

## Sundaram Finance net rises by 11%



Sundaram Finance Ltd managing director T T Srinivasaraghavan along with deputy managing director Srinivas Acharya and chief financial officer S Venkatesan at a press meet on Friday

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Non-banking finance company Sundaram Finance Ltd has reported a net profit of Rs 151 crore for the fiscal ended 31 March 2009, a growth of 11 per cent from Rs 136 crore recorded in the previous year.

Speaking to media persons at Chennai on Friday, Sundaram Finance managing director T T Srinivasaraghavan said profitability figures were not comparable as the profit last year included a one-time profit of Rs 76.82 crore on account of the sale of shares in Sundaram Home Finance Ltd.

Despite the commercial vehicles business getting hit by the economic downturn, the sale of passenger vehicles was showing a positive sign, he said.

'The company in its passenger vehicles segment reported an increase in market share from 2.72 per cent in the previous year to 4 per cent for the year ended March 2009,' he said.

The company's board has recommended a final dividend of 25 per cent for the year ended March 2009. This along with an interim dividend of 40 per cent takes the total dividend for 2008-09 to 65 per cent.

He said the total disbursements for the fiscal 2009 stood at Rs 4,540 crore while the company's income from operations crossed the Rs 1,000 crore mark and stood at Rs 1,083 crore as on 31 March 2009.

Giving a break up on the total disbursements, SFL managing director said commercial vehicles segment contributed 47 per cent while cars and utility vehicles contributed 36 per cent. 'The contribution from the construction equipment businesses stood at nine per cent,' he said.

Commenting on the future outlook of the company, he said the sales of commercial vehicle may not improve dramatically this year (2009-10).

'We expect CV sales to remain muted. However, car manufacturers projected five per cent growth and that seems to be believable. There could be some growth in this segment and this mix may continue by and large for 2009-10,' he said.

The company's other subsidiaries — Sundaram-BNP Paribas and Royal Sundaram Finance Ltd have shown 'key creditabilities', he said.

Royal Sundaram Finance has reported a 16 per cent growth and profit after tax (PAT) has been marginally better. 'Last year the PAT stood at Rs four crore and for 2008-09 it has increased to Rs 5.5 crore,' he said.

In the insurance business, the gross written premium as on 31 March 2009 was at Rs 804 crore while retail alone contributing to over 60 per cent of the portfolio, he said.

During the period, the company has opened 24 new branches increasing its total network to over 450, he said.