



QUICKLY
Gaining currency Zimbabwe, which has been facing severe cash shortage, released new low-denomination notes on Tuesday, but banks maintained an existing withdrawal limit of \$20, frustrating several customers AFP

Banks sanction ₹20,000 cr to NBFCs

Mumbai, November 12
Banks have so far supported non-banking finance companies, sanctioning ₹20,000 crore under the partial guarantee scheme for purchase of asset pools. The scheme, whereby PSBs purchase asset pools from NBFCs, was announced in the Union Budget. This was aimed at alleviating liquidity issues being faced by NBFCs after the IL&FS debt default crisis last year. The scheme has been capped at ₹1-lakh crore and is open for up to six months. "The guarantee is being extended. Some formalities are being completed. Individual cases go to the government. So, that is taking a bit of time," said Rajiv Kumar, Finance Secretary, Ministry of Finance. OUR BUREAU

India can gain from US-China trade war: RBI study

This will increase the scope for drawing FDI, steering away manufacturing from China

OUR BUREAU

Mumbai, November 12
With the ongoing trade war between the US and China increasing the scope for diversion of global foreign direct investment (FDI) and manufacturing away from China, emerging market economies (EMEs) such as India can seize the opportunity by ensuring a conducive environment for foreign investors. It may, in turn, help strengthen domestic manufacturing base for exports and improve global value chain (GVC) participation, according to a Reserve Bank of India study.

contract manufacturing and single brand retail augur well for improving India's GVC participation, the study said.

"Given the size and diversification of domestic economy as well as global opportunities, there is immense potential to improve GVC participation by moving up in the global value chain.

"This, however, needs to be realised by attracting further FDI and undertaking domestic structural reforms," the study said.

Advantage India

The study referred to a recent UBS Evidence Lab CFO Survey (2019), which found India as a favoured investment destination for foreign investors, ahead of other Asian economies. Recent measures announced to encourage FDI in

The global value chain enables firms to optimise their production processes and reduce the cost of production by restructuring their operations internationally. While backward linkage indicates the share of foreign inputs embedded in the country's exports, forward linkage is the share of



A conducive environment for foreign investors will strengthen the manufacturing base for exports and improve global value chain participation

the domestic country's exports used as an input for the importing country's exports. Sum of these gives the GVC participation level of a country, which is considered an important indicator of the extent to which a country's exports are integrated into international pro-

duction networks. Historically, India's exports are dominated by domestically resourced inputs. With domestically produced wider set of intermediate goods and dominance of services exports, domestic value added to total exports is more dominant than foreign inputs.

Composition of India's export basket can explain India's stronger forward linkages in the global supply chain relative to the backward linkage. This implies a smaller upstream component in India's GVC participation.

India's GVC participation rate improved in 1995 (33 per cent) to 2010 (43 per cent), but dwindled somewhat thereafter (to 38 per cent in 2018). India's GVC participation level continues to be lower than other major economies (against global average of 53 per cent).

Edelweiss to raise \$1 b in next 12 months for realty platform

OUR BUREAU

Mumbai, November 12
The Edelweiss Group is targeting to raise \$1 billion from international institutional investors over the next 12 months for its financing platform targeted at housing projects.

The platform will have several funds under it. The first such fund has been announced with a partnership between Edelweiss Alternative Asset Management (EAAA) and leading South Korean financial services conglomerate, Meritz Financial Group. The first fund has a target of \$425 million.

The Edelweiss platform will house similar funds that will

buyout existing residential real estate loans and provide requisite completion financing to good quality, commercially viable projects. The funds within the platform will be managed by Edelweiss' Alternative Asset Management business.

EAAA, India's largest alternative asset management platform at \$3.6 billion, is a specialist in providing high quality credit/yield-based investment opportunities and strategies to international institutional investors, as well as domestic investors and UHNI families.

One of the key objectives of the platform is to identify and invest in commercially viable,



Rashesh Shah, Edelweiss Group Chairman and CEO

good quality projects and help them with the financing and project management skills necessary for the successful completion and delivery of homes. This will unlock value for both home buyers and lenders, and is expected to create a virtuous cycle in

the real estate sector, the second-largest employer in India. The resultant boost to real estate dependent industries such as steel, cement, and iron, as well as allied ancillaries, including small scale industries, is expected.

The partnership between Meritz and EAAA is aligned with the government's intent to support the residential real estate sector in India, with the recently announced ₹25,000 crore allocation to Alternative Investment Funds for last-mile financing for middle income and affordable housing projects.

Newly released data from property consultants JLL indicate a 59 per cent increase

in residential housing sales in the last nine months of 2019 over 2017, pointing to an uptick in housing demand, a trend that is expected to continue with benign interest rates.

Rashesh Shah, Edelweiss Group Chairman and CEO, said: "We are confident that this platform will expedite the delivery of finished homes to the Indian market by channelling patient capital to sound projects.

"A thriving real estate sector is important for the economic well-being of India, especially for the jobs it can directly generate, and for the many small businesses that thrive alongside it. We are excited that in a small way, Edelweiss will be able to aid in its revival, by helping good projects get timely access to global expertise and financing."

For Edelweiss, this partnership with Meritz is the first with an Asian institutional investor. In recent months, apart from attracting marquee investors to its private credit funds, Edelweiss has also partnered with large global institutional investors such as CDPQ, one of Canada's largest pension funds in its credit business; US-based Kora management in its investment advisory business; and Arthur J Gallagher in its insurance advisory business.

Shriram Housing Fin raises ₹680 cr from banks, NHB

PRESS TRUST OF INDIA

Mumbai, November 12
Shriram Housing Finance, a subsidiary of Shriram City Union Finance, has raised ₹680 crore from public and private sector banks and the National Housing Bank (NHB).

While the company got ₹100 crore each from Indian Bank and United Bank of India in fresh loans, it received ₹150 crore from Canara Bank in a securitisation deal, ₹150 crore from Syndicate Bank as term loan, and ₹130 crore from National Housing Bank through a re-finance scheme, the company said in a state-

ment on Tuesday. The housing finance company also raised ₹50 crore from ICICI Bank through a pass-through certificate. "Despite market challenges, we could not only fulfill our liability obligations, but also could generate fresh business without compromising credit quality," said Ravi Subramanian, Managing Director.

No delinquent account
He said that for all loans that originated from October 2018 till date, there has not been a single delinquent account. The Shriram Group has over 3,000 branches.

IL&FS gets creditors' approval for sale of education unit

OUR BUREAU

Mumbai, November 12
The committee of creditors of IL&FS has approved the sale of its education business to Career Point Publications Private Limited (CPPPL). The bid was approved by more than 78 per cent of IL&FS' creditors through an e-voting process that concluded on November 5, the company said in a filing.

This is as stipulated under the resolution framework for IL&FS Group submitted to National Company Law Appellate Tribunal (NCLAT) and National

Company Law Tribunal (NCLT), Mumbai Bench.

Highest bidder

CPPPL, which is part of Career Point Group, had emerged as the highest bidder for acquiring IL&FS' education business. IL&FS Group holds 73.70 per cent stake in Schoolnet India Limited (SIL); Schoolnet India holds 80 per cent stake in IL&FS Skill Development Corporation (ISDC) and also has two subsidiaries - IL&FS Cluster Development Initiative Limited (ICDI) and Skill Training Assessment

Management Partners Limited (STAMP). CPPPL made a binding offer, at an implied enterprise value, whereby it shall assume responsibility for all debt of Schoolnet India Limited (SIL) and IL&FS Skills Development Corporation Limited (ISDC), in addition to paying a certain amount towards purchase of SIL's equity.

As part of this transaction, CPPPL will also get ownership of 80 per cent stake in IL&FS Skills Development Corporation held by SIL. CPPPL also made a binding offer to purchase the businesses (including certain business debt) of two other subsidiaries of SIL. This includes IL&FS Cluster Development Initiative Limited and Skill Training Assessment Management Partners Limited for an additional consideration.

The board of IL&FS approved the sale at a meeting held on November 7.

The transaction needs retired Justice DK Jain's nod before seeking the approval of NCLT, Mumbai Bench, in line with the resolution framework.

'No witch-hunt of bankers who take genuine decisions'

OUR BUREAU

Mumbai, November 12
There will be no witch-hunt of bankers who take genuine commercial decisions in the normal course of business, according to Anurag Singh Thakur, Minister of State for Finance and Corporate Affairs.

This observation comes in the backdrop of credit growth in the banking sector slowing to 8.85 per cent year-on-year (y-o-y) as on October 25, 2019, against 14.41 per cent as on October 26, 2018. "To be-

come a \$5-trillion economy by FY2025, banks have an important role to play. Therefore, whatever decisions you take, if they are genuine commercial decisions, then you can take them without any fear.

"There will be no witch-hunt against you. Our government gives you this guarantee," said Thakur at Union Bank of India's 101st foundation day late last evening.

Recognising that the decisions bankers take in the normal course of business

and in good faith (without any element of corruption) to increase the business of the bank as well as that of its customers could go wrong, Thakur said they need not worry in such cases.

"That is why an internal advisory committee has been set up in public sector banks to classify cases as vigilance and non-vigilance cases. The decision taken by the committee and the CVO (chief vigilance officer) will be final. Therefore, you need not worry," the Minister added.

Meanwhile, to commemorate its 101st foundation day, Union Bank of India launched three products - Union Sampurna (a technology-oriented ecosystem to provide one-stop solution for the farm sector); E-Way Bills (a digital invoice validation service to ensure quality underwriting, speedier disbursements, and overall ease of doing business); and ATM Geo Locator within its mobile banking app, UMobile, which provides real-time status of its ATMs.

TMB's net profit soars 140% in H1

LN REVATHY

Coimbatore, November 12
Tamilnad Mercantile Bank has registered a 140.8 per cent growth in net profit during the first half of the current fiscal, when compared to the corresponding period of the earlier fiscal.

The bank's net profit stood at ₹151.07 crore as of September 2019-end, against the ₹62.74 crore clocked during the year-ago period. Operating profit, on the other hand, grew only by 7 per cent to ₹440.07 crore (₹411.24 crore). CASA grew by 14.4 per cent to ₹8,728.59 crore (₹7,629.82 crore), and total business by 11.7 per cent to ₹60,852.48 crore (₹5,448.25 crore).

While the gross NPA was marginally up from 4.64 per cent (September 2018-end) to 4.91 per cent, net NPA in percentage terms remained at 2.40 per cent.

After reviewing the results for the first half, KV Ramamoorthy, Managing Director and CEO of the 98-year-old bank, said it will continue to focus on CASA growth, credit growth with specific thrust on retail banking, and leverage technology and HR for business development for enhancing delivery efficiency of all banking services.

During the second half of this fiscal, the bank will set up 29 more eLobbies, introduce AI-powered chatbot, and launch national common mobility card (NCMC).

The bank is targeting a total business of ₹72,500 crore and net profit of ₹360 crore in the current fiscal.

| Particulars | Standalone | | | | | | Consolidated | | | | | |
|---|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|-----------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|-----------------------|
| | Quarter Ended 30.09.2019 | Quarter Ended 30.06.2019 | Quarter Ended 30.09.2018 | Half-year Ended 30.09.2019 | Half-year Ended 30.09.2018 | Year Ended 31.03.2019 | Quarter Ended 30.09.2019 | Quarter Ended 30.06.2019 | Quarter Ended 30.09.2018 | Half-year Ended 30.09.2019 | Half-year Ended 30.09.2018 | Year Ended 31.03.2019 |
| Total income from operations (net) | 99367.27 | 93025.85 | 81684.80 | 192393.12 | 157992.17 | 332147.25 | 104924.22 | 99637.61 | 213812.47 | 204561.83 | 388410.38 | 369342.55 |
| Profit / (loss) before exceptional items and tax | 32205.45 | 23650.46 | 23249.51 | 55855.90 | 44448.91 | 89527.63 | 23451.38 | 22507.77 | 26681.50 | 45959.15 | 51278.33 | 95192.89 |
| Exceptional items (Refer note. 3 below) | - | - | - | - | - | 59243.45 | - | - | - | - | - | 46585.34 |
| Profit / (loss) before tax (after exceptional items) | 32205.45 | 23650.46 | 23249.51 | 55855.90 | 44448.91 | 148771.08 | 23451.38 | 22507.77 | 26681.50 | 45959.15 | 51278.33 | 141778.23 |
| Net Profit after tax and exceptional items (PAT) attributable to owners of the company | 26899.70 | 15752.52 | 15431.16 | 42652.21 | 29503.76 | 112630.88 | 18708.77 | 17008.10 | 18687.49 | 35716.86 | 36838.71 | 116085.37 |
| Net Profit after tax and exceptional items (PAT) attributable to non-controlling interest | - | - | - | - | - | - | 1168.46 | 801.87 | 2682.42 | 1970.32 | 5542.48 | 9764.79 |
| Total comprehensive income for the period (comprising profits/(loss) for the period (after tax) and other comprehensive income(after tax)) attributable to owners of the company | 26993.26 | 15857.83 | 15227.04 | 42851.10 | 29088.98 | 112908.54 | 15673.58 | 13059.48 | 13380.35 | 28733.07 | 26246.92 | 101279.43 |
| Total comprehensive income for the period (comprising profits/(loss) for the period (after tax) and other comprehensive income(after tax)) attributable to non-controlling interest | - | - | - | - | - | - | (11182.57) | (11325.70) | (7933.05) | (22508.29) | (9871.94) | (31126.89) |
| Equity Share Capital | 11110.39 | 11110.39 | 11110.39 | 11110.39 | 11110.39 | 11110.39 | 11016.22 | 11014.29 | 11014.29 | 11016.22 | 11014.29 | 11014.29 |
| Reserves (excluding Revaluation Reserves) | | | | | | 493270.67 | | | | | | 614915.13 |
| Earnings Per Share (Basic & Diluted) (Face Value of ₹10/- each) (not annualised) (on PAT) | 24.21 | 14.18 | 13.89 | 38.39 | 26.56 | 101.37 | 16.98 | 15.44 | 16.97 | 32.42 | 33.45 | 105.40 |

Notes:

- The above is an extract of the detailed format of quarterly / half yearly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarterly / half yearly Financial Results is available on the National Stock Exchange website (URL: www.nseindia.com) and on the Company's website (www.sundaramfinance.in)
- The above results were approved by the Board of Directors at its meeting held on 11th November 2019.
- Exceptional item for the year ended 31.03.2019, represents sale of stake in Royal Sundaram General Insurance Co. Limited to Ageas Insurance International N.V. The Netherlands in February 2019.
- The Company acquired 49% stake in Sundaram Fund Services Limited (erstwhile Sundaram BNP Paribas Fund Services Limited) and 49.9% stake in Sundaram BNP Paribas Home Finance Limited on 31st July 2019 and 30th September 2019 respectively, making them 100% subsidiaries of the Company.
- Previous period's figures have been regrouped wherever necessary to conform to current period's classification.
- The Statutory Auditors have carried out a Limited Review of the financial results for the quarter and half year ended 30th September 2019, while the Consolidated results for the quarter and half year ended 30th September 2018 were not subjected to Limited Review by Auditors.

Chennai
11.11.2019

By Order of the Board
T. T. Srinivasaraghavan
Managing Director

Sundaram Finance Limited

CIN:L65191TN1954PLC002429
Regd. Office: 21, Patullos Road, Chennai 600 002. Tel: 044 2852 1181, Fax: 044 2858 6641
Email: investorservices@sundaramfinance.in
www.sundaramfinance.in