

SEC:199/23-24/SR
November 06, 2023

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 the Unaudited Financial Results for the quarter and half year ended 30th September 2023.

Thanking you,

Yours truly,
for Sundaram Finance Limited

P N Srikant
CCO & Company Secretary

Encl:

CC: The Corporate Relationship
Dept. of Corporate Services
Bombay Stock Exchange Limited
Floor 25, P J Towers
Dalal Street
Mumbai 400 001

Sundaram Finance Limited

Regd. Office: 21, Patullos Road, Chennai – 600 002, India PAN: AAACS4944A CIN: L65191TN1954PLC002429

+91 44 2852 1181 ✉ customercare@sundaramfinance.in 🌐 www.sundaramfinance.in





PRESS RELEASE

**Unaudited standalone & consolidated financial results for the quarter and half year ended
September 30, 2023**

Sundaram Finance logs highest-ever disbursements of Rs. 13,430 crores, 34% over H1FY23; AUM grows 25% to Rs. 40,106 crores

Net profit for H1FY24 up by 22% at Rs. 648 crores; Q2FY24 PAT up by 21% at Rs.366 crores

Continued improvement in asset quality with Gross Stage 3 assets at 1.86% (2.54% as of September 30, 2022) and Net Stage 3 assets at 1.08% (1.37% as of September 30, 2022)

Disbursements for Q2FY24 up by 35% over Q2FY23 and profits after tax for Q2FY24 up by 21% to Rs. 366 crores from Rs. 303 crores in Q2FY23

ROA at 2.95% (2.94% in H1FY23) and Capital Adequacy Ratio at 19.9% (24.3% in H1FY23)

The Board of Directors of Sundaram Finance Ltd. (SFL) approved the unaudited standalone and consolidated financial results for the half year ended September 30, 2023, at its meeting held on November 6, 2023, in Chennai.

"Team Sundaram has delivered a strong first half year of FY24. Assets under management grew by 25%, net stage 3 assets closed at 1.08% and profit after tax recorded a 22% growth to Rs. 648 crores over the prior year period. Our Group companies in asset management, general insurance and home finance have continued their trajectory from FY23 and recorded strong results. We continue to rely on our time-tested approach of steady and sustainable growth with best-in-class asset quality and consistent profitability," said Harsha Viji, Executive Vice Chairman.

Disbursements for H1FY24 recorded a growth of 34% over H1FY23 with all asset classes and geographies witnessing significant growth. With the improvement in economic activity and the viability of our customers, Gross stage 3 assets improved substantially over the corresponding period of last year. Gross stage 3 assets as on September 30, 2023, stood at 1.86% with provision cover of 42% as against 2.54% as on September 30, 2022, with provision cover of 47%. Profit after tax at Rs. 648 crores registered an increase of 22% in H1FY24 as against Rs. 529 crores in H1FY23. Return on assets at 2.95% as against 2.94% for H1FY23 and capital adequacy at 19.9% remains quite comfortable to support planned growth.

Sundaram Finance Limited



“The first half of FY24 has seen tremendous performance by team Sundaram and we have struck a terrific balance between growth, asset quality and profitability. Prospects for the second half are promising but geopolitical uncertainty, global macro volatility and implications of domestic challenges of continued inflation, inconsistent monsoon and upcoming elections remain key monitorables. We will continue to focus on extending our market share across all asset classes and geographies we operate in and on delivering the Sundaram experience to our customers, our people and other stakeholders,” said Rajiv Lochan, Managing Director.

STANDALONE PERFORMANCE HIGHLIGHTS FOR H1FY24

- Disbursements for H1FY24 recorded a growth of 34% to Rs. 13,430 crores as compared to Rs. 10,054 crores registered in H1FY23. Disbursements for Q2FY24 recorded a growth of 35% to Rs. 6,941 crores as compared to Rs. 5,139 crores in Q2FY23.
- The assets under management grew by 25% to Rs. 40,106 crores as on 30th September 2023 as against Rs.31,980 crores as on 30th September 2022.
- Net interest income rose 16% in H1FY24 compared to H1FY23. For the quarter ending September 30, 2023, net interest income rose 19% over the corresponding quarter in FY23.
- The total restructured assets under Covid relief measures enabled by the Reserve Bank of India were at Rs. 425 crores, about 1.1% of loan outstanding, as on 30th September 2023.
- Gross stage 3 as on 30th September 2023 stood at 1.86% with 42% provision cover as against 2.54% with provision cover of 47% as on 30th September 2022. Net stage 3 as on 30th September 2023 closed at 1.08% as against 1.37% as on 30th September 2022.
- The Gross and Net NPA, as per RBI’s new asset classification norms for NBFCs, are 2.89% and 2.06% respectively as against 4.29% and 2.97% as of 30th September 2022.
- Cost to income ratio closed at 35.27% in H1FY24 as against 35.68% in H1FY23.
- Profit after tax registered a 22% rise in H1FY24, with net profit at Rs. 648 crores. The company had registered a net profit of Rs. 529 crores in H1FY23. Profit after tax registered a 21% increase in Q2FY24, with net profit at Rs. 366 crores as compared to Rs. 303 crores in Q2FY23.
- Return on assets (ROA) for H1FY24 closed at 2.95% as against 2.94% for H1FY23. Return on equity (ROE) was at 16.2% for H1FY24 as against 14.9% for H1FY23. If we exclude investments in subsidiaries and group companies, core ROE was at 16.2% for H1FY24 as against 16.4% for H1FY23.
- Capital Adequacy Ratio stood at 19.9% (Tier I –15.9%) as of 30th September 2023 compared to 24.3% (Tier I – 18.2%) as of 30th September 2022.

Sundaram Finance Limited



CONSOLIDATED PERFORMANCE HIGHLIGHTS FOR H1FY24

The consolidated results of SFL include the results of its standalone subsidiaries Sundaram Home Finance, Sundaram Asset Management and joint venture company Royal Sundaram General Insurance.

- The assets under management (AUM) in our lending and general insurance businesses stood at Rs. 60,578 crores as on 30th September 2023 as against Rs. 49,601 crores as on 30th September 2022. The assets under management of our asset management business stood at Rs. 61,883 crores as on 30th September 2023 as against Rs. 55,167 crores as on 30th September 2022.
- Profit after tax for H1FY24 grew by 34% to Rs. 741 crores as compared to Rs. 552 crores in H1FY23.

GROUP COMPANY PERFORMANCE HIGHLIGHTS

Our group companies continued to perform well.

- The asset management business closed the half year ended 30th September 2023 with assets under management of Rs.61,883 crores (around 85% in equity) and consolidated profits from the asset management businesses was at Rs. 48 crores as against Rs. 34 crores in H1FY23.
- Royal Sundaram reported a Gross Written Premium (GWP) of Rs. 1,818 crores as compared to Rs. 1,645 crores in the previous year, representing a growth of 11%. The Company reported a profit after tax of Rs. 145 crores for H1FY24 as against a profit of Rs. 1 crore in H1FY23. Profit after tax during H1FY24 includes net gain of Rs. 37 crores on Fair Value of Equity investments as against net loss on Fair Value of equity investments of Rs. 62 crores accounted for H1FY23.
- Sundaram Home Finance continued to grow strongly with disbursements up by 33% to Rs.2,307 crores in H1FY24. The profit for H1FY24 was Rs. 117 crores, up by 20% as against Rs.98 crores in H1FY23.

Sundaram Finance Limited



ABOUT SUNDARAM FINANCE

Sundaram Finance was established in 1954 and the company has today grown into one of the most trusted and diversified financial services groups in India providing financing for commercial vehicles, cars & utility vehicles, tractors and farm equipment, construction equipment, SME finance and a range of working capital products for financing diesel, tyres, insurance as well as working capital for SMEs. Through its subsidiaries and group companies, the company offers home finance, loans against property, mutual funds and investment management solutions and the full range of general insurance products and services. It has a nationwide presence of over 690 branches, nearly 1.2 lakh depositors and over 4 lakh lending customers.

Sundaram Finance's vision is to be the most respected NBFC in the country and its mission is to deliver the Sundaram experience to all customers, big and small, in keeping with the ethos of the Company. Sundaram Finance embraces a philosophy that balances Growth with Quality and Profitability and remains rooted to its ideal of protecting and enhancing shareholder value. The founding philosophy of the company is that everything begins with the customer. Our founder, Late Sri T S Santhanam, enshrined in the company its core values - The Sundaram Way - that have been the company's guiding light over the decades. The company is deeply rooted in its values and proud of its heritage, also constantly innovating in terms of technology and processes to deliver the unique Sundaram experience to its customers and stakeholders.

ABOUT TSF GROUP

The TSF group's interests span the automotive and financial services sectors. Companies promoted by the TSF group have combined revenue of more than Rs. 21,000 crores, 42,000 employees, 1,200 branches, and 36 factories. In the automotive industry, the TSF group operates across segments from component manufacturing, parts distribution, vehicle dealership and vehicle financing. The group serves marquee customers across the globe and is known for high quality design-led manufacturing. The TSF group companies are market leaders in their segments and include Brakes India, Wheels India, Axles India, Turbo Energy, IMPAL, Madras Auto Service, and Sundaram Motors. In financial services, the TSF Group promoted Sundaram Finance (founded 1954), one of the most respected names in the NBFC sector, with interests in automotive lending, general insurance, housing loans, and asset management. The financial services business has more than Rs. 60,000 crores in assets and a further Rs. 62,000 crores in assets managed. The TSF group comprises the T.S. Santhanam branch of the erstwhile TVS group and continues the tradition of Trust, Value and Service that the group has been known for this past century.

For more information, please visit: <https://www.sundaramfinance.in/>

For further details, please contact:

- P N Srikant, Sundaram Finance, +91 44 2888 1207

Sundaram Finance Limited