



Sundaram Finance achieves significant milestone Deposits cross Rs.1000crores

Chennai 24th July 2009: The deposits of Chennai based NBFC (Non Banking Finance Company) Sundaram Finance has crossed Rs.1000crores.

Addressing the shareholders at the 56th AGM of the company in Chennai, S. Viji, Chairman, Sundaram Finance said, “This is a significant milestone for the company and I thank the depositors for reposing a high degree of confidence in the company.”

With the economy slowing down, freight offerings have fallen significantly, impacting not only new vehicles but also the viability of existing fleets.

Viji said, “While the prospects for growth in CV sales appear rather dim, passenger car and multi-utility vehicle sales seem to be on a slightly better footing and could register modest growth during the year.”

On the focus areas for Sundaram Finance, he said, “Sundaram Finance would continue to seek profitable avenues of growth, in consonance with its quality benchmarks. While top line growth is largely dictated by market realities, the company will focus on maintaining the quality of its loan portfolio while simultaneously seeking other opportunities to ensure a health growth in the bottom line.”

When queried about the Non-Performing Assets (NPAs), **T. T. Srinivasaraghavan, Managing Director, Sundaram Finance said, “Ours is the best performing portfolio in the industry. Despite the dramatic slowdown in the industry, our Net NPAs stood well below 1%. The reason for this lies in the credit standards for acceptance, close monitoring and our strong relationship with customers.”**

Viji reiterated the long pending demand to RBI that risk weightage on assets with lower risk profile like CVs and cars be reduced to differentiate them from other classes of assets which carry inherently higher risks.

He also wanted the Ministry of Finance to consider treating Asset Financing Companies (AFCs) on par with banks and housing finance companies with regard to tax treatment of income recognition and provisioning in respect of NPAs.

The shareholders of Sundaram Finance approved the final dividend of 25%, taking the total dividend for the year to 65%. Sundaram BNP Paribas Home Finance also paid a maiden dividend of 10%.

Sundaram Finance ended FY09 with disbursements of Rs.4540crores and Net Profit of Rs.150.73crores.

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