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## **Sundaram Finance FY19 Net Profit at Rs. 1126crores**

### **Disbursements rise 9.8% to Rs. 17170crores**

### **Board recommends Final Dividend of Rs. 12.5 per share including a Special Dividend of Rs. 5 per share**

Chennai May 30, 2019: Leading NBFC Sundaram Finance Ltd., has registered a Net Profit of Rs. 1126crores for the year ended 31<sup>st</sup> March 2019. This includes an amount of Rs.522crores towards an exceptional income on account of sale of shares in Royal Sundaram. The company had registered Net Profit of Rs. 563crores for the previous year ended 31<sup>st</sup> March 2018.

Disbursements for the year ended 31<sup>st</sup> March 2019 increased 9.8% to Rs.17170crores from Rs. 15632crores registered in the previous year ended 31<sup>st</sup> March 2018.

Revenue from operations for the year ended 31<sup>st</sup> March 2019 increased 21% to Rs. 3398crores from Rs. 2806crores registered in the corresponding period of the previous year.

The Gross Receivables stood at Rs.33447crores as on 31<sup>st</sup> March 2019 as against Rs.28648crores as on 31<sup>st</sup> March 2018 registering a growth of 17%.

### **Final Dividend of Rs. 12.5 per share including a Special Dividend**

The Board of the Company has recommended a Final Dividend of Rs.12.5per share including a Special Dividend of Rs. 5 per share. This along with the interim dividend of Rs. 5per share declared earlier in the year takes the total dividend for the year to Rs. 17.5 per share.

### **Best in Class NPA**

The company's sustained focus on maintaining superior asset quality ensured that NPAs continues to be best in class. Gross NPAs and Net NPAs as on 31st March 2019 stood at 1.33% and 0.83%, respectively

During the year, Sundaram Finance mobilised fresh deposits aggregating to Rs. 701Crores with renewal clocking 85%. Deposits crossed Rs. 3000crores in April this year.

### **Fund Raising in 2018-19**

During the year, Sundaram Finance raised term funding from Banks, Mutual funds, Insurance companies and others in the form of non-convertible debentures and term loans to the tune of Rs.7000crores, across various tenors. The Company also issued several tranches of commercial paper aggregating to Rs. 12500crores. Sundaram Finance also raised resources to the extent of Rs.3236crores through securitisation and assignment of receivables.

Commenting on the performance, T. T. Srinivasaraghavan, Managing Director, Sundaram Finance Ltd., said, "In what was a challenging year for the financial services sector, we achieved a reasonable growth in disbursements in FY19, driven by ICV, Construction Equipment and Used Vehicles segments. We have built a strong base in each of these segments and expect these to do well this year."



**“Especially heartening is the performance of our portfolio. Our collections remained robust and our NPAs were well under control inspite of the difficult market conditions.”**

Sundaram Finance has also embarked on a number of digital initiatives, both for the customers as well as for the employees.

**On the digital initiatives, Srinivasaraghavan said, “The Company’s digital strategy is driven by the twin objectives of enriching employee’s jobs on the one hand, while enhancing the customer experience, on the other. Our digital initiatives address these very objectives, by enhancing our speed of response to our customers and providing them a host of digital options to interact and transact with us, and a number of productivity enhancements through process automation which free up our people to deliver the unique ‘Sundaram Experience’ to our customers. We are a relationship centric business and have consciously adopted digital, to augment these relationships and be digitally available for our customers, as and when they need us.”**

#### **Q4 Net Profit at Rs. 675crores, disbursements up 24%**

The company registered a Net Profit of Rs.675crores for the quarter ended 31<sup>st</sup> March 2019. This includes an exceptional income of Rs. 522crores on account of sale of shares in Royal Sundaram. The company had registered Net Profit of Rs. 138crores for the quarter ended 31<sup>st</sup> March 2018. Disbursements for the fourth quarter ended 31<sup>st</sup> March 2019 increased 24% to Rs.4437crores from Rs. 3585crores registered in the fourth quarter ended 31<sup>st</sup> March 2018. Revenue from operations for the fourth quarter ended 31<sup>st</sup> March 2019 increased 11% to Rs. 881crores as compared to Rs. 788crores registered in the corresponding period of the previous year.

#### **Fund Raising Plans for FY20**

The company expects to raise Rs. 11000crores in FY20 through various term funding options including securitization to fund the business growth.

#### **Insurance Business**

During the year, Sundaram Finance Ltd signed a Joint Venture agreement with Ageas Insurance International N.V whereby the latter acquired 40% of the share capital of Royal Sundaram General Insurance Co. Ltd. Subsequent to the divestment, Sundaram Finance Ltd now holds 50% and some of the existing Indian shareholders hold the balance 10% in Royal Sundaram. Gross Written Premium grew 20% to Rs. 3192crores in FY19.

**On the outlook for the year, Srinivasaraghavan said, “With the new Government in place, it is reasonably expected that the thrust on infrastructure would continue. However, the uncertainties surrounding market liquidity, interest rates, the imminent introduction of the BS VI emission norms and global oil prices, render forecasts difficult. Most economic commentaries seem to point to a challenging year ahead for the economy in general and the automotive sector in particular. We have taken these factors into account in drawing up our plans for the year, without losing sight of our core markets and segments.”**

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](mailto:sprabhu@proPR.in)

