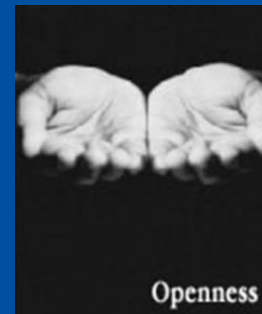
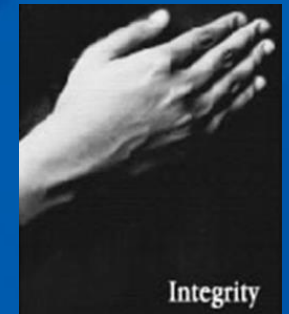
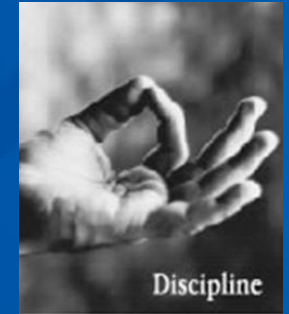




**SUNDARAM FINANCE**  
*Enduring values. New age thinking.*

# PERFORMANCE HIGHLIGHTS

Q1FY23





01

Overview of  
Sundaram Finance



02

Financial results &  
performance



03

Key trends in financial  
performance



04

Consolidated results



05

More about  
Sundaram Finance



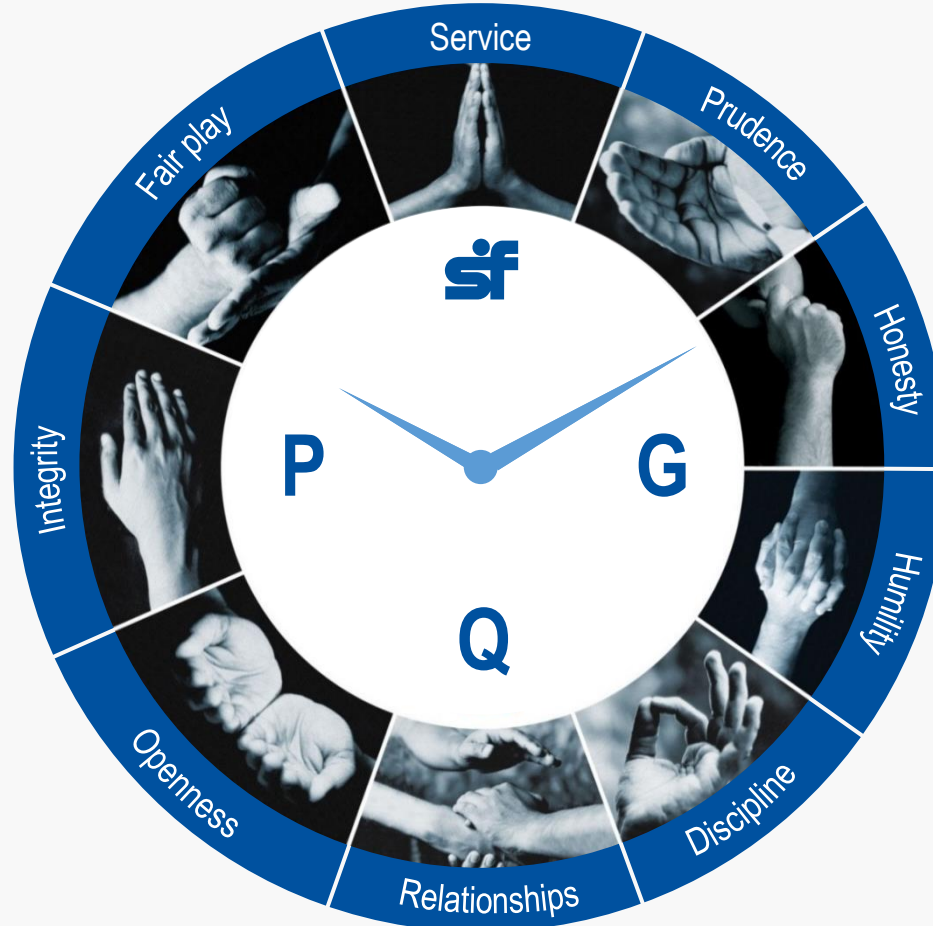
# 01 Overview of Sundaram Finance

# OUR VISION, MISSION AND PHILOSOPHY



## Vision

To be the most respected NBFC in the country



**G**rowth

**Q**uality

**P**rofitability



## Mission

To deliver the “Sundaram experience” to all our customers, big and small, in keeping with the ethos of the company



## Service

To be of service even when time is against you



## Fair play

To stand for fair play when the odds are stacked against you



## Honesty

To believe that honesty is the only policy



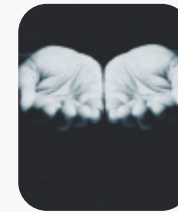
## Integrity

To put integrity about all else



## Humility

To realise that humility is the greatest virtue



## Openness

To be open to scrutiny, anywhere, anytime



## Relationships

To know that we are not merely the holders of people's money; but more importantly the custodians of their trust









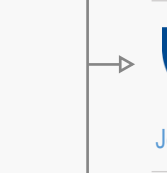



## Discipline

To know that discipline is your ally in all situations



## Prudence

To be the voice of prudence in the midst of chaos

	 <b>AUM</b>	 <b>Branches</b>	 <b>Employees</b>	 <b>Customer count</b>
   <b>SUNDARAM FINANCE</b> Enduring values. New age thinking.	30,552	632	4,429	5,16,529
 <b>Royal Sundaram</b> General Insurance Joint Venture with Ageas Insurance International NV	7,150	158	2,424	30,85,835
   <b>SUNDARAM HOME</b> 100% subsidiary	9,730	105	891	40,459
   <b>SUNDARAM MUTUAL</b> UNEARTHING OPPORTUNITIES 100% subsidiary	48,810	85	369	13,02,529
 <b>Group</b>	96,242	980	8,133	49,45,352

# STRATEGIC SOURCES OF DISTINCTIVENESS



**67-year** heritage of trust and prudence



**Pioneer** of hire-purchase finance in India



Diversified financial services group across lending, general insurance, home finance and asset management with total **AUM of nearly Rs. 1,00,000 cr.**



Lending business **focused on the underserved but aspiring Indian entrepreneur** (road transport operator, infrastructure contractor, small farmer, MSME owner)



Legacy of deep customer connect and loyalty with **80% renewal rate** across offerings



**Technology-enabled and data-powered** approach to a **high-touch** customer approach



Consistent **best-in-class asset quality** performance over decades



**SUNDARAM FINANCE**  
Enduring values. New age thinking.

## Asset Finance

---

- Cars
- Commercial vehicles
- Construction equipment
- Tractors and farm equipment
- Used vehicles

## Commercial lending

---

- Leasing
- NBFC
- SME
- Supply chain financing

## Working capital finance

---

- Diesel
- Insurance
- Tyre

## Distribution

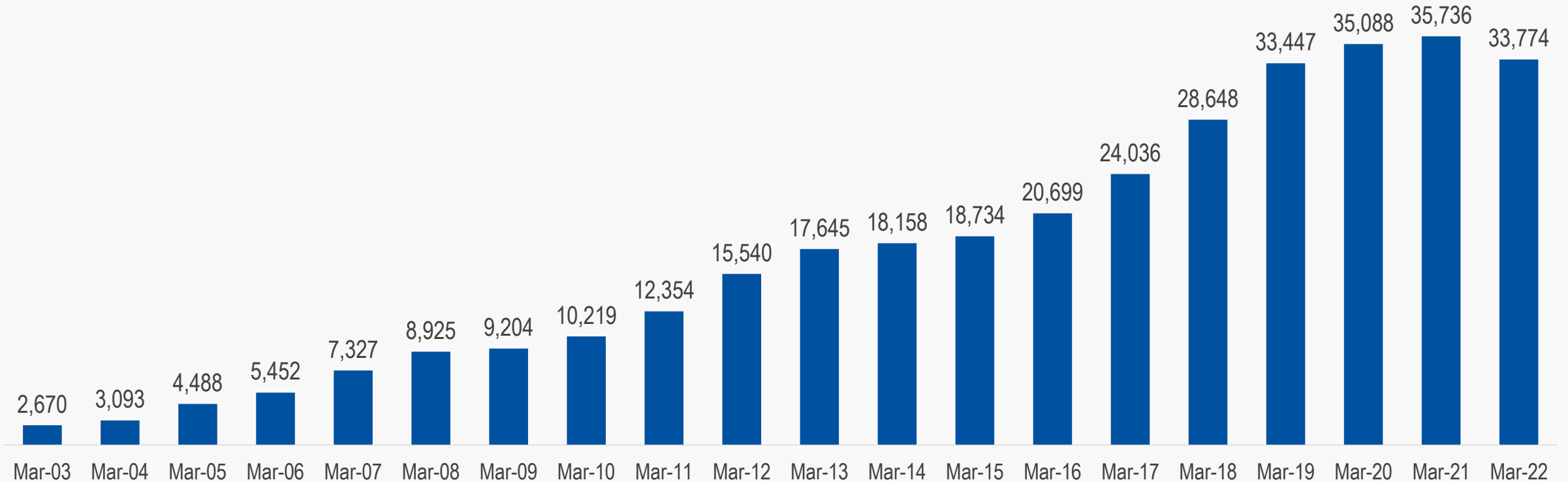
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- General insurance
- Home loans
- Investment services
- Life insurance
- Mutual funds



₹ in Crore

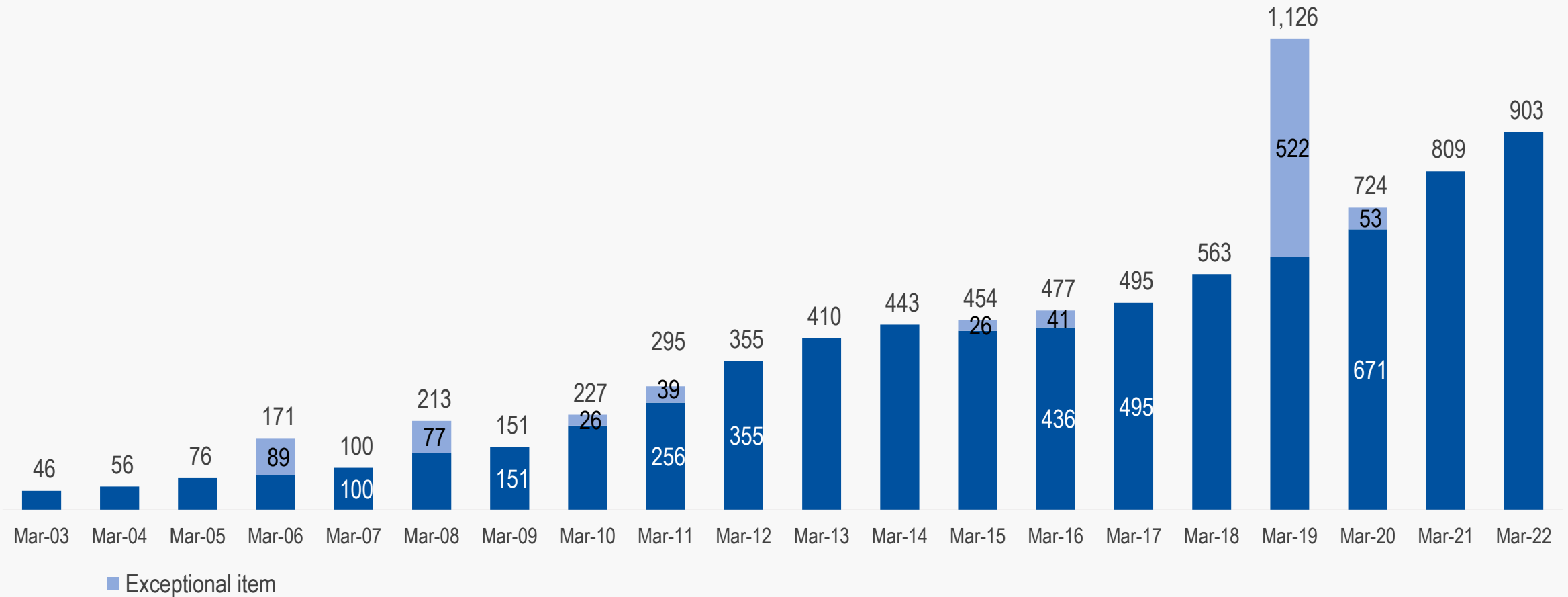
## Receivables Under Management



# SUNDARAM FINANCE – PERFORMANCE OVER LAST TWENTY YEARS

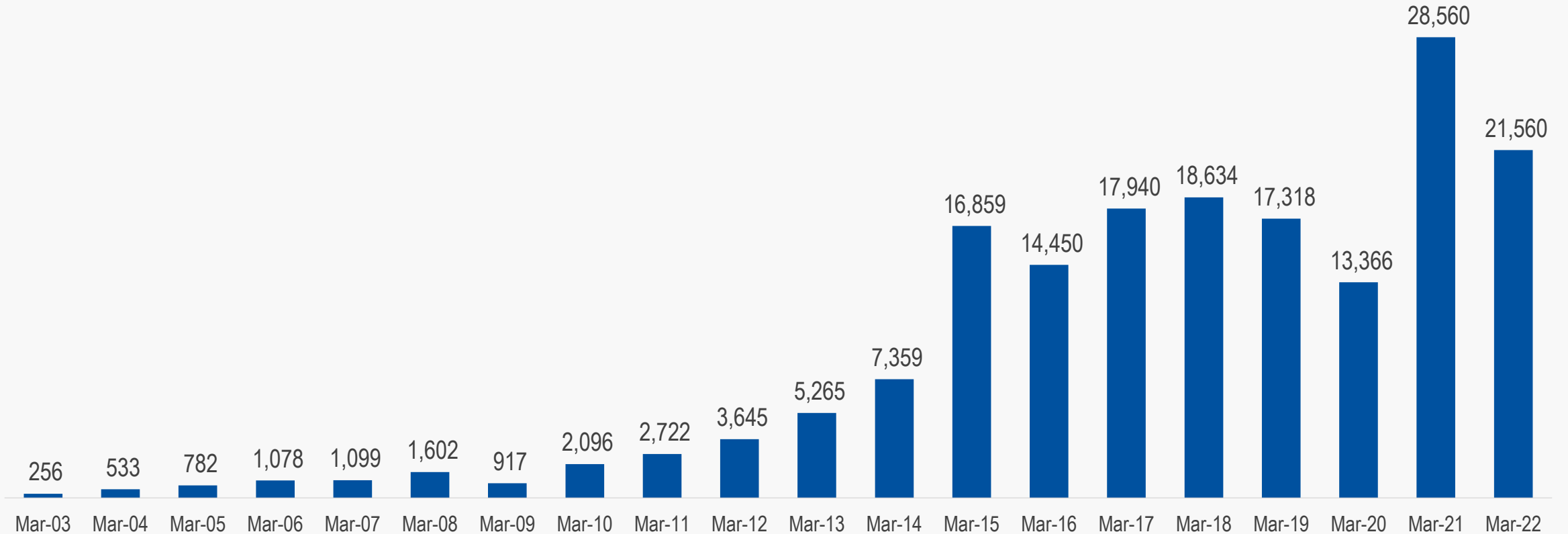
₹ in Crore

## PAT



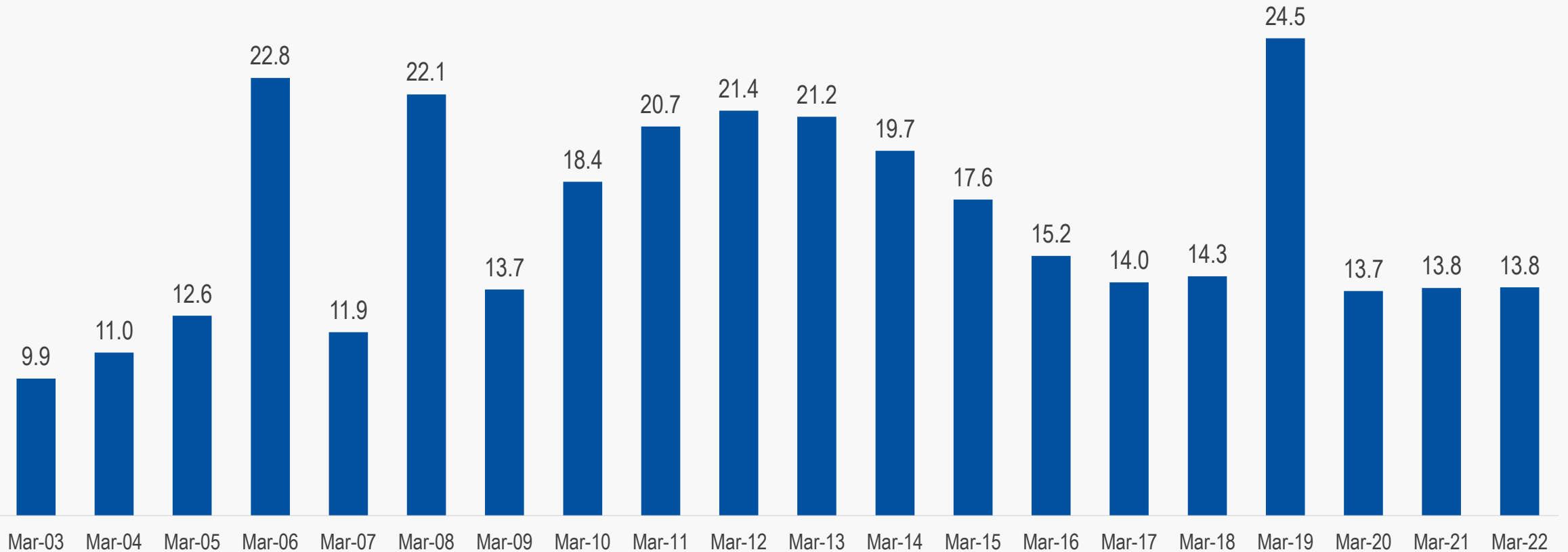
₹ in Crore

## Market Capitalization



# SUNDARAM FINANCE – PERFORMANCE OVER LAST TWENTY YEARS

## Return on Equity %





02

## Financial results & performance

# OVERALL HIGHLIGHTS OF FINANCIAL PERFORMANCE

As of 30<sup>th</sup> June 2022



**AUM**

₹30,552 Crores



**2.4% up**  
from Jun 21



**Gross Stage 3**

2.51%



**4.25%**  
in Jun 21



**Cost-to-income**

33.37%



**31.51%**  
in Q1 FY22



**ROA**

2.5%



**2.2%**  
in Q1 FY22



**ROE**

12.9%\*



**12.2%**  
in Q1 FY22

\*Core ROE (excluding investments in subsidiaries) at 15.5% vs. 16.7%

## HIGHLIGHTS – GROWTH OF 141% IN CORE BUSINESS



Economic activity continued to improve across all segments in the new financial year despite global geo-political tensions and consequent inflation. Growth in disbursements was driven by sharp focus on ensuring rightful market share in all asset classes and geographies of operations. While the lower Q1 FY22 base elevated the headline growth rate, Q1 FY23 disbursements are highest-ever Q1 levels and grew 31% sequentially over Q4 FY22

Disbursements for Q1FY23 recorded a growth of 138% to ₹4,895 crores as compared to ₹2,060 crores registered in the corresponding period of the previous year. Adjusting for the pandemic-induced ECLGS scheme, **core business disbursements grew by 141%** in Q1FY23 compared to Q1FY22

The assets under the management stood at ₹30,552 crores as on 30<sup>th</sup> June 2022 as against ₹ 29,823 crores as on 30<sup>th</sup> June 2021, registering a 2.5% increase year-on-year.

Commercial vehicles, especially medium and heavy commercial vehicles, recovery continued through Q1 FY23. Prospects for growth segments of Construction Equipment, Tractor & Farm Equipment as well as Commercial Lending continue to remain bright. And demand for passenger vehicles remains strong constrained only by supply.

The total restructured assets under Covid package were ₹1,234 crores, about 4.07% of outstanding loans as on 30<sup>th</sup> June 2022.



Our asset quality continued to remain best-in-class with continuing improvement in collections & recovery activity. Several Covid-impacted sub-segments of customers – bus operators, tourist taxi operators and small, 1-2 vehicle market load operators – continued their recovery from the effects of the pandemic. Our operations & customers are adapting to RBI's new norms on asset classification and provisioning.

Gross stage 3 assets as on 30<sup>th</sup> June 2022 stood at 2.51% (2.19% as at March 31, 2022) with provision cover of 49% when compared to 4.25% with 27% provision cover as of 30<sup>th</sup> June 2021.

Net stage 3 assets as on 30<sup>th</sup> June 2022 closed at 1.30% (1.07% as at March 31, 2022) as against 3.12% as on 30<sup>th</sup> June 2021.

With a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions, RBI vide its circular dated 12th November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances" has clarified the NPA classification norms for NBFCs. RBI vide its clarification dated February 15, 2022, has given time till September 30, 2022, for implementation of certain provisions relating to "IRACP " stipulated in their circular dated November 12, 2021. In line with the RBI clarification, the company would comply with the said Regulations effective 01<sup>st</sup> October 2022. The Company continues to prepare the financial results in accordance with the applicable Ind-AS guidelines and maintains adequate ECL provisions as per Ind AS 109.

If the company had adopted the new definition of NPA classification, the Gross and Net NPA would be 5.22% and 3.83% respectively. As the company has indicated earlier, the underlying business risk has not undergone any change.





Profits after tax grew 18% over Q1 FY22 due to continuing improvements in asset quality, tight control on costs and meticulous management of our cost of borrowing in a rising interest rate regime consistent with our “AAA” rating.

Cost to income closed at 33.37% in Q1 FY23 as against 31.51% in Q1 FY22.

Return on assets (ROA) for Q1 FY23 closed at 2.5% as against 2.2% for Q1 FY22.

Profit after tax at ₹226 crores in Q1 FY23 crores as against ₹192 crores in Q1 FY22, up 18%.

Return of equity (ROE) was at 12.9% for Q1 FY23 as against 12.2% for Q1 FY22. If we exclude investments in subsidiaries and group companies, core ROE was at 15.5% for Q1 FY23 as against 16.7% for Q1 FY22

# PROFIT & LOSS STATEMENT

₹ in Crore

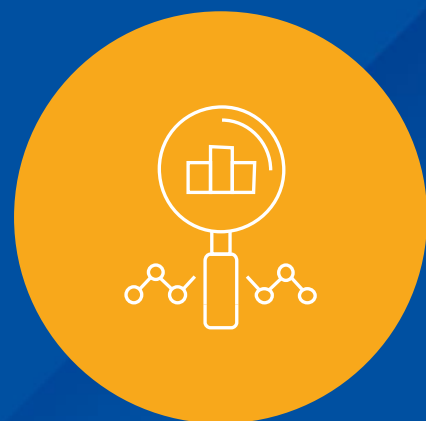
FY22	Particulars	Q1FY22	Q1FY23
3,827.64	Revenue From Operations*	941.35	923.59
20.43	Other Income	5.49	6.73
<b>3,848.07</b>	<b>Total Revenue</b>	<b>946.84</b>	<b>930.32</b>
1,700.11	Finance cost	458.53	404.05
652.54	Operating expenses	149.98	176.52
318.52	Impairment	85.20	52.99
<b>2,671.17</b>	<b>Total Expenses</b>	<b>693.71</b>	<b>633.56</b>
1,176.90	Profit Before Tax	253.13	296.76
<b>903.41</b>	<b>Profit After Tax</b>	<b>191.58</b>	<b>225.73</b>

\*Revenue from operations is net of depreciation on operating lease.

# BALANCE SHEET

₹ in Crore

31-Mar-22	Particulars	30-Jun-21	30-Jun-22
	<b>Equity and Liabilities</b>		
28,323.23	Financial Liabilities	27,370.40	29,027.08
71.20	Non-Financial Liabilities	43.99	59.90
6,893.09	Equity	6,372.46	7,122.14
<b>35,287.52</b>	<b>Total – Equity and Liabilities</b>	<b>33,786.85</b>	<b>36,209.12</b>
	<b>Assets</b>		
34,413.89	Financial Assets	33,023.23	35,307.43
873.63	Non-Financial Assets	763.62	901.69
<b>35,287.52</b>	<b>Total – Assets</b>	<b>33,786.85</b>	<b>36,209.12</b>



03

## Key trends in financial performance

# FINANCIAL SUMMARY

Year	Paid-up Capital	Networth	Disbursements	Receivables Under Management	PAT	Dividend %	Market Capitalisation
Mar-12	55.55	1,789	9,433	15,540	355.45	155	3,645
Mar-13	*111.10	2,087	9,991	17,645	410.11	90	5,265
Mar-14	111.10	2,405	9,719	18,158	442.51	100	7,359
Mar-15	111.10	2,978	10,012	18,734	454.14	105	16,859
Mar-16	111.10	3,313	11,444	20,699	477.28	110	14,450
Mar-17	111.10	3,746	13,218	24,036	**495.35	115	17,940
Mar-18	111.10	4,134	15,712	28,648	563.44	120	18,634
Mar-19	111.10	5,044	17,170	33,447	@604.04	#175	17,318
Mar-20	111.10	5,547	15,175	35,088	723.95	130	13,366
Mar-21	111.10	6,179	11,742	35,736	809.05	180	28,560
Mar-22	111.10	6,893	13,275	33,774	903.41	200	21,560
Jun-21	111.10	6,372	2,060	34,268	191.58	-	29,716
Jun-22	111.10	7,122	4,895	34,962	225.73	-	19,570

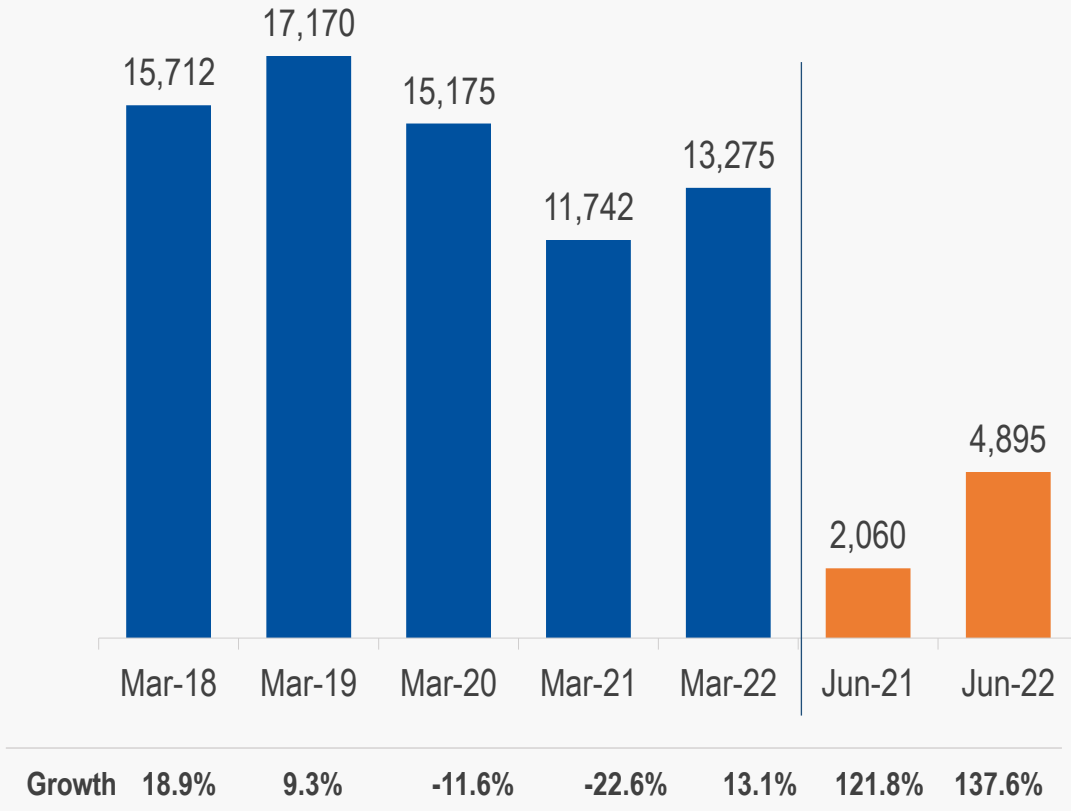
\* Increase in Capital by way of 1:1 bonus issue, \*\* Adjusted for demerger ₹460.57 Cr, # Includes special dividend of 50%.

@ Excludes exceptional item, Market Capitalisation is on the last day of respective period ends.

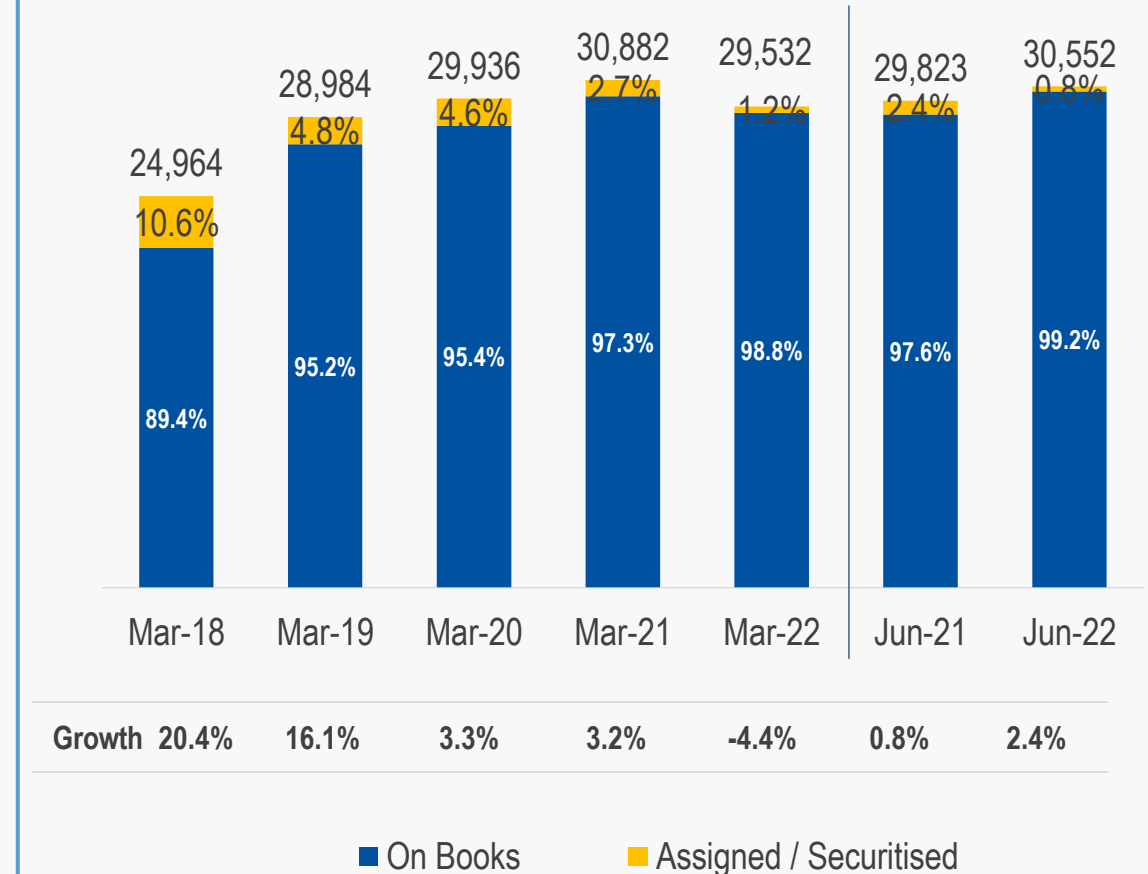
# DISBURSEMENTS AND AUM

₹ in Crore

## Disbursements

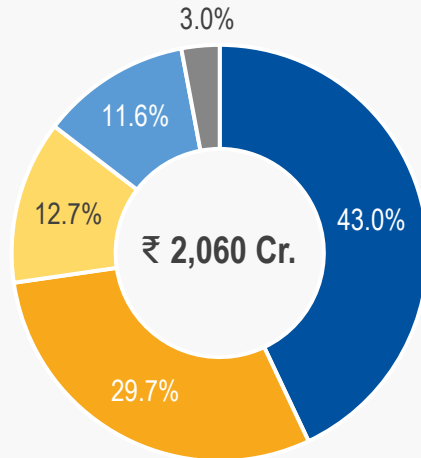


## AUM



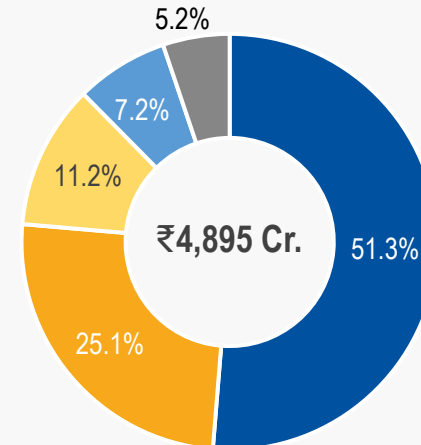


**Jun-21**



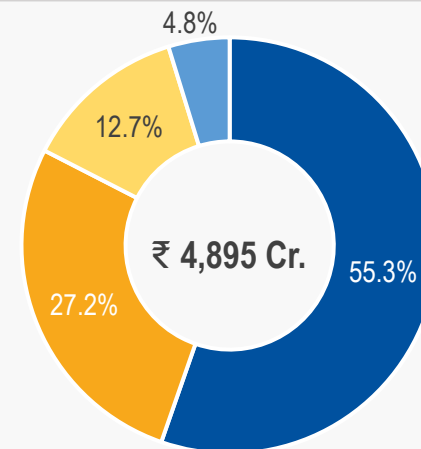
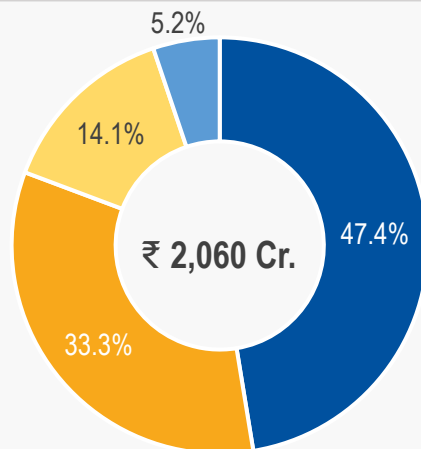
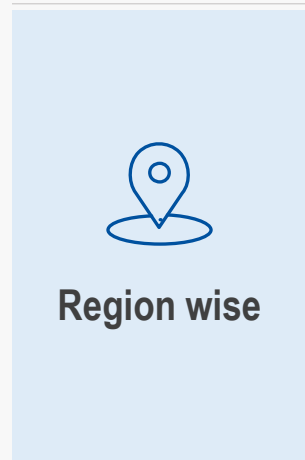
Used Vehicles – 17.1%

**Jun-22**



Used Vehicles – 18.6%

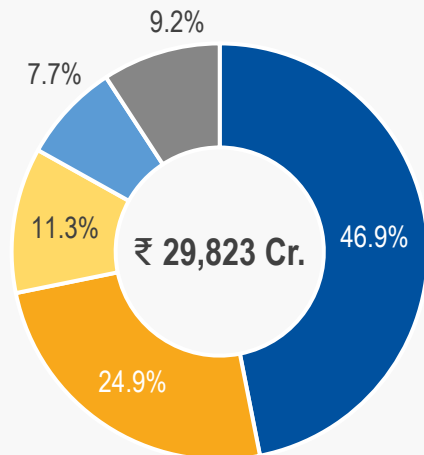
- CVs
- Cars
- Construction Equipment
- Tractors
- Others



- South
- North
- West
- East

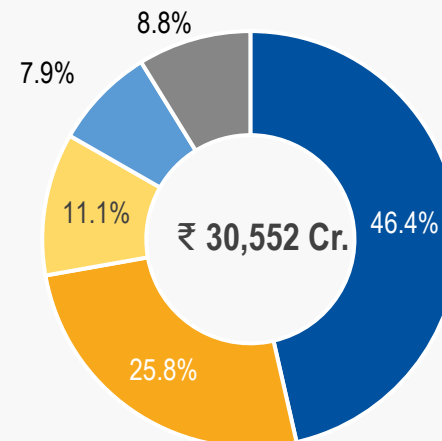


**Jun-21**



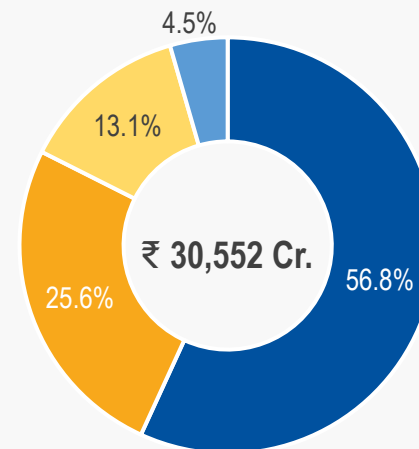
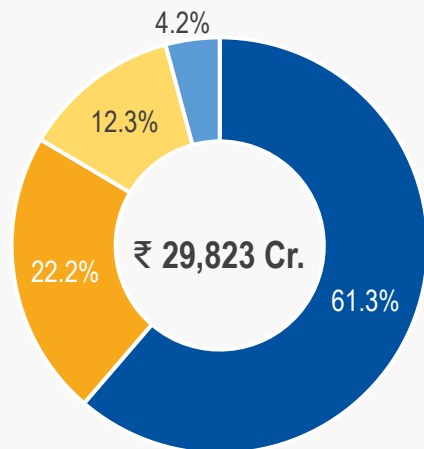
**Used Vehicles – 14.8%**

**Jun-22**



**Used Vehicles – 14.7%**

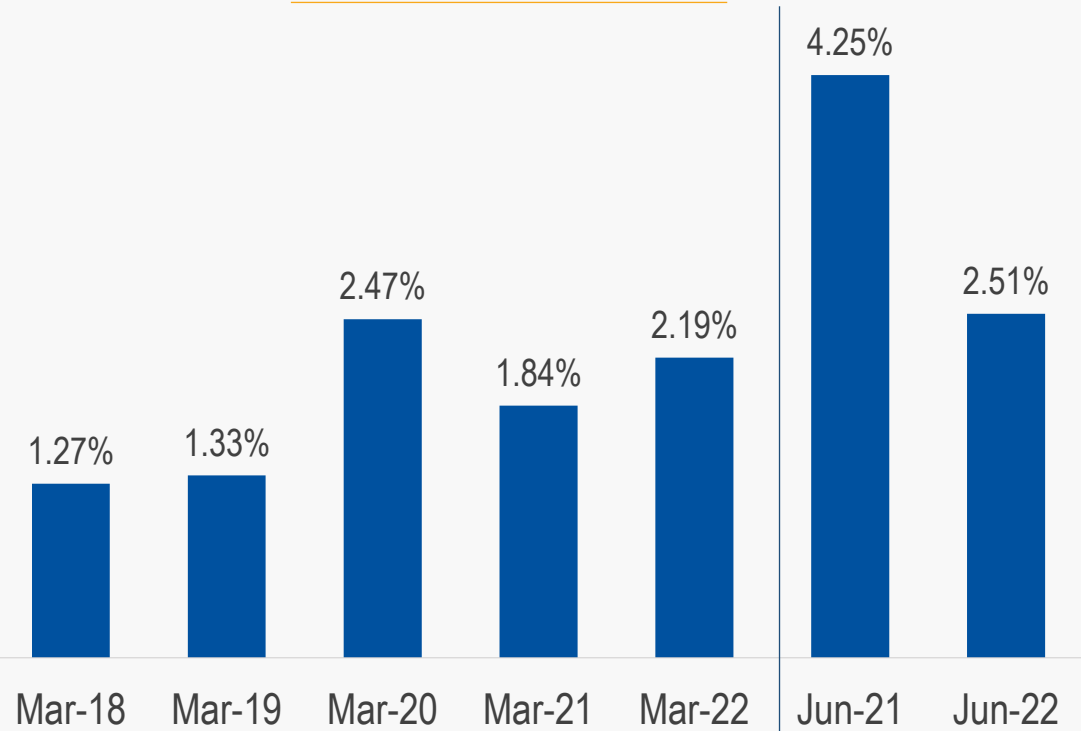
- CVs
- Cars
- Construction Equipment
- Tractors
- Others



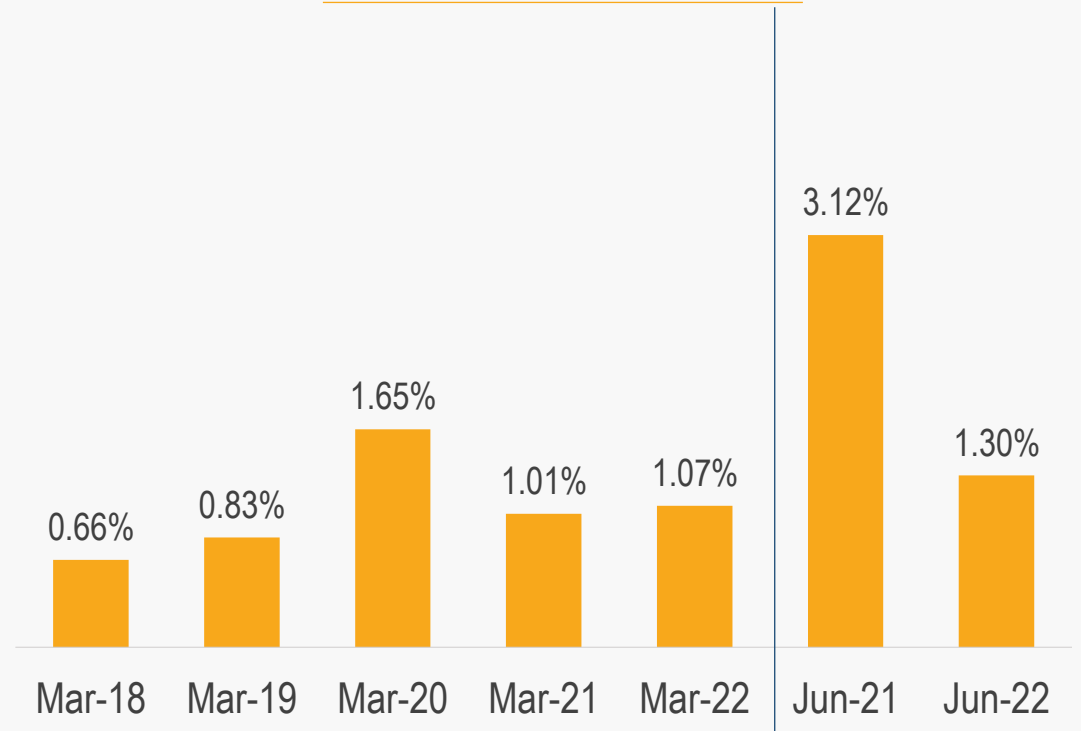
- South
- North
- West
- East



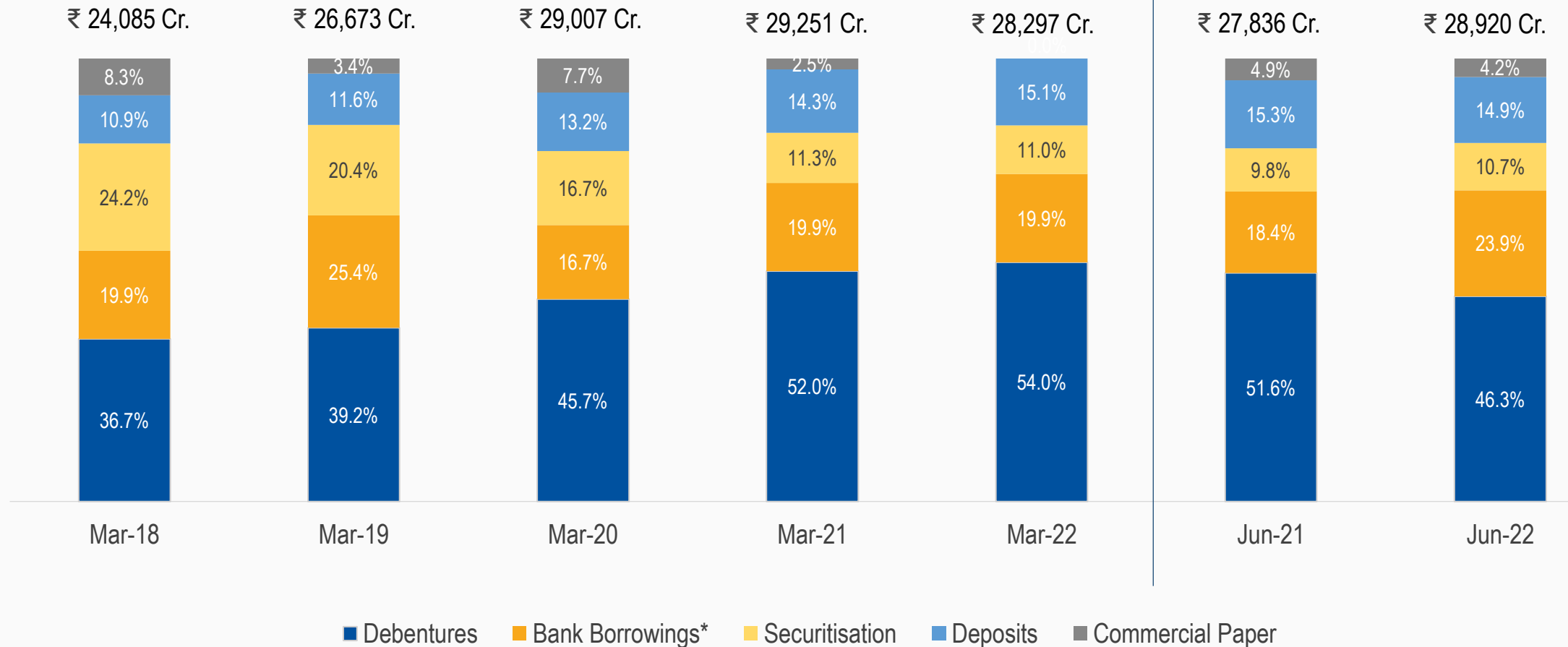
## Gross Stage 3%



## Net Stage 3%



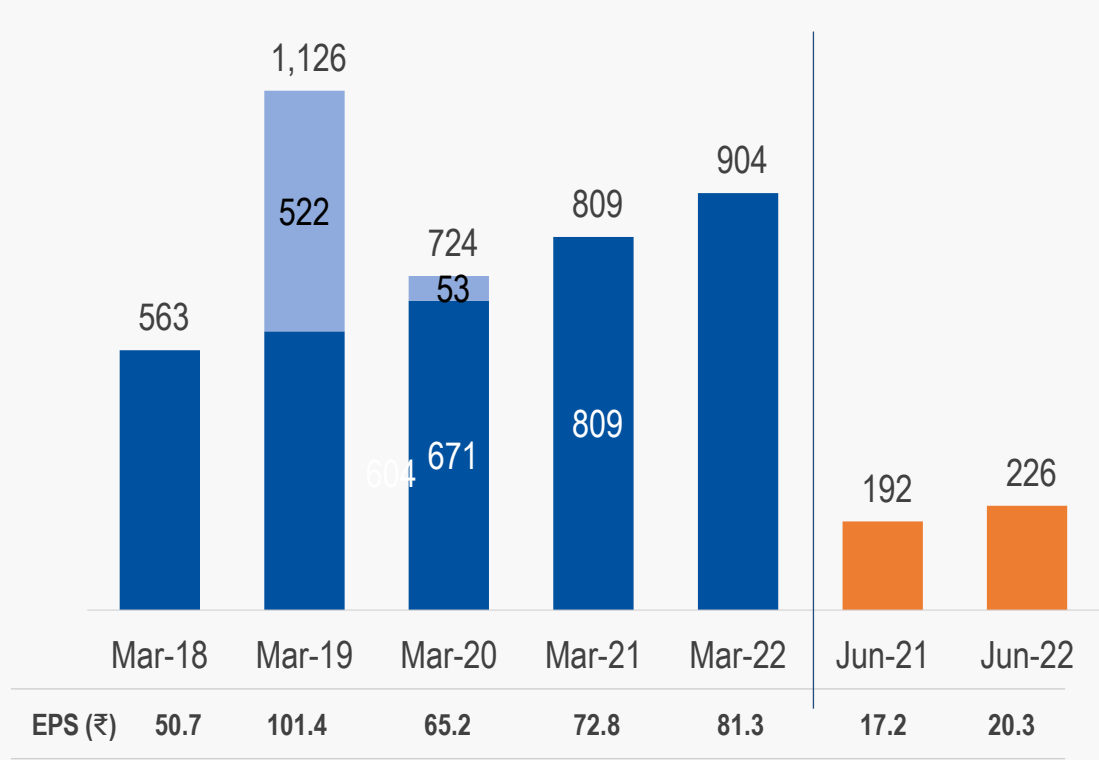
# FUNDING MIX



\* Includes a) Term loans b) Commercial Papers and demand loans availed against the sanctioned limits.

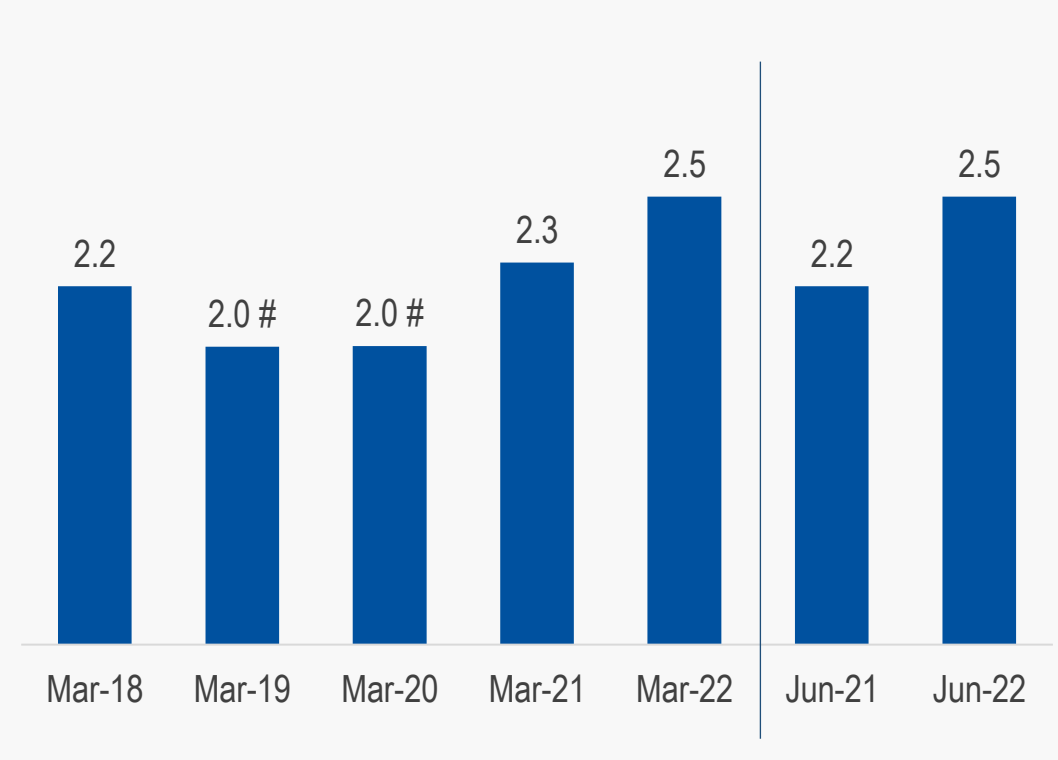
₹ in Crore

## Profit after Tax



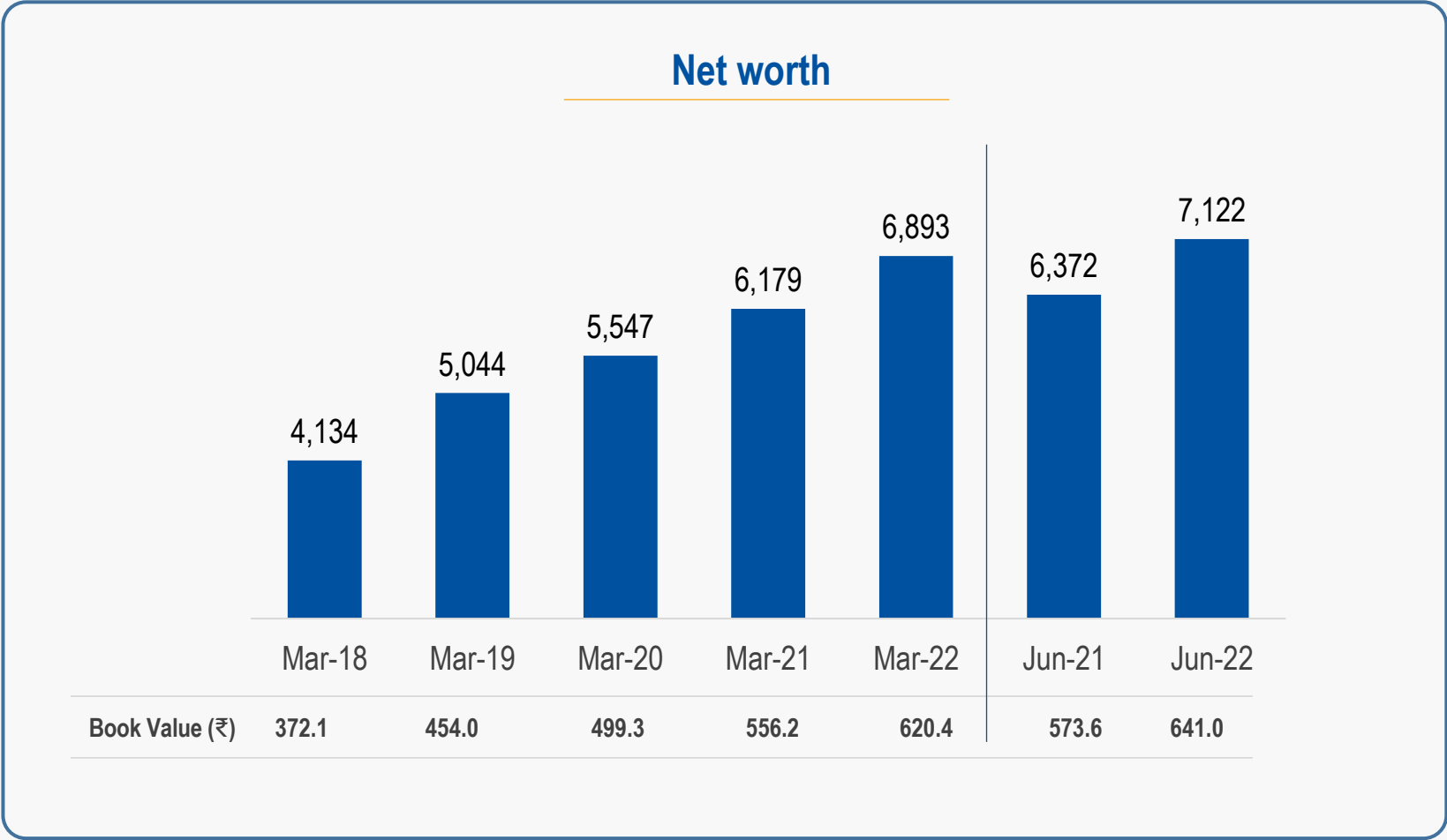
■ Exceptional Item

## Return on Assets - %

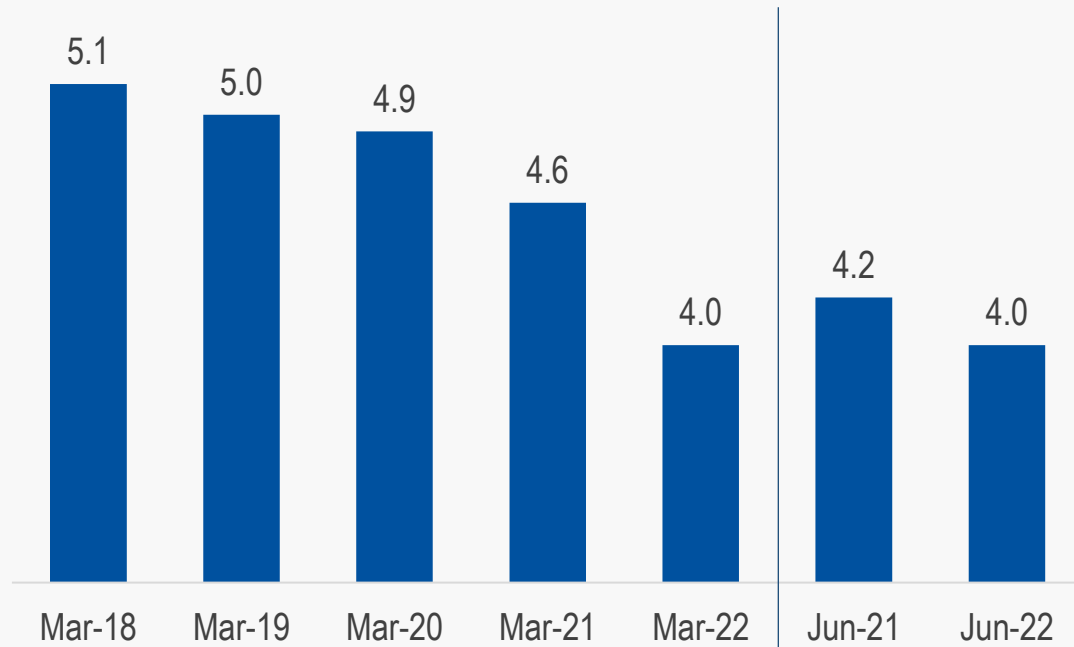


# adjusted for exceptional item

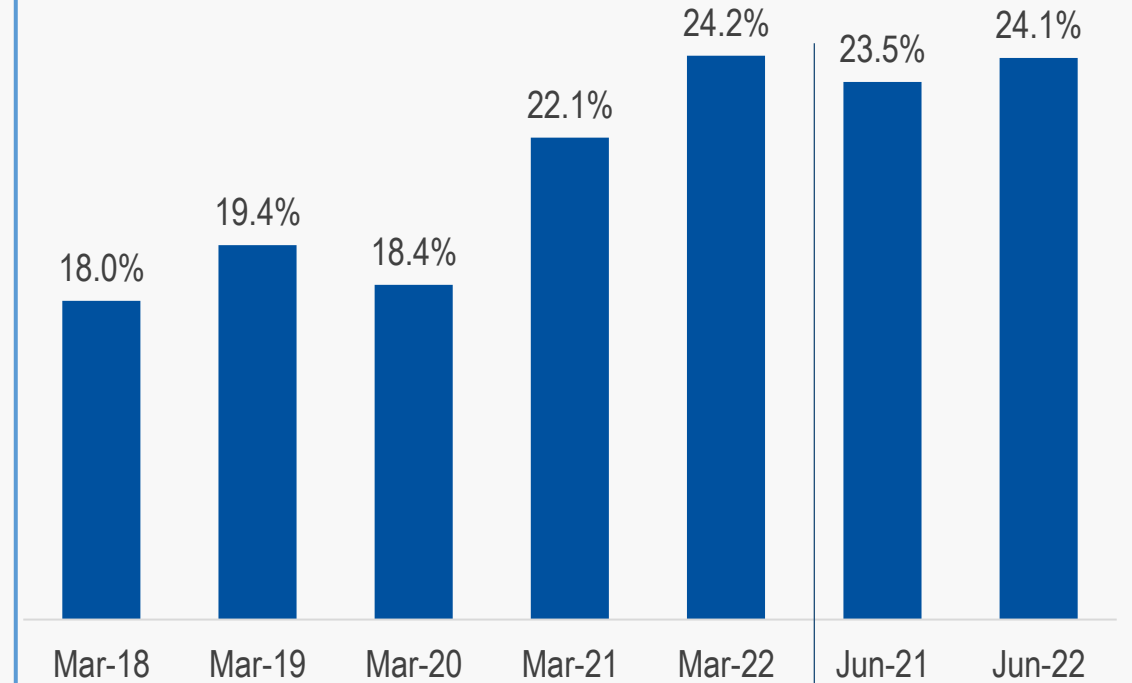
₹ in Crore



## Leverage



## Capital adequacy





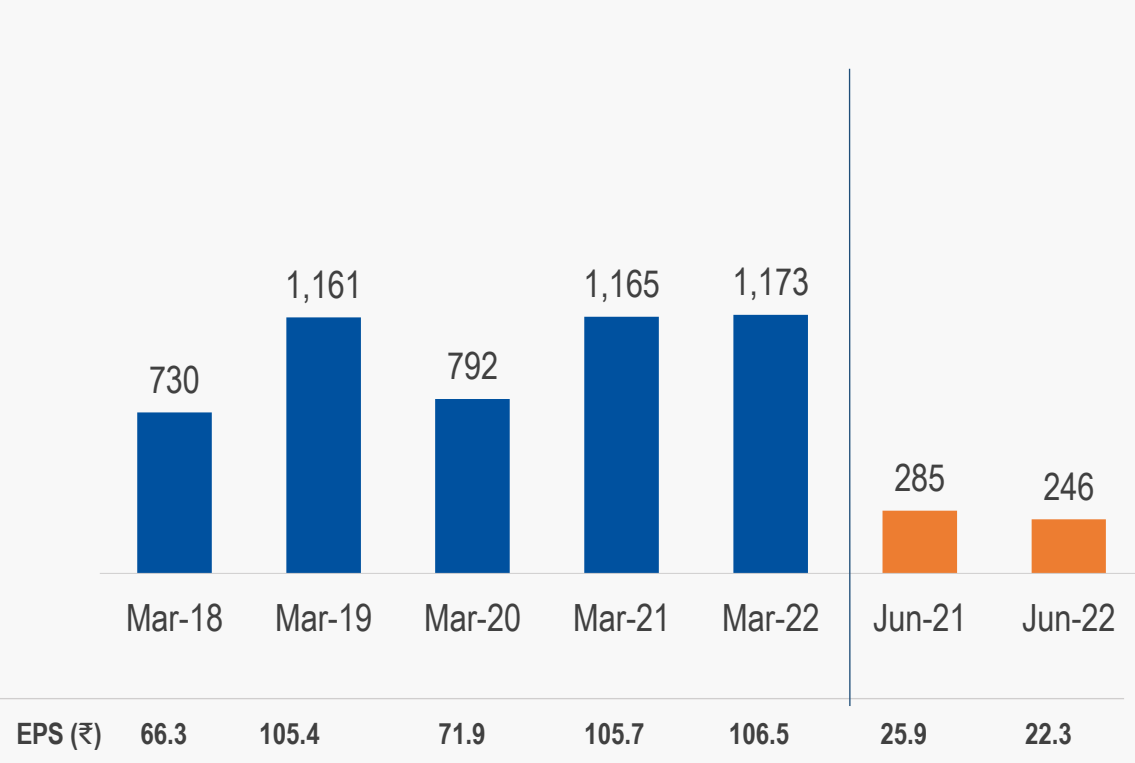
04

# Consolidated results

# CONSOLIDATED RESULTS

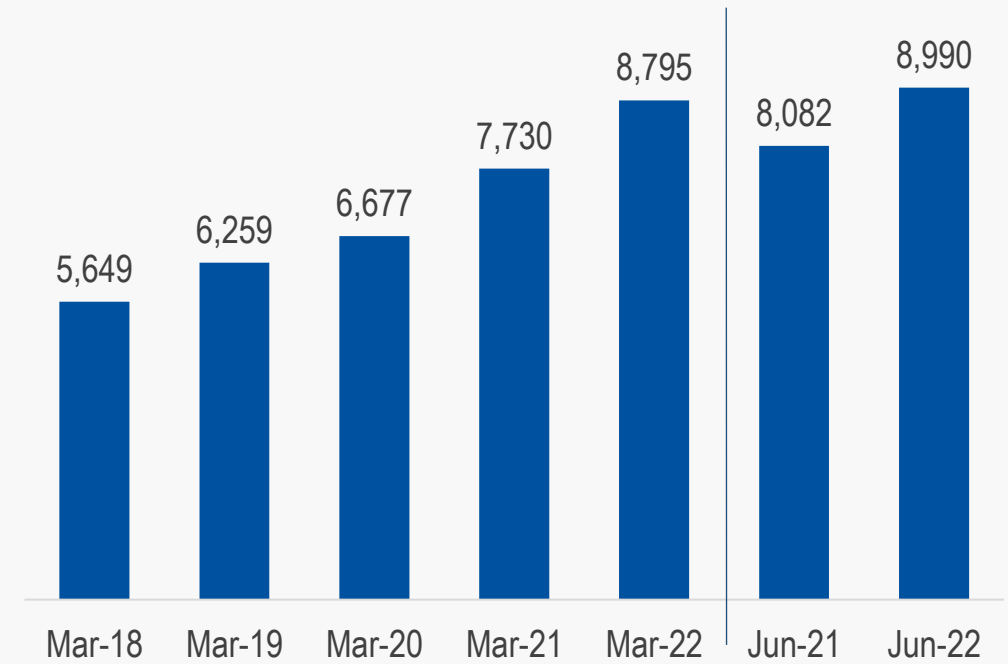
₹ in Crore

## Profit after Tax



Period	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Jun-21	Jun-22
EPS (₹)	66.3	105.4	71.9	105.7	106.5	25.9	22.3

## Net Worth



Period	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Jun-21	Jun-22
Book Value (₹)	513.0	568.3	606.1	701.6	798.2	733.5	815.8

# CONSOLIDATED RESULTS

₹ in Crore

Particulars	Share of Net Worth		Share in Profit	
	30-Jun-21	30-Jun-22	Q1FY22	Q1FY23
Sundaram Finance Ltd.	6,372.46	7,122.14	191.58	225.73
<b>Subsidiaries:</b>				
Sundaram Finance Holdings Ltd. (Consolidated)	647.04	731.91	6.82	9.66
Sundaram Asset Management Company Ltd. (Consolidated)	258.58	343.09	19.33	18.22
Sundaram Home Finance Ltd.	1,598.67	1,702.12	40.04	47.26
Sundaram Fund Services Ltd.	37.09	39.53	0.25	0.47
Sundaram Trustee Company Ltd.	1.86	2.60	0.22	0.28
LGF Services Ltd.	3.53	3.43	0.02	(0.02)
Sundaram Finance Employees Welfare Trust	17.48	18.16	0.53	0.04
<b>Joint Control Entities</b>				
Royal Sundaram General Insurance Co. Ltd.	751.69	687.44	41.63	(16.80)
Adjustment arising out of Consolidation	(1,606.80)	(1,660.36)	(14.94)	(39.18)
<b>Total</b>	<b>8,081.60</b>	<b>8,990.06</b>	<b>285.48</b>	<b>245.66</b>



31-Mar-22	Particulars	30-Jun-21	30-Jun-22
2311	Disbursements (₹ in Crore)	249	796
66.3%	Housing	84.7%	71.9%
33.7%	Non-Housing	15.3%	28.1%
9,495	AUM (₹ in Crore)	9,038	9,730
69.6%	Housing	70.4%	70.1%
30.4%	Non-Housing	29.6%	29.9%
167.70	PAT (₹ in Crore)	40.04	47.26
16.56	EPS (₹) (annualized)	15.82	18.67
1,655	Net worth (₹ in Crore)	1,599	1,702
163.45	Book Value (₹)	157.89	168.10
3.00%	Stage III assets %	7.60%	3.28%
1.57%	Stage III assets % (net of ECL)	4.79%	1.90%
25.7%	CAR	26.3%	24.0%
105	Branches	107	105
822	Employees	760	891
40,237	Customers	39,894	40,459

The momentum on disbursements continued from Q4 of last year into Q1 this year driven by an increasing demand for home loans in tier 2 and 3 towns in the southern markets, a priority focus for the company.

31-Mar-22	Particulars	30-Jun-21	30-Jun-22
2,966	Gross Written Premium (₹ in Crore)	665	798
7,282	AUM (₹ in Crore)	6,971	7,150
172	PAT (₹ in Crore)	83	(34)
(54)	Other Comprehensive Income (Net of Taxes)	(8)	(138)
118	Total Comprehensive Income	75	(172)
1,547	Net worth (₹ in Crore)	1,503	1,375
117%	Combined Operating Ratio	118%	117%
158	Branches	158	158
2,413	Employees	2,320	2,424
29,69,390	Customers	27,50,713	30,85,835

While the underlying operations of the insurance business remain profitable, the profits during the quarter were affected due to net loss of Rs. 106 crores on Fair Value of Equity investments as against net gain of Rs. 28 crores accounted in the quarter ending June 2021.

31-Mar-22	Particulars	30-Jun-21	30-Jun-22
53,860	AUM (₹ in Crores)	43,025	48,810
46,073	Equity (₹ in Crores)	34,618	41,653
7,787	Debt (₹ in Crores)	8,407	7,157
72	PAT (₹ in Crores)	19	18
364	Net worth (₹ in Crores)	259	343
346	Employees	359	369
13,09,851	Retail Investors	10,20,766	13,02,529
85	Branches	85	85

The profits for the quarter were lower due to amortization of Asset Management rights consequent to the acquisition of Principal Mutual Fund.

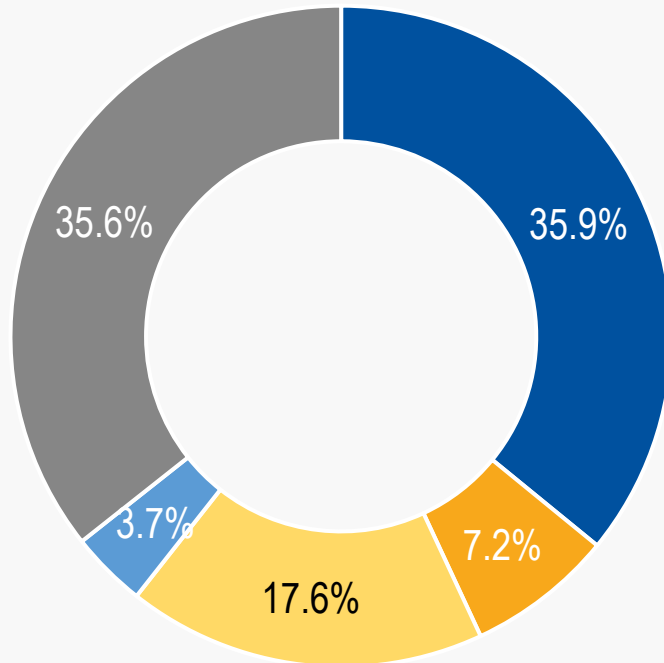


05

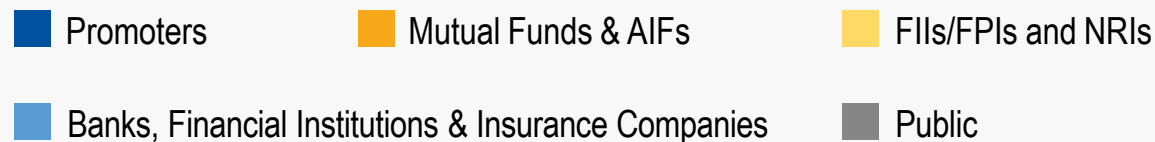
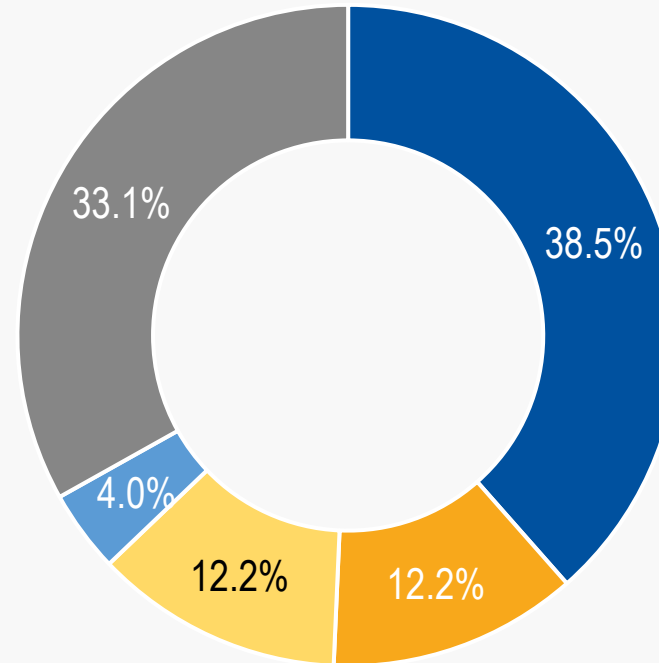
# More about Sundaram Finance

# SHAREHOLDING PATTERN

30-Jun-21



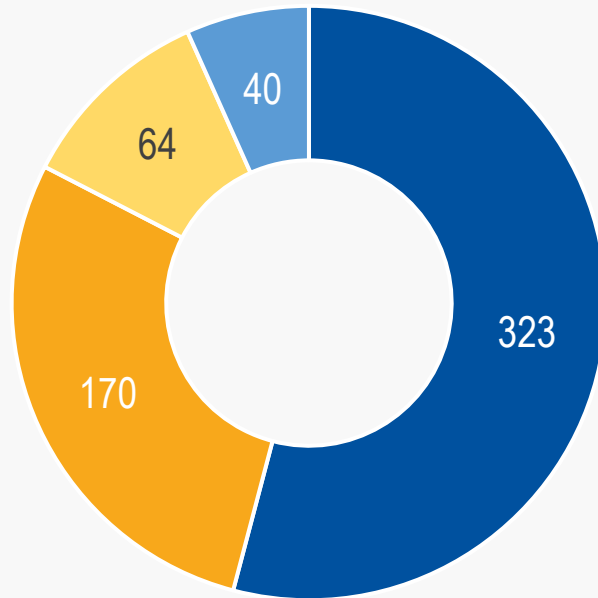
30-Jun-22



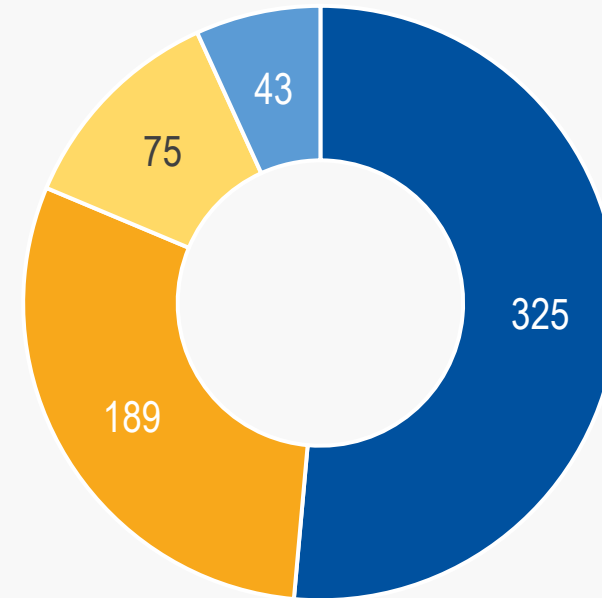
## Top institutional shareholders As of 30<sup>th</sup> June 2022

Name of Shareholder	Share %
Axis Mutual Fund Trustee Limited	5.35
Nalanda India Equity Fund Limited	3.78
ICICI Prudential ESG Fund	3.16
Bright Star Investments Pvt Ltd	2.37
HDFC Life Insurance Company Limited	2.11
United India Insurance Company Limited	1.41
Kotak Emerging Equity Scheme	1.39
Pari Washington India Master Fund Ltd.	1.09
Damani Estate and Finance Pvt Ltd.	0.93
Sundaram Finance Employees Welfare Trust	0.82

**30-Jun-21**



**30-Jun-22**



No. of Branches: **597**



No. of Employees: **4,191**



No. of Branches: **632**



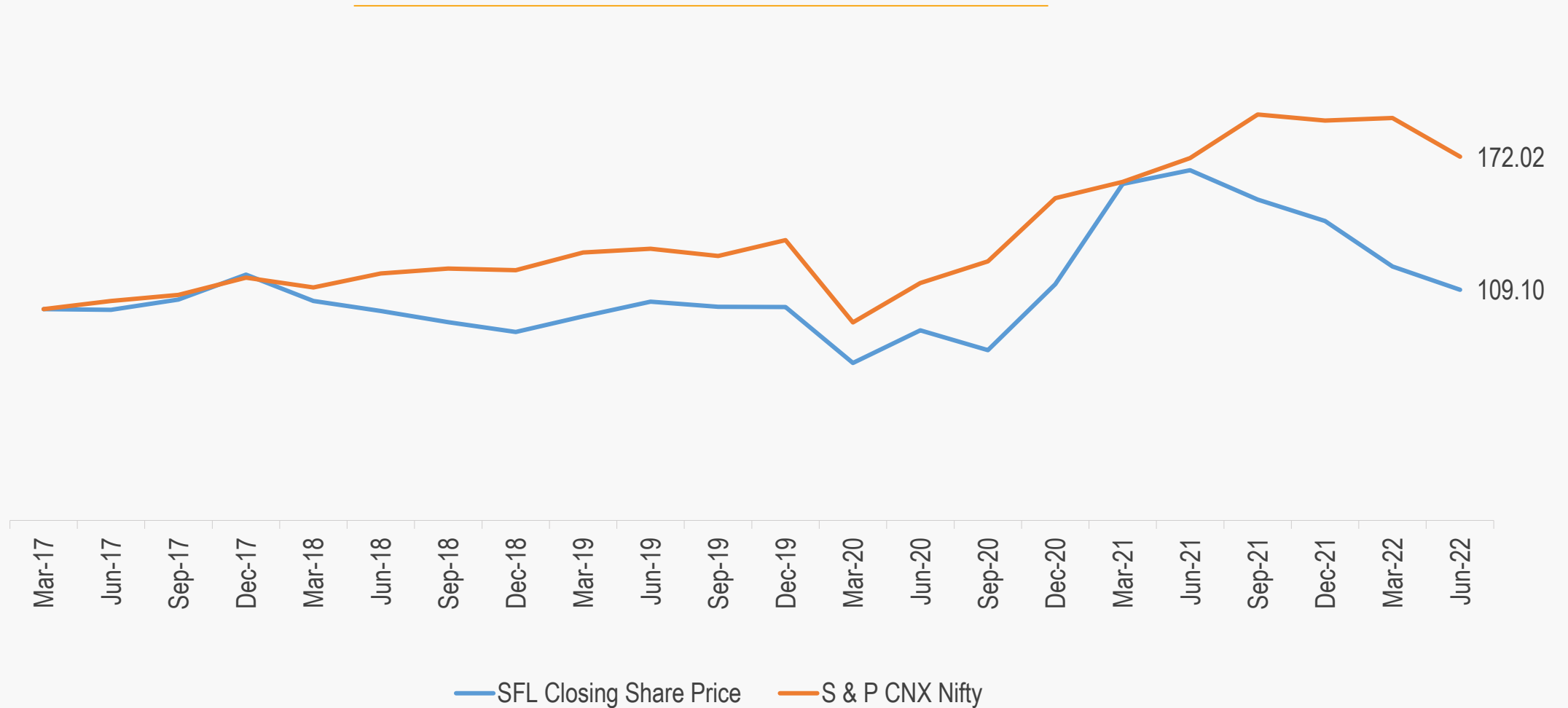
No. of Employees: **4,429**

■ South   
 ■ North   
 ■ West   
 ■ East

Instrument	ICRA	CRISIL
Deposits	AAA (Stable)	AAA (Stable)
Debentures	AAA (Stable)	AAA (Stable)
Subordinated Debentures	AAA (Stable)	AAA (Stable)
Long Term Loans	AAA (Stable)	AAA (Stable)
Working Capital Facilities	AAA (Stable)	
Commercial Paper	A1+	A1+
Short Term Loans	A1+	

# SHARE PRICE MOVEMENT

Indexed share price and Nifty from March 2017



Share price movement after 1<sup>st</sup> Feb 2018 is post demerger of Sundaram Finance Holdings Limited





## Subsidiaries

- Sundaram Home Finance Limited
- Sundaram Finance Holdings Limited
- Sundaram Business Services Limited
- Sundaram Asset Management Company Limited
- SAMC Support Services Private Limited (formerly known as Principal Asset Management Private Limited)
- SAMC Trustee Company Private Limited
- SAMC Services Private Limited (formerly known as Principal Retirement Advisors Private Limited)
- Sundaram Asset Management Singapore Pte. Limited
- Sundaram Trustee Company Limited
- Sundaram Alternate Assets Limited
- Sundaram Fund Services Limited
- LGF Services Limited



## Joint Venture

- Royal Sundaram General Insurance Co. Limited



## Associates of a Subsidiary Company

- Axles India Limited
- Wheels India Limited
- Turbo Energy Private Limited
- Transenergy Private Limited
- Sundaram Dynacast Private Limited
- Sundaram Hydraulics Limited
- Flometallic India Private Limited
- The Dunes Oman LLC (FZC)
- Mind S.r.l.
- Sundaram Composite Structures Private Limited

## Sri S Viji

Chairman

Has over **5 decades of experience** in Banking, Finance, Insurance and Automotive Component Manufacturing Industry. He is the Managing Director of Brakes India Private Limited.



B.Com.  
ACA

MBA (University of Michigan, USA)

## Sri P N Venkatachalam

Independent Director

Has nearly **4 decades of experience** in Banking, Finance and Capital Markets. Formerly Managing Director of State Bank of India.



MA (Economics), CAIIB

## Sri S Prasad

Independent Director

Has more than a **decade of experience** in industry as finance professional and over **39 years** as a practicing Chartered Accountant.



FCA

## Sri S Mahalingam

Independent Director

**4 decades of experience** in Finance and Information Technology. Formerly Chief Financial Officer and Executive Director of Tata Consultancy Services.



B.Com. (Honours)  
FCA

## Sri Raghuttama Rao Raghavendra

Independent Director

Has over **3 decades of work experience** spanning Manufacturing, Financial Markets, Public Policy and Management Consulting. Currently CEO of GDC at IIT Madras. Formerly, MD of IMAcS and Joint Managing Director of ICRA.



B.Tech. (Mech. Engg.) – IIT Madras  
CMA – ICWAI  
P.G.D.M. – IIM Ahmedabad

## Sri L Ganesh

Independent Director

Has over **44 years of Industrial experience** in and overall management of the companies. He is the Chairman of the Rane Group, one of the acknowledged leaders in the auto component industry since 2006.



MBA((Pennsylvania State University, USA)  
ACA

## Ms Shobhana Ramachandhran

Independent Director

Has **3 decades of experience** in General Management and automobile industry. She is the Managing Director of TVS Srichakra Limited.



MA (English Literature)

## Sri T T Srinivasaraghavan

Non-executive Director

Has over **4 decades of experience** in Banking and Financial Services. He was the Managing Director of the company for 18 years and laid down his office recently in Mar 21.



B.Com.  
MBA (Gannon University, Pennsylvania)

## Sri Srivats Ram

Non-executive Director

Has more than **2 decades of rich experience** in auto component manufacturing industry. He is the Managing Director of Wheels India Limited.



BA Economics  
MBA (Case Western n Reserve University, USA)

## Sri Harsha Viji

Executive Vice Chairman

Has more than **2 decades of experience** in areas of specialisation particularly, strategy formulation, joint venture negotiations, new business development. Formerly with McKinsey & Company and PriceWaterhouse



B.Com.  
ACA  
MBA (Ann Arbor, Michigan)

## Sri Rajiv C. Lochan

Managing Director

Has more than **2.5 decades of experience** in the field of management especially in the areas of finance, social sector, and public health. Formerly MD & CEO of The Hindu Group and Partner at McKinsey & Company.



B.Tech. (IIT, Madras)  
MS (MIT)  
MBA (Columbia Business School)

## Sri A N Raju

Deputy Managing Director

Has nearly **4 decades of experience** in the Automobile, Engineering, Finance and General Management. Formerly with GE Capital & SRF Group.



BSc (Engineering)  
MBA

## Sri M. Ramaswamy

Chief Financial Officer

He has over **35 years of experience** in the Company. He is the Chief Financial Officer of the Company from September 2011. He is responsible for the Treasury Management, Financial Planning & Accounting, Taxation and Regulatory Compliance. He is a member of the Risk Management Committee and Asset Liability Management of the Company.



B.Sc. (Statistics)  
ACA

## Sri P N Srikant

Company Secretary & Compliance Officer

He has over **27 years of experience** in the Company/Group. He became the Secretary and Compliance Officer of the Company from June 2022. He is responsible for statutory compliance in respect of all laws and regulations applicable to the Company, including Company Law, SEBI and RBI. He liaises with the Board Members in connection with all Board related actions in the Company.



B.Com (H)  
ACS  
PGDFM



# **SUNDARAM FINANCE**

*Enduring values. New age thinking.*

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## **Sri M Ramaswamy**

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Sundaram Finance Limited  
21, Patullos Road  
Chennai – 600002

044 – 28881341  
m.ramaswamy@sundaramfinance.in

## **Sri P N Srikant**

Secretary & Compliance Officer  
Sundaram Finance Limited  
21, Patullos Road  
Chennai – 600002

044 – 28881207  
pnsrik@sundaramfinance.in