



SUNDARAM FINANCE

Enduring values. New age thinking.

SEC:084B:20-21/SS

November 6, 2020

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 half year ended 30th September 2020.

Thanking you,

Yours truly,

for Sundaram Finance Limited

P. Viswanathan
Secretary & Compliance Officer

Encl:

Sundaram Finance Limited

Sundaram Finance Q2 Net Profit at Rs. 192crores

Chennai November 6, 2020: Leading NBFC Sundaram Finance Ltd., has registered a Net Profit of Rs. 358cr for the first half year ended 30th September 2020 as compared to Rs. 427crores for the first half year ended 30th September 2019. However, the Net Profit of H1 of the previous year included a one-time income of Rs.53crores representing profit on sale of equity shares in Sundaram Finance Holdings Ltd. Hence the profit for the first half of this year is not comparable with that of the previous year.

Income from operations for the first half ended 30th September 2020 stood at Rs. 1941crores as compared to Rs. 1924crores registered in the corresponding first half of the previous year.

Q2 Net Profit

The company registered a Net Profit of Rs. 192crores for the quarter ended 30th September 2020 as compared to Rs. 269cr registered in the same period last year. However, the Net Profit of Q2 of the previous year included the above mentioned one-time income of Rs.53crores. Hence the profit for the current quarter is not comparable with that of the previous year.

Income from operations for the quarter ended 30th September 2020 stood at Rs. 993crores as compared to Rs. 994crores registered in the corresponding quarter of the previous year.

The company registered disbursements of Rs.3174crores for the quarter ended 30th September 2020 as against disbursements of Rs. 3832crores in the same period the previous year.

Assets under Management stood at Rs.30572crores as on 30th September 2020 as against Rs. 30256crores as on 30th September 2019.

NPAs

Gross NPA (Stage III) stood at 2.14% and Stage III (Net of ECL) stood at 1.17% as on 30th September 2020. The Honourable Supreme Court of India vide an interim order dated Sept 3, 2020, directed that borrowers who have availed moratorium benefit and were not declared as Non Performing Assets (NPA) till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, accounts that were not NPA as of August 31, 2020, have not been classified as NPA for the Half year ended 30th September 2020, in line with the above mentioned directive. Had the company classified such borrower accounts as Stage III on 30th September 2020, the Stage III/Stage III (Net of ECL) would have been at 2.51% and 1.47% respectively.

Deposit Base – Net Accretion of Rs. 207crores

The company's deposits have seen a strong growth in the first half of the year. Deposits stood at Rs. 3883crores as on 30th September 2020, registering a net accretion of Rs. 207crores.



TT Srinivasaraghavan, MD, Sundaram Finance said, “Despite the first two months of the year having been a total washout, we managed to reach over 80% of our disbursements in Q2. Every succeeding month since May has witnessed an upward trend and that is something heartening. On the back of a bountiful monsoon and Government’s investment in infrastructure, the Tractor and Construction Equipment segments have done particularly well.”

However, striking a note of caution, Srinivasaraghavan said, **“While there is a lot of positivity around the festive season, we have to wait and watch if this momentum sustains, in the coming months.”**

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 around 600 branches spread across the country.

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The image shows a handwritten signature in blue ink, which appears to be 'S. Prabhu', written over a circular purple stamp. The stamp contains the text 'SUNDARAM FINANCE LTD.' around the perimeter and 'CHERMANUR' in the center.