's assets under management (AUM) stood at Rs. 20,699 crore as of end-March. Deposits crossed the Rs. 2,000-crore mark to Rs. 2,264 crore — net accretion during the year was at an all-time high of Rs. 322 crore.

GenNext at the country's leading non-banking finance company (NBFC) is preparing to shoulder larger responsibilities in the months to come as the company's board on Monday elevated Harsha Viji to the post of Deputy Managing Director.

Harsha Viji (40), son of Chairman S Viji, is currently Director, Strategy & Planning, at Sundaram Finance.

He is also the Managing Director of Sundaram Asset Management Company.

A qualified Chartered Accountant and an MBA from the US, Viji joined Sundaram Finance in 1998 as Executive Assistant to the Managing Director.

After serving as Senior Vice-President and ED (Strategy & Planning), he was inducted into the Sundaram Finance board as Director with effect from September 24, 2010.

(This article was published in the Business Line print edition dated May 31, 2016)