



SUNDARAM FINANCE

Enduring values. New age thinking.

SEC:73:17-18/GN

May 30, 2017

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 enclose the press release in connection with the Audited Financial results for the year ended 31st March 2017.

Thanking you,

Yours truly,
for Sundaram Finance Limited

P. Viswanathan
Secretary & Compliance Officer

Encl:

Sundaram Finance Limited



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Sundaram Finance Q4 Net Profit up 14% at Rs. 139crores; Disbursements clock growth of 18%

Net NPA significantly lower at 0.55%, Final Dividend of Rs. 6.5 per share

Chennai May 30, 2017: Leading NBFC Sundaram Finance Ltd., has registered a 14% rise in its Net Profit for Q4 ended 31st March 2017 at Rs. 139 crores as against Rs. 122 crores registered in Q4 ended 31st March 2016. Disbursements for Q4 ended 31st March 2017 clocked a growth of 18% to Rs. 3413 crores from Rs.2893 crores registered in the same period of the previous year.

The Board has recommended a final dividend of Rs. 6.5 per share. This along with the interim dividend of Rs. 5 per share takes the total dividend for the year to Rs. 11.50 per share.

Net worth increased to Rs.3748 crores as on 31st March 2017 from Rs. 3313 crores as on 31st March 2016. Assets under Management registered a growth of 16% over the previous year and stood at Rs. 24036crores (Rs. 20699crores) as on 31st March 2017.

The company mobilized fresh deposits of Rs. 456.65crores during the year and ended the year with deposits of Rs.2411crores as on 31st March 2017. Deposit renewals stood at around 80%.

Net Profit from Continuing Operations up 11.54%

For the full year ended 31st March 2017, Sundaram Finance has reported a Net Profit of Rs. 495crores. Net profit for the year ended 31st March 2016 stood at Rs. 477crores. However, Profit for the year ended 31.03.2017 is not comparable with that of the previous year, which included a onetime profit of Rs. 40.64crores, arising from the sale of equity shares in BNP Paribas Sundaram Global Securities Operations Private Limited. **Net Profit from continuing operations registered a growth of 11.54% over the previous year.**

Disbursements for the year ended 31st March 2017 registered a growth of 15% at Rs.13196crores as against Rs. 11444crores registered in the previous year.

Commenting on the performance, TT Srinivasaraghavan, MD, Sundaram Finance Ltd., said “We have achieved a healthy growth in both top and bottom line, notwithstanding the difficult market conditions - impacted as they were, by weak replacement buying, uncertainty surrounding the implementation of BS-IV emission norms and demonetisation. We were able to achieve this thanks to an across the board growth in LCVs, passenger cars and utility vehicles, construction equipment and tractors.”

Srinivasaraghavan added, “Despite moving to the more stringent 90 day norm for NPA recognition, two years ahead of the regulatory requirement, Sundaram Finance has been able to achieve a significantly lower NPA than last year, reflecting its strong focus on preserving asset quality. The Gross and Net NPAs as at 31st March, 2017, stand reduced to 1.54% and 0.55%, respectively, as against 2.08% and 0.92% respectively, in the previous year, by far the best performing portfolio amongst its peers. Growth, with Quality and Profitability, continues to define the company’s approach to business.”



Demerger process

In February this year, the board of the company approved a proposal to demerge the non-financial services investments of SFL into a wholly owned subsidiary, Sundaram Finance Holdings Limited (SFHL). Sundaram Finance has obtained a 'No Objection' letter from the NSE as well as the approval of the CCI. Necessary steps are being taken to file an application with the National Company Law Tribunal for approval.

Following the demerger, SFHL would be listed on the stock exchange and all shareholders of Sundaram Finance Limited would receive one share of SFHL free of cost, for every share held in SFL as on the record date. The appointed date for the scheme is April 1, 2016. The entire process is expected to be completed by the 2nd quarter of this year.

On the outlook for the year, Srinivasaraghavan said, "The momentum of economic reforms is expected to continue and it is hoped that the various proposals outlined in the Union Budget 2017, especially relating to road construction activities and the rural sector will have a salutary impact on the automotive sector. With diesel prices expected to remain stable, the outlook for the automotive sector appears moderately optimistic. The encouraging forecasts of another normal monsoon obviously augur well for the economy as a whole."

"With Construction Equipment, tractors and farm equipment projected to register strong growth, we are hopeful of increasing our presence in these segments."

Set up in 1954, the Sundaram Finance Group's services include financing for the entire range of commercial vehicles, passenger cars, tractors 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.

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