

**SUNDARAM FINANCE***Enduring values. New age thinking.*

SEC:295:17-18/GN

January 29, 2018

The Manager - Listing
National Stock Exchange of India Limited
Capital Market – Listing
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051

Dear Sir,

Sub: Submission of Press Release

We have pleasure in enclosing the press release relating to unaudited financial results for the quarter and nine months ended 31st December 2017.

Thanking you,

Yours truly,
for Sundaram Finance Limited

P. Viswanathan
Secretary & Compliance Officer

Encl:

Sundaram Finance Limited



SUNDARAM FINANCE
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Sundaram Finance Q3 Disbursements up 46% at 4810crores Net Profit at Rs.154 crores

Chennai January 29, 2018: Leading Chennai based NBFC Sundaram Finance Ltd. (SFL), has announced that the National Company Law Tribunal, Division Bench, Chennai has approved the Composite Scheme of Arrangement and Amalgamation (Scheme) between the Company and its four subsidiaries, viz., Sundaram Insurance Broking Services Limited, Infreight Logistics Solutions Limited, Sundaram BPO India Limited and Sundaram Finance Holdings Limited (SFHL).

The Scheme shall be effective from the Appointed Date, i.e. 1st April 2016, but shall be operative from the Effective Date, i.e. 18th January 2018. The Scheme envisages transfer of the shared services businesses as well as the non-core investments held by SFL in various companies, to SFHL. All shareholders of SFL as on the Record date, Feb 2nd 2018, shall be allotted shares in SFHL, in the ratio of 1:1. SFHL will be listed on NSE in due course.

Q3 Results

SFL has registered a 12% rise in its Net Profit at Rs. 154crores for the Q3 ended 31st December 2017 as compared to Rs. 138crores for the same period the previous year, before giving effect to the demerger. However, a sum of Rs.28 crores representing the Net profit of the demerged operations has been reduced from the profits for the current quarter as well as the nine months ended 31st Dec 2017 and consequently, Net Profit from continuing operations for the Quarter ended 31st December 2017 stood at Rs. 126crores as compared to Rs. 138crores registered in the same period the previous year.

Net Profit for the nine months ended 31st December 2017, after giving effect to the demerger, rose by 13% to Rs. 403crores as compared to Rs. 356crores registered in the nine months ended 31st December 2016.

The profit figures for the current quarter and the nine months ended 31.12.2017 are not comparable with the earlier periods.

Growth in disbursements

Disbursements for Q3 ended 31st December 2017 went up by 46% to Rs.4810crores as compared to Rs.3284crores registered in Q3 ended 31st December 2016. Disbursements for nine months ended 31st December 2017 went up by 24% to Rs.12092crores as compared to Rs. 9731crores registered in same period the previous year.

Asset Quality

The asset quality continued to reflect the Company's continuing emphasis on Credit underwriting with Gross and Net NPA (based on the 3 months norm) standing at 1.74% and 0.81% respectively as on 31st December 2017, as compared to 2.16% and 1.02% as on 31st December 2016.

During the quarter, the Long term credit ratings of SFL were upgraded to AAA (STABLE OUTLOOK) by ICRA and CRISIL.



Commenting on the results, TT Srinivasaraghavan, MD, Sundaram Finance Ltd., “We witnessed a robust growth in disbursements in Q3, driven by a strong surge in sales of M&HCVs. As always, the focus on GQP has meant that the portfolio quality remains strong and Net Profit on a like to like basis, grew by 24% for the nine months ended 31st December 2017.”

Set up in 1954, the Sundaram Finance Group’s services include financing for the entire range of commercial vehicles, passenger cars and construction equipment, as well as specially designed working capital products such as fuel finance and tyre finance. The company is also into home loans, mutual funds, non-life insurance, IT, BPO and distribution of a wide range of financial products and services. The company has over 600 branches spread across the country.

Media Contact: S. Prabhu@ 94440 40748 or sprabhu@proPR.in

