

Wheels India MD sees healthy growth ahead

Wheels India Ltd., a TVS Group company, has reported a 151 per cent jump in net profit for the quarter ended March 2016 to Rs. 16.97 crore, up from Rs. 6.76 crore in the same quarter the previous year. Revenue for the quarter under review increased 7 per cent to Rs. 536 crore from Rs. 500 crore in the same period the previous year. For the year ended March 2016, the company registered a 34 per cent growth in net profit at Rs. 39.99 crore, up from Rs. 29.74 crore in the preceding year. Revenue for the year under review went up by 2 per cent to Rs. 2,018 crore (Rs. 1,982 crore). The board has recommended a final dividend of Rs. 5.50 per share as against Rs. 4.50 the previous year.

Addressing a press conference here on Wednesday, Srivats Ram, Managing Director, said a strong recovery in commercial vehicle sector due to assorted factors had helped the revenue growth. The commercial vehicle sector grew by 28 per cent, he said. Though he wasn't sure if the sector could repeat the high 20 per cent growth of last year, he, nevertheless, was optimistic that it would grow in double-digit this year.

Wheels India, he said, entered into lift-axle field in the second half of last year. "This has seen strong growth from this April. This year, we will see the full impact of lift-axle expansion. This will be an important driver of growth in addition to commercial vehicle," he added. He also saw growth scope in wind mill space. "If there is good monsoon, there should be good growth in the tractor segment this year, at least in the high single-digit, after successive years of de-growth. Construction equipment and mining segment is expected to show growth in the domestic market this year. Overall, we expect healthier growth this year than seen in the last 4 years," Mr. Srivats Ram said.