

**SUNDARAM FINANCE LIMITED**  
**21, PATULLOS ROAD, CHENNAI – 600 002**

**MINUTES OF THE PROCEEDINGS OF THE 68<sup>TH</sup> ANNUAL GENERAL MEETING  
OF THE SHAREHOLDERS OF SUNDARAM FINANCE LIMITED HELD THROUGH  
VIDEO CONFERENCING ON MONDAY, THE 6<sup>TH</sup> SEPTEMBER 2021 BETWEEN  
10.00 A.M. AND 10.55 A.M.**

---

**PRESENT:**

**MEMBERS\* : 96**

\* includes Directors and Key Management Personnel who were present in person at a central location

<b>Chairman</b>	Sri S. Viji
<b>Directors</b>	" S. Ram
	Sri T.T. Srinivasaraghavan
	" P.N. Venkatachalam
	" S. Mahalingam
	" S. Prasad
	" L. Ganesh
	Ms Shobhana Ramachandhran
	Sri R Raghuttama Rao
<b>Executive Vice Chairman</b>	Sri Harsha Viji
<b>Managing Director</b>	Sri Rajiv C. Lochan
<b>Deputy Managing Director</b>	Sri A.N. Raju
<b>Chief Financial Officer</b>	" M. Ramaswamy
<b>Secretary &amp; Compliance Officer</b>	" P. Viswanathan
<b>Statutory Auditor</b>	Ms Usha, Partner Sundaram & Srinivasan " K Srinivasan, Partner, Sundaram & Srinivasan
<b>Invitees</b>	Sri Shirish Rahalkar, B.K. Khare & Co, Partner Sri Karthik Srinivasan, B.K. Khare & Co, Partner
	Sri V. Chandrasekaran, Partner, N.C. Rajagopal & Co. Sri S. Arjun, Partner, N.C. Rajagopal & Co.
<b>Secretarial Auditor</b>	" M Damodaran, Damodaran & Associates
<b>Scrutinizer</b>	" T K Bhaskar, Partner, HSB Partners

Sri S. Viji occupied the Chair and called the meeting to order.

He informed the members that a certificate had been obtained from the statutory auditors regarding compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

With the permission of the members, notice of the meeting was taken as read.

The Secretary informed the shareholders that the Auditors' Report on the accounts for the year ended 31st March 2021, being an unqualified one (clean report), was not required to be read out at the Annual General Meeting as per the provisions of Section 145 of the Companies Act, 2013.

Sri S. Viji, Chairman, then delivered his Speech, highlighting the following points:

- Global GDP growth witnessed a contraction of 3.5% year on year (YOY) in the CY 2020. In light of the second and third waves witnessed around the world, the level of global GDP in CY 2021 was expected to be 3.2% below pre-pandemic projections, and per capita GDP among many developing economies was anticipated to remain below pre-COVID-19 peaks for an extended period. Overall, the IMF projects the global economy to grow 6.0 % in CY 2021 and 4.9 % in CY 2022, reflecting the detrimental impact of the pandemic.
- The first wave of COVID-19 infections in India caused significant economic disruptions despite all-round policy support from the regulators and the government. To overcome the impact of the pandemic, the government and the Reserve Bank of India announced a slew of fiscal and monetary measures. The government's Atma Nirbhar Bharat Abhiyan packages totalled ₹17.2 lakh crores of fiscal measures.
- Since the last week of March 2020, the RBI cut its key policy Repo rate by 115 basis points to 4% and cut the cash reserve ratio (CRR) by 100 basis points. Through various other liquidity tools like the long-term repo operations (LTRO), targeted long term repo operations (TLTRO),



open market purchases (OMO), special liquidity to mutual funds and others, the RBI infused a total liquidity of ₹12.7 lakh crores into the system, resulting in a significant reduction in interest rates to ease systemic stress.

- As per estimates, India registered a decline of over 15% in its GDP in the first half of FY21 and a growth of 1.1% in the second half, aided by the measures announced by the government and the RBI. The fiscal deficit for FY21 slipped to 9.5% of GDP.
- Since 2018, the automotive sector had been impacted by a continuing set of disruptions – revised axle load norms for heavy commercial vehicles in July 2018, severe liquidity crunch in the financial system in 2019–20 particularly after institutional stress across specific banks and non-banks, and the transition to BS VI emission norms from April 2020. The onset of the COVID-19 pandemic and related economic slowdown only worsened the situation in FY21.
- M&HCV sales were down by 14% while the sales of ICVs/LCVs/SCVs were down by 44%,49% and 11% respectively. The buoyancy in the tractor and farm equipment segment sales with 27% growth due to a normal monsoon in FY21 provided cheer in an otherwise gloomy automotive sector environment.
- The widespread disruption caused by the nationwide lockdown posed several challenges to the Company in terms of people safety and ensuring on-going operations. To enable continuity in operation and service to customers and depositors, the Company rapidly enabled a 'Work from home' environment and provided remote access to over 3000 users during the nationwide lockdown.
- All employees of the company had been covered under a group insurance Covid secure scheme to protect against Covid-related health issues and steps had been taken to ensure that both head office and regional locations employees are fully vaccinated at the earliest.

**SUNDARAM FINANCE LIMITED**  
**21, PATULLOS ROAD, CHENNAI – 600 002**

- The Company's disbursements during the year under review stood at ₹11,741 cr., down by 22.6% over the previous year, reflecting the decline in sales across the automotive sector. Disbursements against Commercial Vehicles declined 41% in unit terms as compared to the market drop of 21% (the drop in M&HCV was 14% only since the slowdown had already commenced in 2019–2020); disbursements against passenger cars also declined by 3%, mirroring the overall market which was lower by 2%. Gross receivables managed by the Company as at March 31, 2021 stood at ₹35,736 cr., as against ₹35,088 cr., showing a marginal growth over the previous year. The Company's tight rein on operating costs and its ability to raise resources at competitive rates enabled it to maintain its margins at a reasonably healthy level.
- Reflecting the economic slowdown and the cash flow strains faced by its customers, the Company's delinquencies increased during the year. However, the Company's superior credit standards, strong customer relationships and systematic collections and recovery efforts ensured best-in-class performance on asset quality. Stage-3 assets, gross and net of ECL provisions, stood at 1.84% (PY 2.47%) and 1.01% (PY 1.65%) respectively, as at 31st March, 2021.
- the Company has been maintaining comfortable liquidity in the form of liquid investments and undrawn bank limits to meet its maturing liabilities and has not opted for moratorium in respect of its debt obligations to its lenders.
- The net profit for the year was ₹809 cr. as against ₹724 cr. in the previous year, a 12% increase. The net profit for the previous year included a one-time gain of ₹53 cr. on sale of equity shares in Sundaram Finance Holdings Ltd. Adjusting for this one-time gain, net profit for the year in review grew by 21% on a like-to-like basis. The Company's net worth stood at ₹6,179 cr., as at 31st March 2021. Capital adequacy at 22.06% was comfortably higher than the statutory requirement of 15%. The net accretion to public deposits during FY21 was ₹344.81 cr.



- The Chairman thanked the depositors for their continued confidence in the Company and assured them of the Company's commitment to maintain the highest standards of prudence, efficiency and personalised service.
- The Directors recommended a final dividend of ₹6/- per share, which together with the interim dividend of ₹12/- per share paid during March 2021, aggregates to a total dividend of ₹18/- per share for the financial year ended 31st March 2021, on the paid-up capital of ₹111.10 cr. The final dividend, if approved by the shareholders, would be recognised as a liability in FY22.
- Though the pandemic had caused significant economic damage, the central government, stretching itself within its framework of prudence, and the swift and frequent RBI policy measures had helped to contain the negative impact. During the third and fourth quarters of FY21, various monetary, regulatory and fiscal policy measures helped contain the solvency risk of financial entities.
- The agricultural sector had turned buoyant with a near-normal monsoon, robust procurement by the government and improved Kharif sowing. The re-establishment of GST collections to ₹1 lakh+ crore levels, increases in fertilizer sales, improved e-way bill activity, increases in power & fuel consumption, and growth in eight core industries all point to a sequential improvement in economic activity from the disruptions induced by the second wave.
- As per RBI estimates, India's real GDP growth was projected at 9.5% in FY22, which included growth of 21.4% in the first quarter; 7.3% in the second quarter; 6.3% in the third quarter and 6.1% growth in the fourth quarter of FY22.
- India's economic recovery in the current financial would be marked by a high degree of uncertainty. The country's ability to mobilise vaccines at scale, maintain the pace of vaccinations, and the speedy containment of the spread of the virus, especially as new variants emerge, will all be determinants of consumer confidence sustaining



and consequently of economic recovery. The automotive sector was facing challenges on the supply side due the global shortage of semiconductors, which was adversely impacting production schedules of most of the large manufacturers and creating disruptions to the supply chain. Recent pandemic-driven lockdowns in East Asia are compounding the challenge. This, coupled with relatively high input prices on fuel and commodities, presented the risk of a dampener to the upcoming festival season.

- In these circumstances, the Company's focus would continue to remain on striking a judicious balance between Growth, Quality and Profitability, the time-tested trinity that has served the Company well. Key priorities remain:
  - i) supporting loyal customers tide over the aftermath of the Covid crisis by deploying all measures made available by the regulator and the government,
  - ii) driving collections and recovery efforts with a view to maintaining the traditional asset quality levels and preserving capital, and
  - iii) prudently pursuing growth opportunities that emerge as economic activity resumes post Wave 2 across the well-understood and diversified asset class base that the Company has established.
- Sundaram Finance Holdings Limited earned a gross income of ₹39.76 cr. and reported a profit after tax of ₹14.55 cr. The company recommended a total dividend of ₹0.50 per share (10%) for the year. During the year the Company took several initiatives to consolidate its shareholdings in many group companies. In order to meet the funding requirement for the acquisition of shares in Brakes India Private Limited, the Company had raised funds by way of a rights issue of ₹355 cr. (equity shares of ₹5/- each at a price of ₹50/- per rights equity share in the ratio of 23:49) and the allotment was completed in June 2021.



**SUNDARAM FINANCE LIMITED**  
**21, PATULLOS ROAD, CHENNAI – 600 002**

- Sundaram Asset Management Company Limited was present in the Asset Management business through four entities: Sundaram Asset Management Company Ltd, Sundaram Asset Management Singapore (Pte) Ltd, Sundaram Trustee Company Ltd and Sundaram Alternate Assets Ltd. On a consolidated basis, the assets under management for FY21 were ₹36,962 cr. as against ₹ 36,916 cr. for the previous year. The total revenues and Profit after Tax of the asset management business amounted to ₹288.15 cr. and ₹55.13 cr. as against ₹300.50 cr. and ₹32.69 cr. respectively in the previous year.
- Sundaram Home Finance Limited reported a profit after tax of ₹191.64 cr. (PY ₹218.15 cr. including one-time reversal of deferred tax liability of ₹60.25 cr.). The loan portfolio stood at ₹9173 cr. as at 31st March 2021 as against ₹9638 cr. in the previous year. Stage 3 assets, gross and net of ECL provisions, stood at 4.48 % and 1.09% respectively, as at 31st March 2021. The company paid a total dividend of ₹7.00 per share (70%) for the year (PY 42%).
- Sundaram Fund Services Limited earned an income of ₹4.94 cr. during the year as against ₹5.30 cr. in the previous year and reported a profit after tax at ₹0.11 cr., as against ₹0.58 cr. in the previous year.
- Royal Sundaram General Insurance Co. Limited (Royal Sundaram), the joint venture with Ageas Insurance, reported a Gross Written Premium (GWP) of ₹2,883 cr. in FY21 as compared to ₹3,718 cr. in the previous year, impacted primarily by a drop in motor insurance sales due to the pandemic situation and the Company's decision to exit from writing crop business during the FY21. The Company reported, as per IND AS, a profit after tax of ₹313 cr. for the current year as against loss after tax of ₹76 cr. in the previous year. The current year's profit was higher due to decline in motor claims in the early months of lock-down and marked to market (MTM) gain of ₹137 cr. (net of tax) on equity investments against the previous year MTM loss of ₹72 cr. (net of tax) on equity investments.



- Pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks, UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India during April 2021, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, who had been appointed as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the 64th Annual General Meeting, will be demitting office at the conclusion of the 68th Annual General Meeting. Further, as stipulated in the RBI Guidelines, the Board of Directors has recommended for the approval of the shareholders the appointment of M/s B.K. Khare & Co., Chartered Accountants, Mumbai and M/s N.C. Rajagopal & Co., Chartered Accountants, Chennai, as the Joint Statutory Auditors of the Company for a term of three consecutive years from the conclusion of the 68th Annual General Meeting to the conclusion of the 71st Annual General Meeting.

After delivering his speech, the Chairman informed the shareholders that in accordance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had offered remote e-voting facilities to the shareholders.

Chairman advised the shareholders that they could seek clarifications, if any, on the audited accounts and on all other subjects, as well.

The queries raised by one member were replied to by the Managing Director.

Chairman announced that those members who had not exercised their votes through remote e-voting could do so through e-voting upto the conclusion of the meeting.

After conclusion of e-voting, Chairman stated that the final results of the voting (after consolidating the result of remote e-voting and e-voting at the time of the meeting) would be announced to the Stock Exchange and on the website of the Company within two working days of the conclusion of the AGM.



**SUNDARAM FINANCE LIMITED**  
**21, PATULLOS ROAD, CHENNAI – 600 002**

The final results of the voting and the resolutions passed are as under:

**1. ADOPTION OF ACCOUNTS – ORDINARY RESOLUTION**

	Total
Number of valid votes received	70825685
Votes in favour of the Resolution	70807273
Votes against the Resolution	18412
Votes in favour	99.9740%

“RESOLVED that the Audited Financial Statements, including the Consolidated Financial Statements of the Company, for the year ended 31<sup>st</sup> March 2021 and the Board’s and Auditor’s Reports thereon, be and are hereby approved and adopted.”

**2. DECLARATION OF FINAL DIVIDEND – ORDINARY RESOLUTION**

	Total
Number of valid votes received	70865685
Votes in favour of the Resolution	70847273
Votes against the Resolution	18412
Votes in favour	99.9740%

“RESOLVED that a final dividend of ₹6/- per share (60% on the face value of ₹10/-), as recommended by the Directors, be and is hereby declared for the financial year ended 31<sup>st</sup> March 2021 on the paid-up capital of ₹111.10 cr. and the same be paid to shareholders, whose names appear on the Register of Members of the Company on 25<sup>th</sup> August 2021, making with the interim dividend of ₹12.00 per share paid on 17<sup>th</sup> February 2021 (120% on the face value of ₹10/-), a total dividend of ₹18/- per share (180% on the face value of ₹10/-) for the year 2020-21 and that the total dividend amount of ₹199.99 cr. representing the said total dividend of ₹18/- per share (180% on the face value of ₹10/-) be paid out of the profits for the year 2020-21”.



**3. APPOINTMENT OF JOINT STATUTORY AUDITORS- ORDINARY RESOLUTION**

	Total
Number of valid votes received	70850573
Votes in favour of the Resolution	70832161
Votes against the Resolution	18412
Votes in favour	99.9740%

“RESOLVED that in accordance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India (RBI) vide Notification Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April 2021 (RBI Guidelines) and related FAQ dated 11th June 2021, read with the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the consent of the Company be and is hereby accorded for appointing the following two Chartered Accountant firms as Joint Statutory Auditors of the Company, to hold office for a term of three (3) consecutive years, from the conclusion of the 68th Annual General Meeting to the conclusion of the 71st Annual General Meeting, in the place of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, who had been appointed as the Statutory Auditors of the Company for a term of five (5) consecutive years from the conclusion of the 64th Annual General Meeting to the 69th Annual General Meeting, but are not in a position to continue to complete their original term as per the provisions of the RBI Guidelines.

- a) M/s B.K. Khare & Co., Chartered Accountants, Mumbai (Regn. No. 105102W); and
- b) M/s N.C. Rajagopal & Co., Chartered Accountants, Chennai (Regn. No. 003398S).

“FURTHER RESOLVED that the Board of Directors of the Company be and are hereby severally authorised to finalise the remuneration payable to the Joint Statutory Auditors from time to time, apart from reimbursement of



**SUNDARAM FINANCE LIMITED**  
**21, PATULLOS ROAD, CHENNAI – 600 002**

travelling/other out-of-pocket expenses incurred by them in connection with the audit and applicable taxes.”

**SPECIAL BUSINESS**

**4. RE-ELECTION OF SRI S RAM AS DIRECTOR – SPECIAL RESOLUTION**

	Total
Number of valid votes received	68644578
Votes in favour of the Resolution	67273397
Votes against the Resolution	1371181
Votes in favour	98.0025%

“RESOLVED that Sri S. Ram (holding DIN: 00018309), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation.”

**5. RE-ELECTION OF SRI S VIJI AS DIRECTOR – SPECIAL RESOLUTION**

	Total
Number of valid votes received	66668026
Votes in favour of the Resolution	64073484
Votes against the Resolution	2594542
Votes in favour	96.1083%

“RESOLVED that Sri S. Viji (holding DIN: 00139043), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation.”

With a vote of thanks, the meeting concluded.

Place: Chennai

Date: 6<sup>th</sup> Sept 2021

  
CHAIRMAN