

Sundaram BNP Paribas Home Finance Q3 net profit at Rs246.6mn

Home Loan Disbursements for Q3 ended 31st December 2011 went up 63% to Rs.4.92bn from Rs.3.01bn registered in Q3 ended 31st December 2010.

Sundaram BNP Paribas Home Finance Ltd has announced that the company has registered a Net Profit of Rs. 246.6mn for Q3 ended 31st December 2011 as compared to Rs. 80.2mn registered in Q3 ended 31st December 2010. Home Loan Disbursements for Q3 ended 31st December 2011 went up 63% to Rs.4.92bn from Rs.3.01bn registered in Q3 ended 31st December 2010.

Net Profit for the nine month period ended 31st December 2011 more than doubled to Rs. 63.82cr from Rs. 27.80cr registered in the nine months ended 31st December 2010. Home Loan Disbursements for the nine months ended 31st December 2011 went up 60% to Rs. 13.59bn from Rs.8.49bn registered in the comparative same period the previous year.

Fund Raising

As part of its fund raising exercise, Sundaram Home hopes to mobilise Rs.1bn through subordinated debt and Rs. 2bn through bank borrowings. The company is also planning for a bilateral sale of part of its loan portfolio.

Commenting on the company's performance, Srinivas Acharya, MD, Sundaram BNP Paribas Home Finance said, "We have exceeded last full year's Net Profit and Disbursements within the first nine months of the current fiscal and are now confident of achieving our full year loan disbursement target of Rs. 1800cr. We continue to believe that Southern Home Loan markets hold a lot of promise, especially in Tier 2 and Tier3 towns and we will further strengthen our presence in the Southern region."

Pan India Expansion

Sundaram Home has expanded its presence to over 75 offices in India and is currently in the first phase of its Pan India network expansion. After expanding into Calcutta earlier this fiscal, the company has now opened up offices in Nasik and Kolhapur in Maharashtra, Bhopal in Central India and Bhubaneswar in Orissa.

South Expansion

In line with the Tier 2 and Tier 3 growth strategy, the company has opened up several new offices including Srikakulam, Nizamabad, Karimnagar, Eluru and Cuddapah in Andhra Pradesh and Kayamkulam, Malappuram and Muvattuppuzha in Kerala.

On the recent cut in CRR, Srinivas Acharya said, “The CRR cut is a clear signal that the rates may not go up from this level and are likely to soften, going forward.”