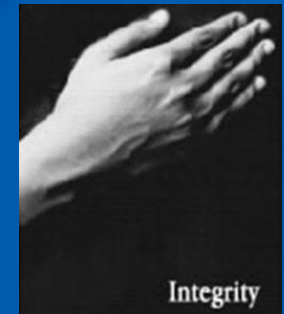




SUNDARAM FINANCE
Enduring values. New age thinking.

PERFORMANCE HIGHLIGHTS

9M FY23





01

Overview of
Sundaram Finance



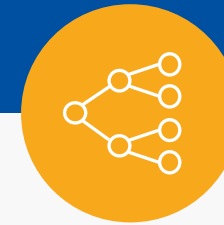
02

Financial results &
performance



03

Key trends in financial
performance



04

Consolidated results



05

More about
Sundaram Finance



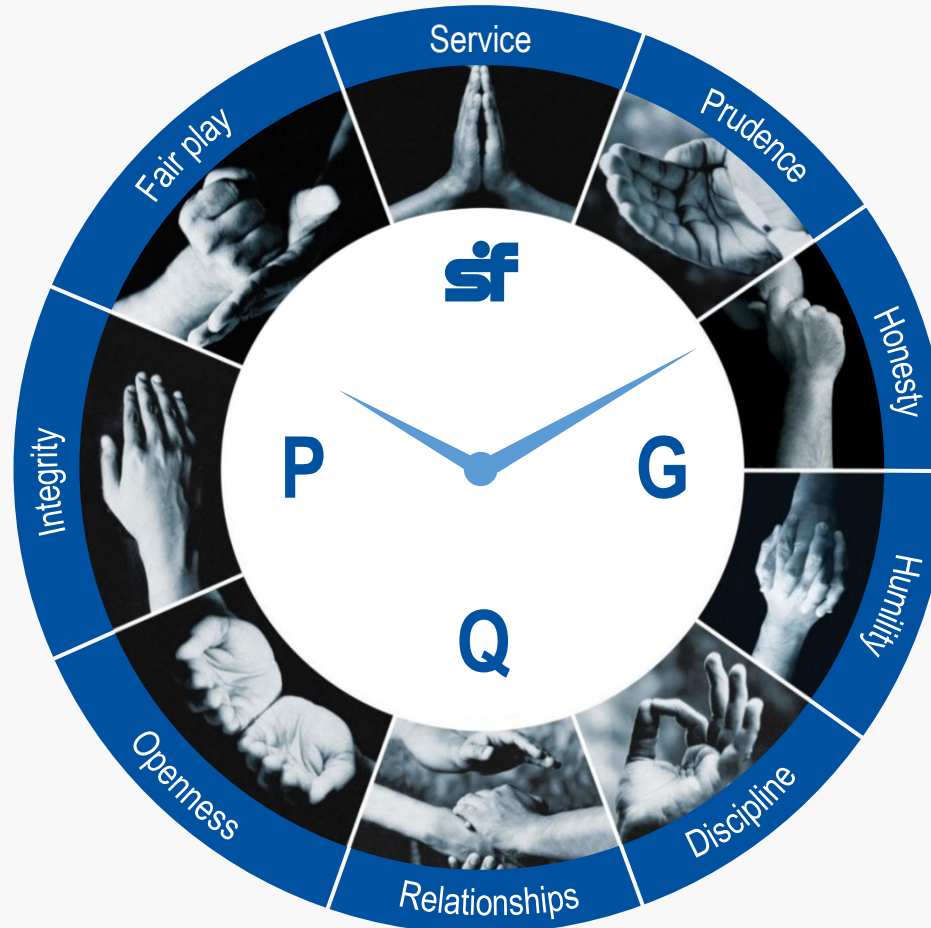
01 Overview of Sundaram Finance

OUR VISION, MISSION AND PHILOSOPHY



Vision

To be the most respected NBFC in the country



Growth **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



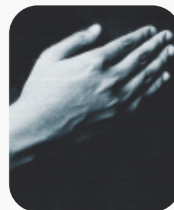
Honesty

To believe that honesty is the only policy



Discipline

To know that discipline is your ally in all situations



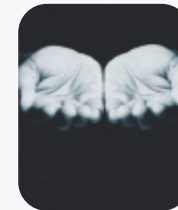
Integrity

To put integrity about all else



Humility

To realise that humility is the greatest virtue



Openness

To be open to scrutiny, anywhere, anytime













Prudence

To be the voice of prudence in the midst of chaos



Relationships

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

		 AUM	 Branches	 Employees	 Customer count
→	 SUNDARAM FINANCE <i>Enduring values. New age thinking.</i>	33,558	652	4,656	5,30,338
→	 Royal Sundaram General Insurance Joint Venture with Ageas Insurance International NV	7,744	161	2,424	33,77,529
→	 SUNDARAM HOME 100% subsidiary	10,564	114	1028	40,605
→	 SUNDARAM MUTUAL UNEARTHING OPPORTUNITIES 100% subsidiary	56,791	85	377	14,19,082
	Group	1,08,657	1,012	8,485	53,67,554

STRATEGIC SOURCES OF DISTINCTIVENESS



68-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 over 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

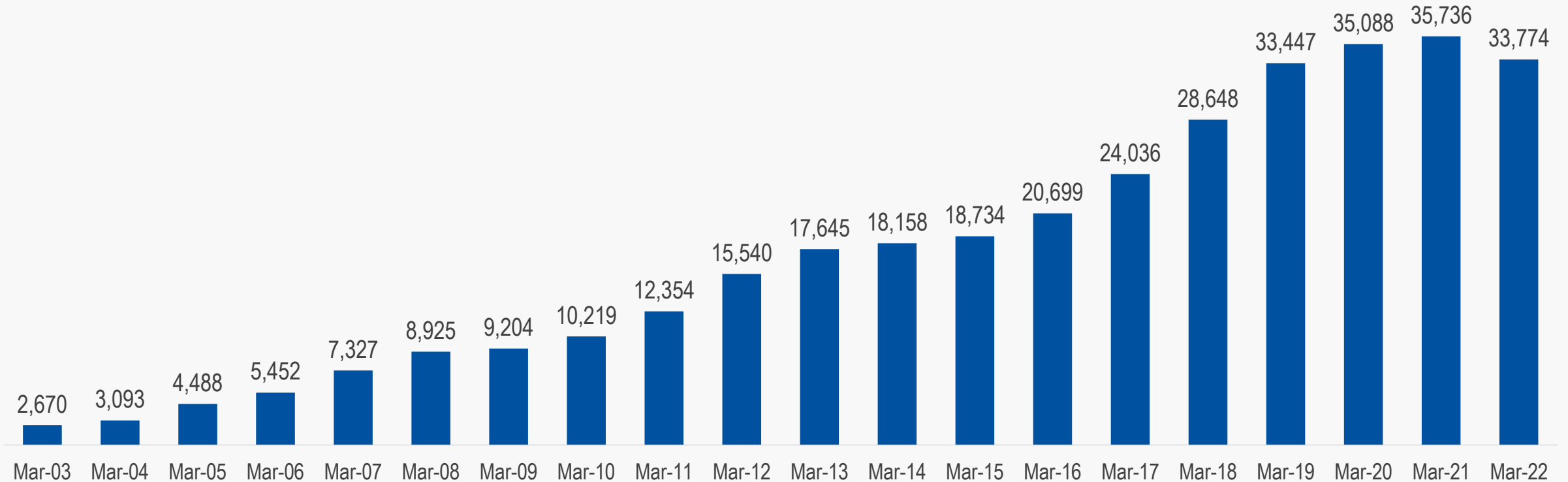
- Diesel
- Insurance
- Tyre
- Sundaram Credit Line

Distribution

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

₹ in Crore

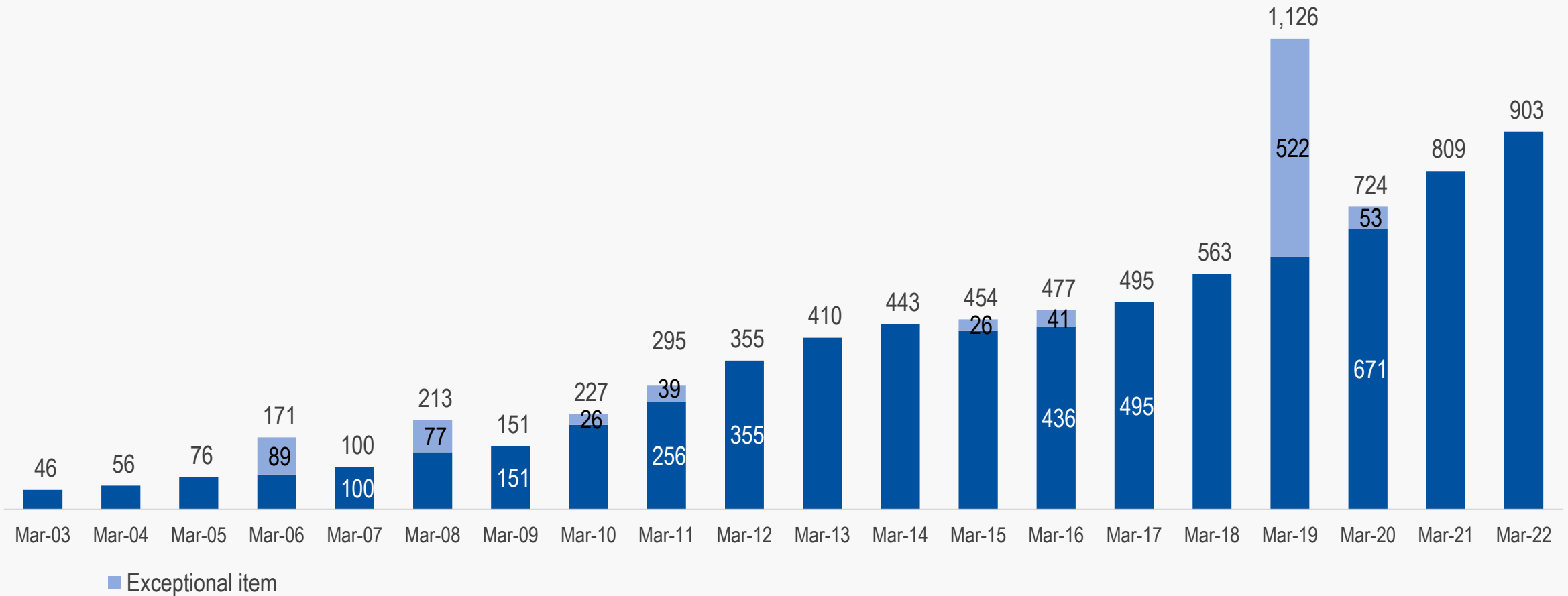
Receivables Under Management



SUNDARAM FINANCE – PERFORMANCE OVER LAST TWENTY YEARS

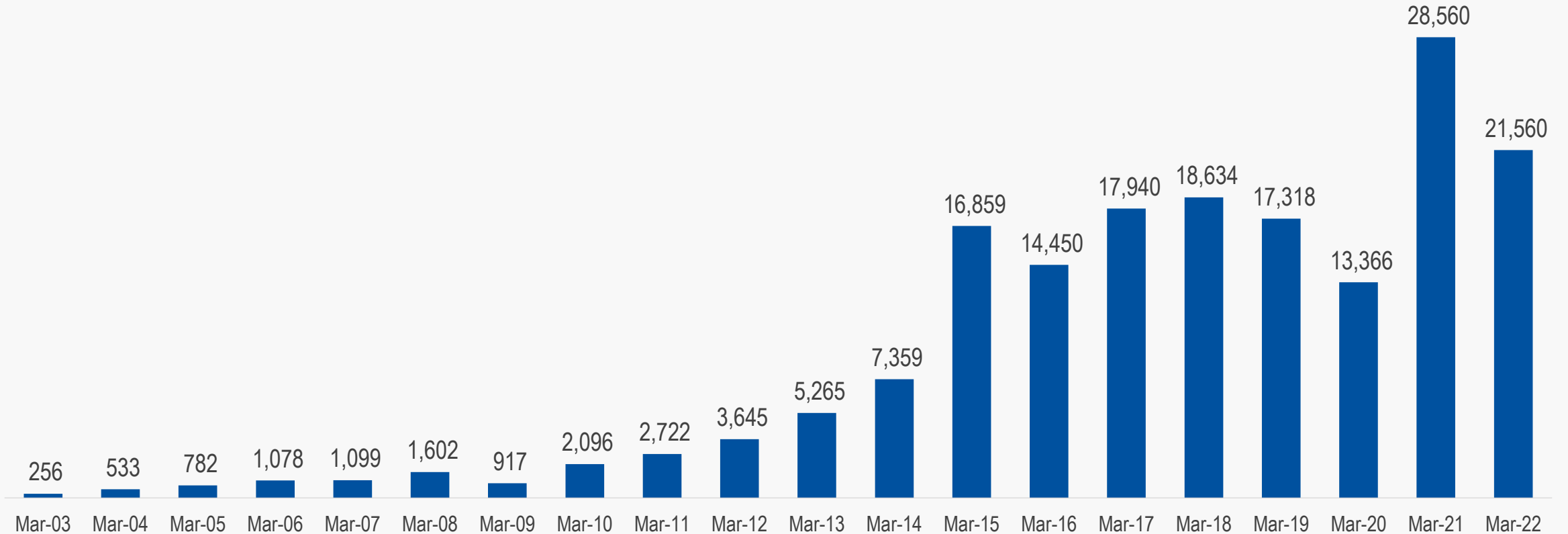
₹ in Crore

PAT



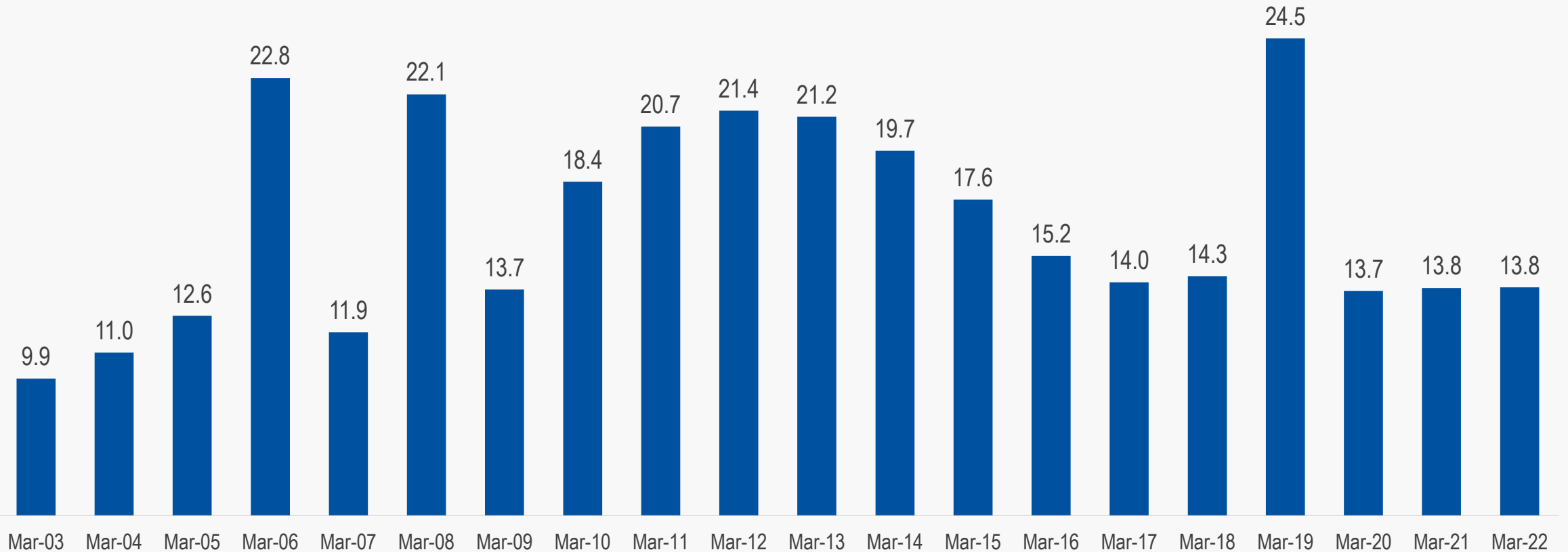
₹ in Crore

Market Capitalization



SUNDARAM FINANCE – PERFORMANCE OVER LAST TWENTY YEARS

Return on Equity %





02

Financial results & performance

OVERALL HIGHLIGHTS OF FINANCIAL PERFORMANCE

As of 31st December 2022



AUM

₹33,558 Crores



12.6% up
from Dec 21



Gross Stage 3

2.43%



3.39%
in Dec 21

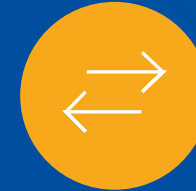


Cost-to-income

32.23%



29.96%
in 9MFY22



ROA

2.8%



2.3%
in 9MFY22



ROE

14.2%*



12.5%
in 9MFY22

120% interim dividend (₹ 12 per share) declared

*Core ROE (excluding investments in subsidiaries) at 17.0% vs. 16.2%



Economic activity continued to improve across all segments during 9M FY23 despite global geo-political tensions and consequent inflation and monetary policy actions. Growth in disbursements was driven by sharp focus on ensuring rightful market share in all asset classes and geographies of operations. 9M FY23 disbursements are highest-ever 9M levels and grew 64% over 9M FY22.

Disbursements for 9M FY23 recorded a growth of 64% to ₹15,587 crores as compared to ₹9,524 crores registered in the corresponding period of the previous year. Adjusting for the pandemic-induced ECLGS scheme, **core business disbursements grew by 66%** in 9M FY23 compared to 9M FY22

The assets under the management stood at ₹33,558 crores as on 31st December 2022 as against ₹ 29,796 crores as on 31st December 2021, **registering a 13% increase year-on-year.**

Commercial vehicles, especially medium and heavy commercial vehicles, recovery continued through 9M FY23. Prospects for growth segments of Construction Equipment, Tractor & Farm Equipment as well as Commercial Lending continue to remain bright. Demand for passenger vehicles remains strong.

The total restructured assets under Covid package were ₹ 765 crores, about 2.3% of outstanding loans as on 31st December 2022.

HIGHLIGHTS – QUALITY CONTINUES TO REMAIN INDUSTRY BEST



Our asset quality continued to remain best-in-class with continuing improvement in collections & recovery activity. Current collections are back to pre-Covid levels and Gross Stage 3 assets continued to improve. During Q2 FY23, we have adopted, effective April 1, 2022, the tighter norms imposed by the RBI on asset classification ahead of the October 1, 2022 regulatory deadline.

Gross stage 3 assets as on 31st December 2022 stood at 2.43% with provision cover of 45% when compared to 3.39% with 39% provision cover as of 31st December 2021.

Net stage 3 assets as on 31st December 2022 closed at 1.35% as against 2.09% as on 31st December 2021.

RBI vide its circulars dated 12th November 2021 & 15th February 2022 has tightened the norms for asset classification for NBFCs. During Q2 FY 23, the Company has adopted the new norms effective 1st April 2022, ahead of the regulatory deadline of 1st October 2022. The company has prepared the financial results in accordance with the applicable Ind AS guidelines / IRACP norms and, as a matter of prudence, suitably amended its ECL model to reflect the new norms.

With the improvement in the asset quality, the impairment cost for 9M FY23 was Rs. 117 crores as against Rs. 347 crores in 9M FY22.

The Gross and Net NPA, per RBI's tighter norms on asset classification, are 3.97% and 2.78% respectively as against 7.71% and 6.17% as of 31st December 2021.

HIGHLIGHTS – PROFITABILITY IMPROVED CONSISTENTLY



Profits after tax grew 28% over 9M FY22 due to continuing improvements in asset quality, tight control on costs, meticulous management of our cost of borrowing in a rising interest rate regime consistent with our “AAA” rating and ensuring prudent focus on asset class mix as well as customer segment mix to optimize our margin while ensuring growth and profitability

Cost to income closed at 32.23% in 9M FY23 as against 29.96% in 9M FY22.

Return on assets (ROA) for 9M FY23 closed at 2.8% as against 2.3% for 9M FY22.

Profit after tax at ₹ 772 crores in 9M FY23 crores as against ₹605 crores in 9M FY22, up by 28%; Profit after tax for Q3 FY23 up by 20% to Rs. 243 crores from Rs. 202 crores in Q3 FY22

Return of equity (ROE) was at 14.2% for 9M FY23 as against 12.5% for 9M FY22. If we exclude investments in subsidiaries and group companies, core ROE was at 17.0% for 9M FY23 as against 16.2% for 9M FY22

PROFIT & LOSS STATEMENT

₹ in Crore

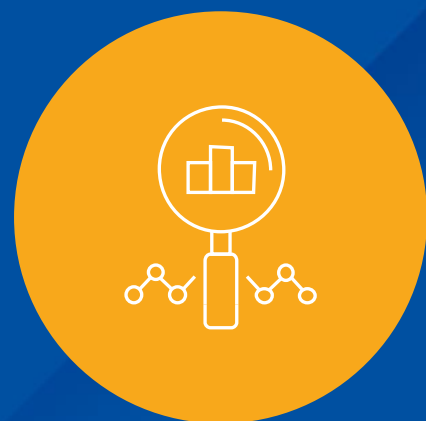
FY22	Particulars	Q3 FY23	Q2 FY23	Q3 FY22	9M FY23	9M FY22
3,827.64	Revenue From Operations*	991.70	1,034.23	947.14	2,949.53	2,900.25
20.43	Other Income	2.28	3.77	2.94	12.78	11.78
3,848.07	Total Revenue	993.98	1,038.00	950.08	2,962.31	2,912.03
1,700.11	Finance cost	457.26	425.57	417.28	1,286.88	1,289.22
652.54	Operating expenses	180.31	186.13	168.98	542.96	476.93
318.52	Impairment	37.29	27.18	96.42	117.46	346.89
2,671.17	Total Expenses	674.86	638.88	682.68	1,947.30	2,113.04
1,176.90	Profit Before Tax	319.12	399.12	267.40	1,015.01	798.99
903.41	Profit After Tax	242.68	303.53	202.38	771.95	604.61

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

BALANCE SHEET

₹ in Crore

31-Mar-22	Particulars	31-Dec-22	30-Sep-22	31-Dec-21
	Equity and Liabilities			
28,323.23	Financial Liabilities	30,734.62	28,758.35	27,514.49
71.20	Non-Financial Liabilities	63.68	59.24	63.41
6,893.09	Equity	7,557.94	7,315.24	6,709.46
35,287.52	Total – Equity and Liabilities	38,356.24	36,132.83	34,287.36
	Assets			
34,413.89	Financial Assets	37,314.91	35,161.74	33,429.07
873.63	Non-Financial Assets	1,041.33	971.09	858.29
35,287.52	Total – Assets	38,356.24	36,132.83	34,287.36



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
Dec-21	111.10	6,709	9,524	34,106	604.61	&100	25,415
Dec-22	111.10	7,558	15,587	38,680	771.95	&120	25,611

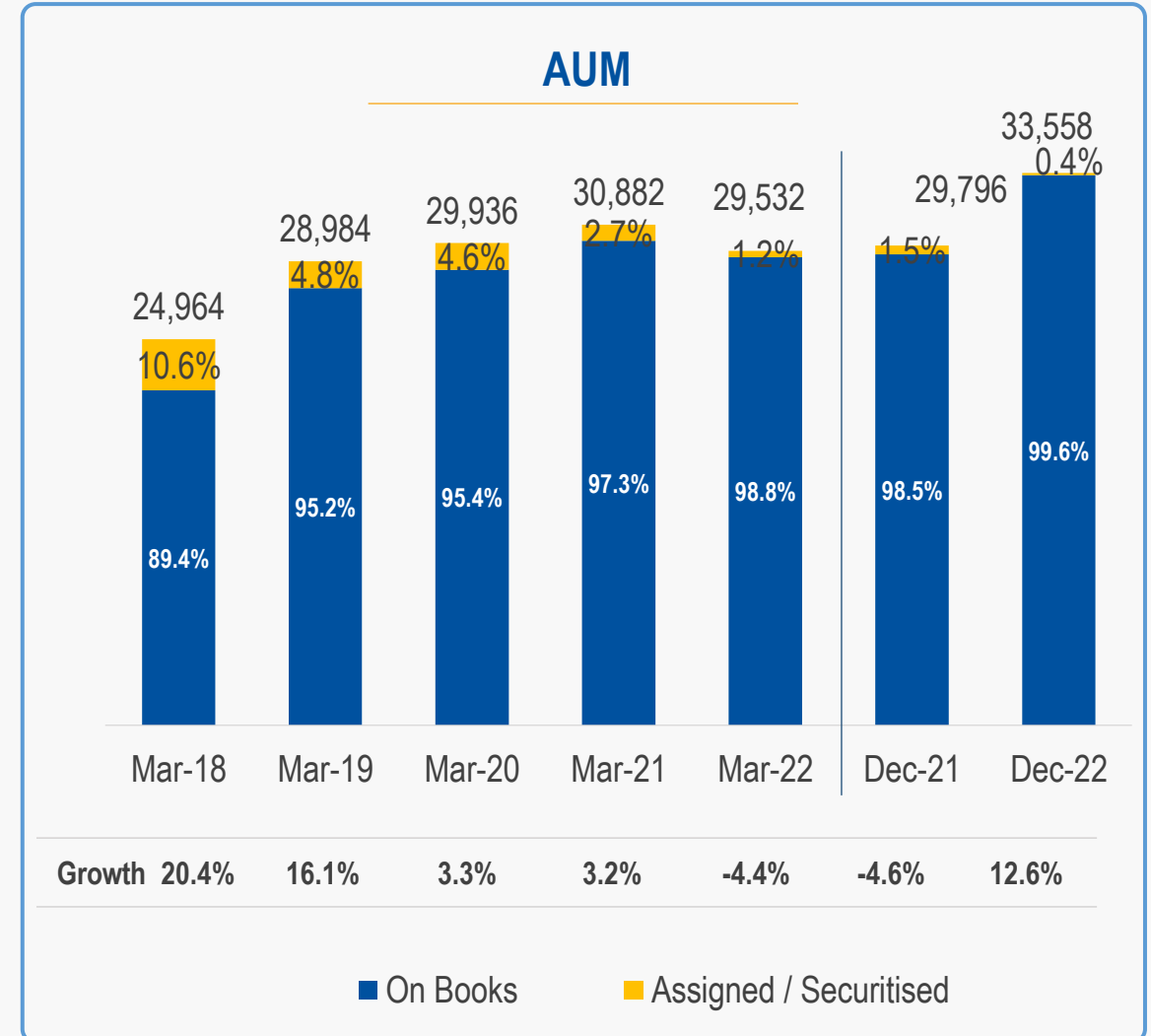
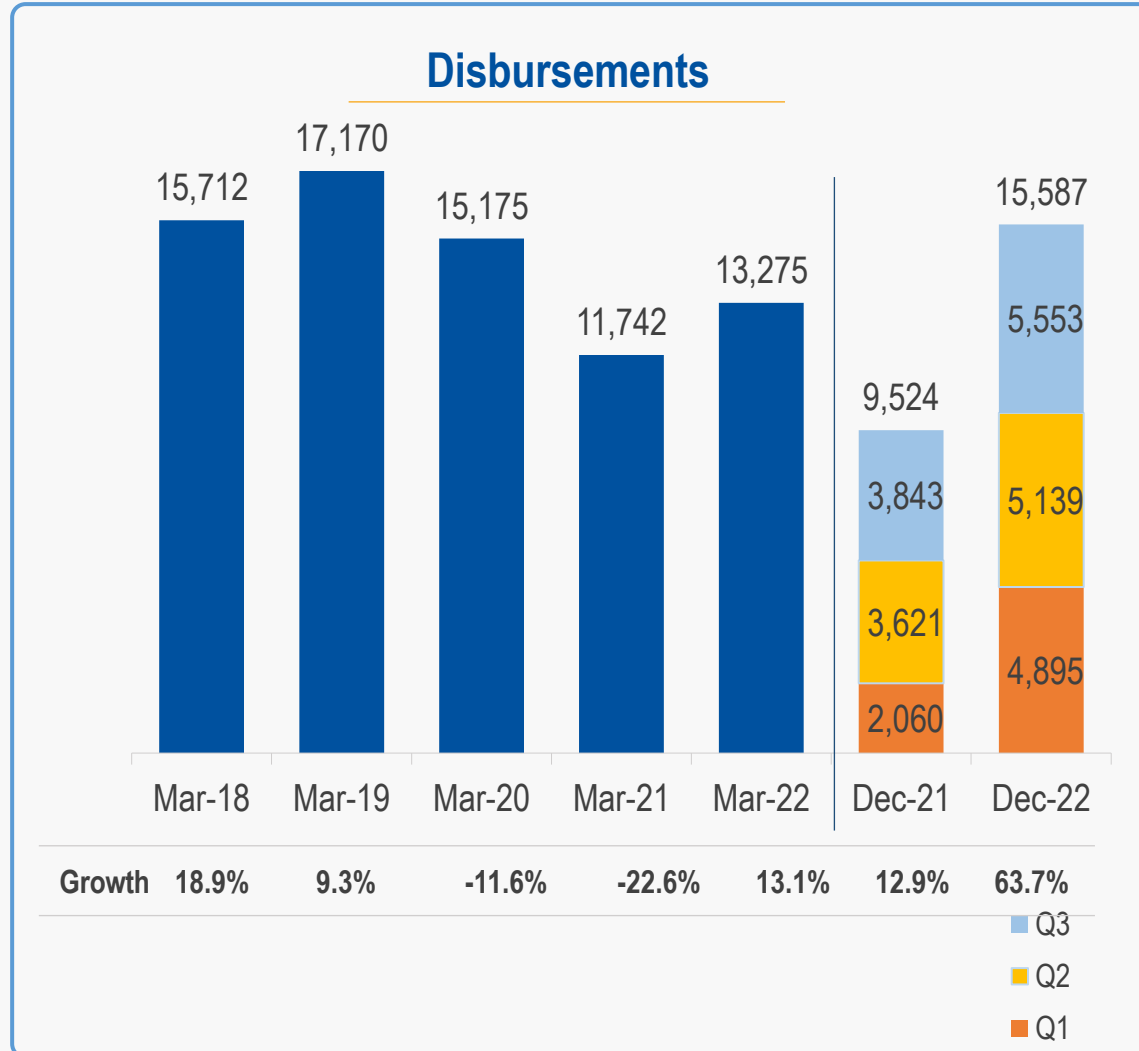
* Increase in Capital by way of 1:1 bonus issue, ** Adjusted for demerger ₹460.57 Cr, # Includes special dividend of 50%.

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

& Interim Dividend

DISBURSEMENTS AND AUM

₹ in Crore

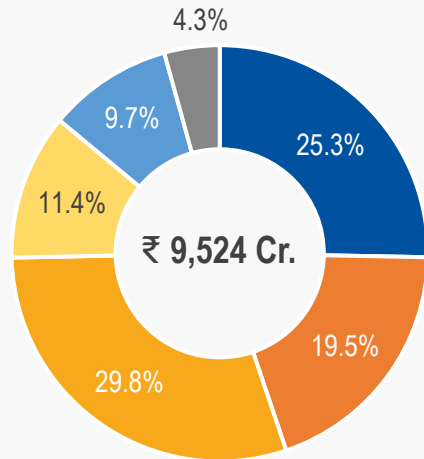


DISBURSEMENTS



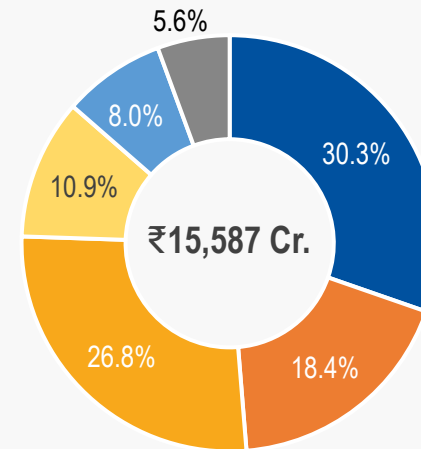
Asset wise

Dec-21



Used Assets – 22.8%

Dec-22

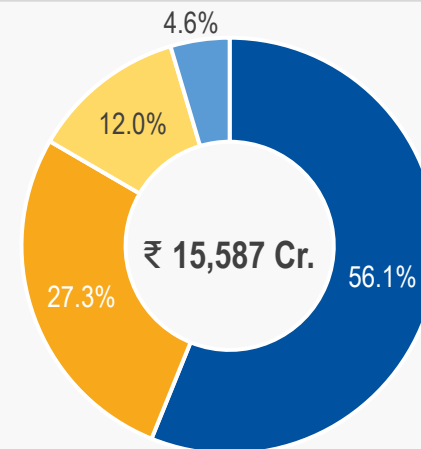
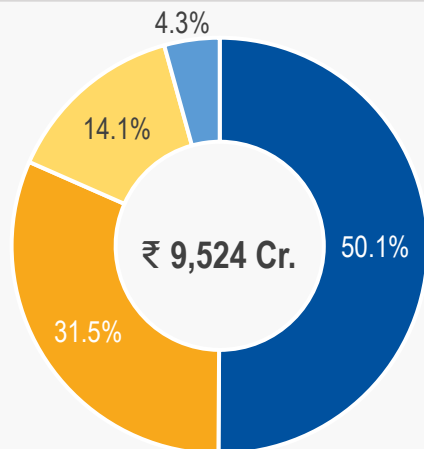


Used Assets – 23.0%

- MHCV
- Retail CV
- Cars
- Construction Equipment
- Tractors
- Others



Region wise



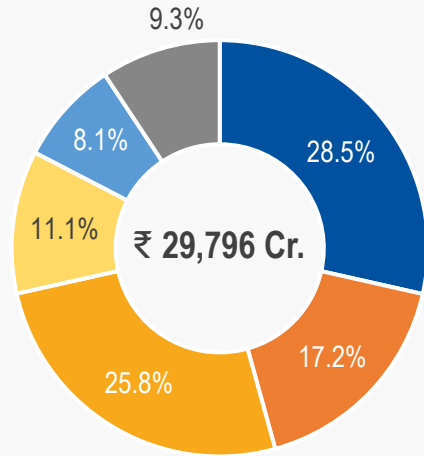
- South
- North
- West
- East

ICV, LCV and SCV as Retail CV



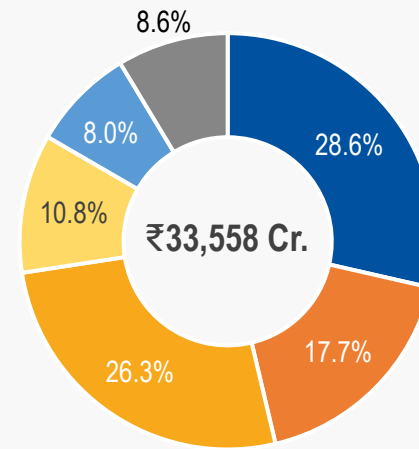
Asset wise

Dec-21



Used Assets – 17.7%

Dec-22

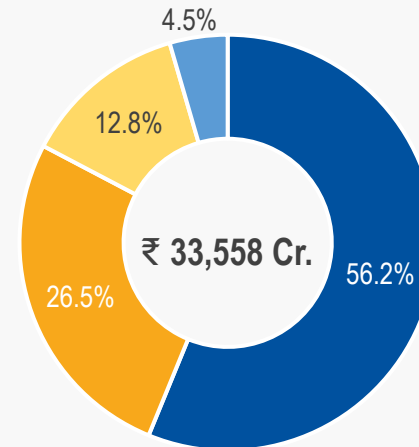
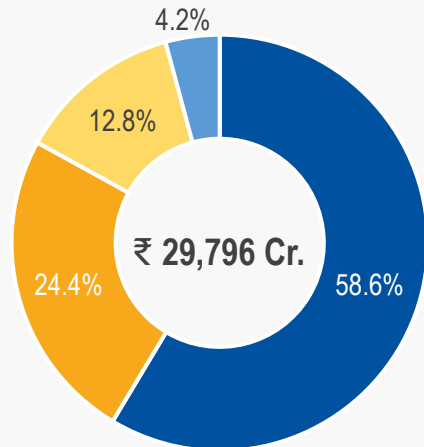


Used Assets – 18.2%

- MHCV
- Retail CV
- Cars
- Construction Equipment
- Tractors
- Others



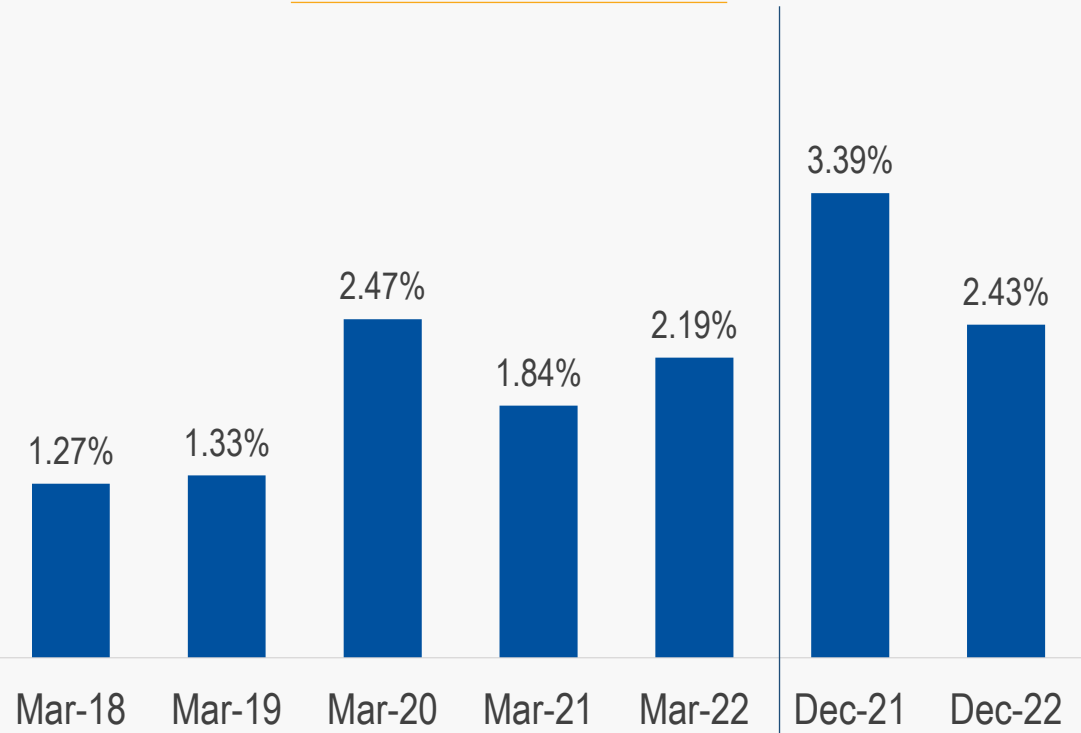
Region wise



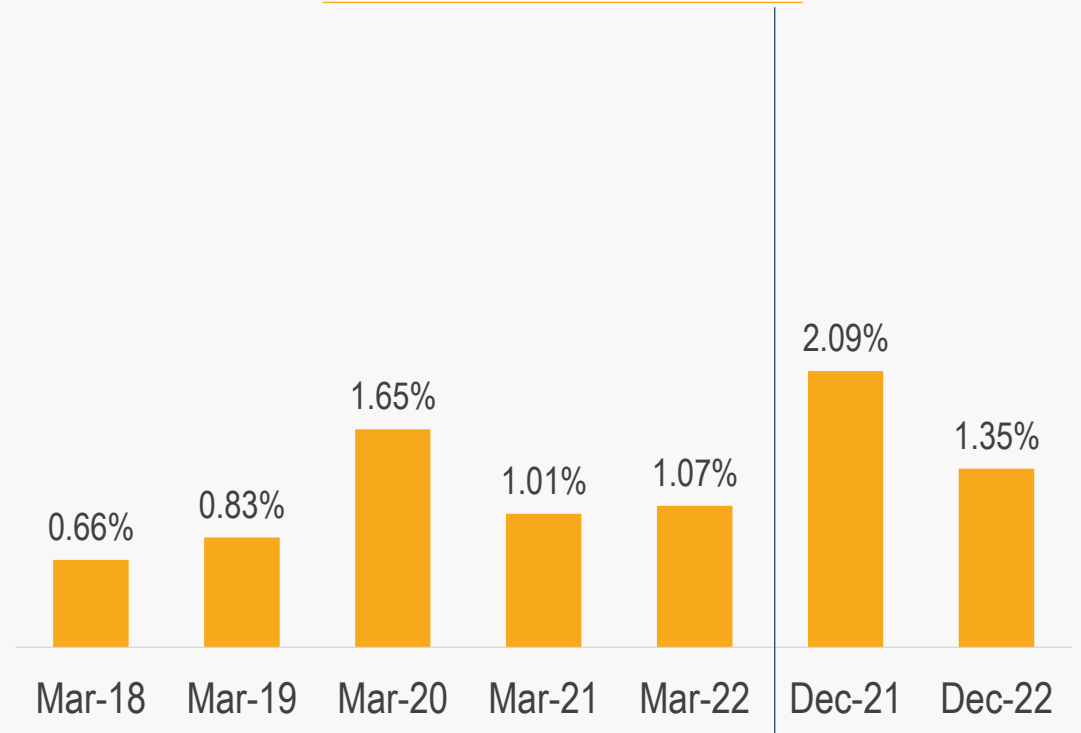
- South
- North
- West
- East

ICV, LCV and SCV as Retail CV

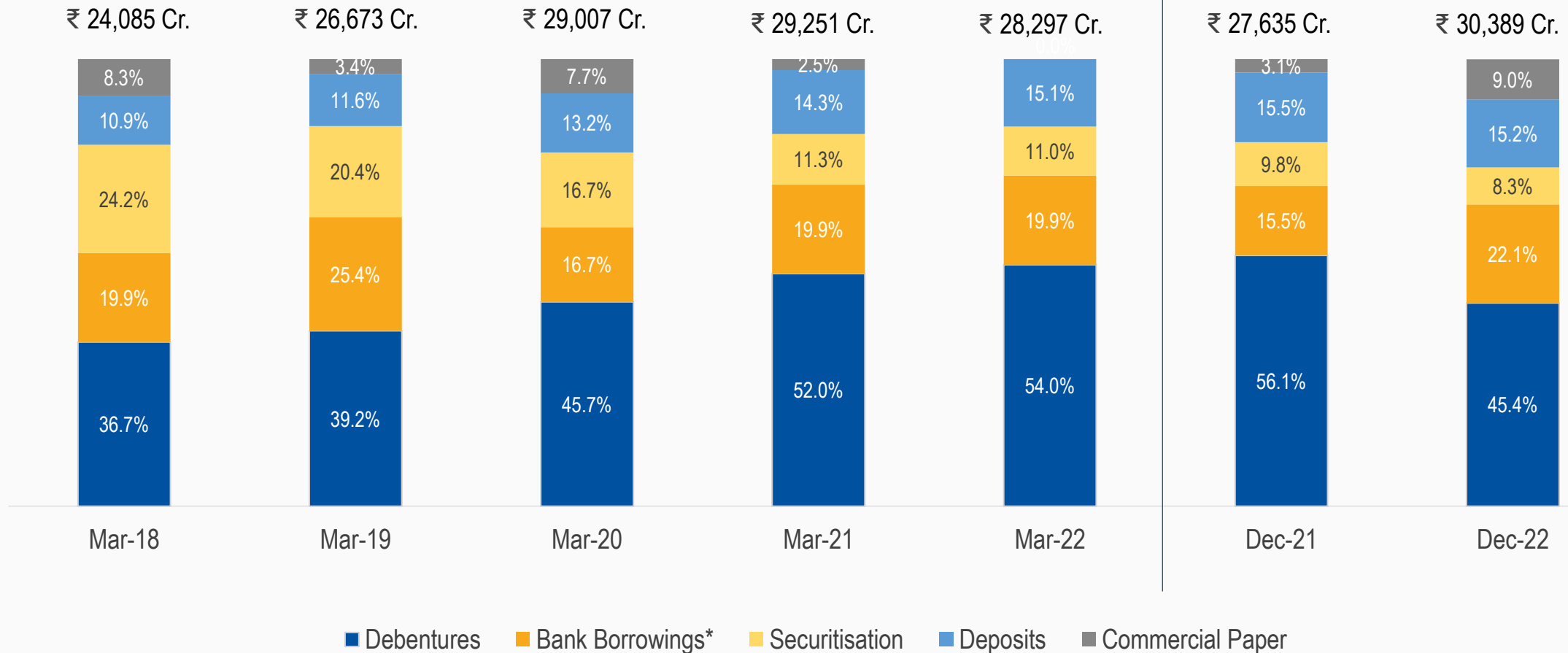
Gross Stage 3%



Net Stage 3%



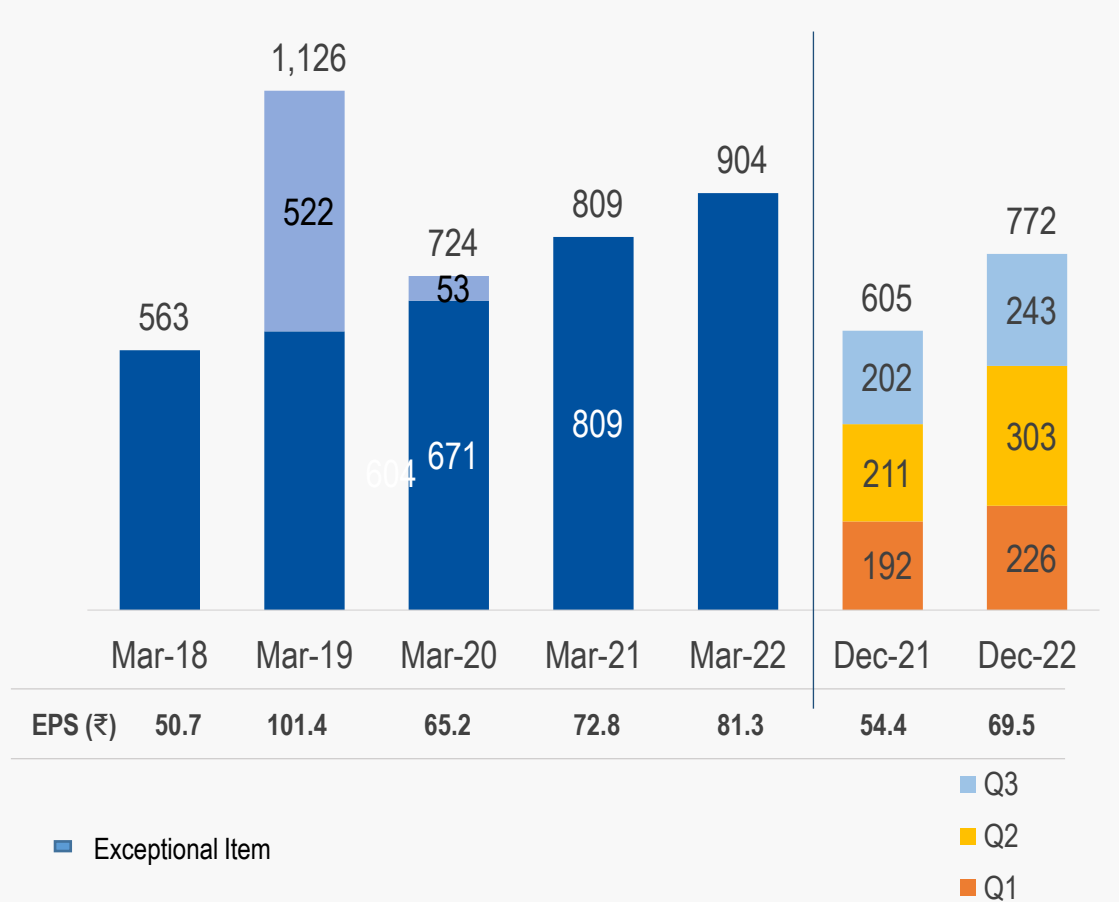
FUNDING MIX



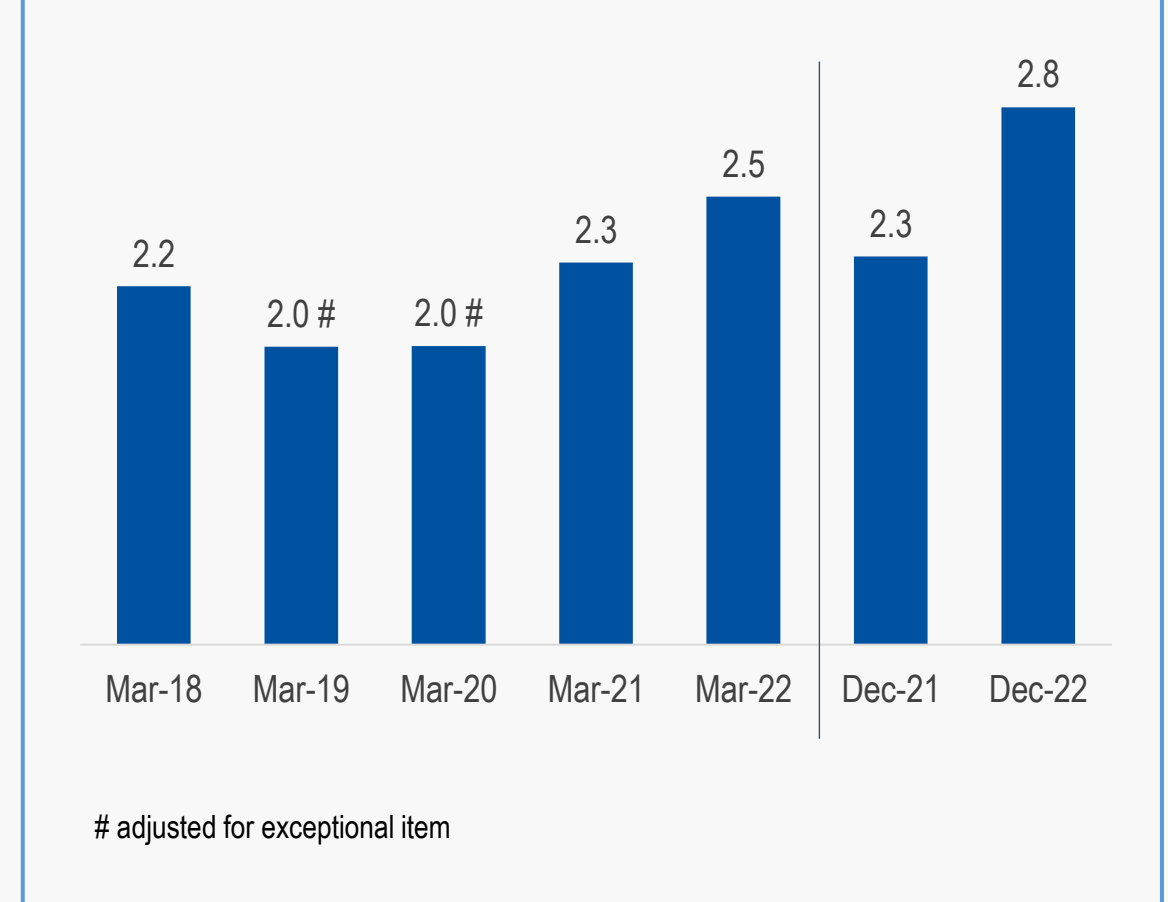
* Includes a) Term loans b) Commercial Papers and demand loans availed against the sanctioned limits.

₹ in Crore

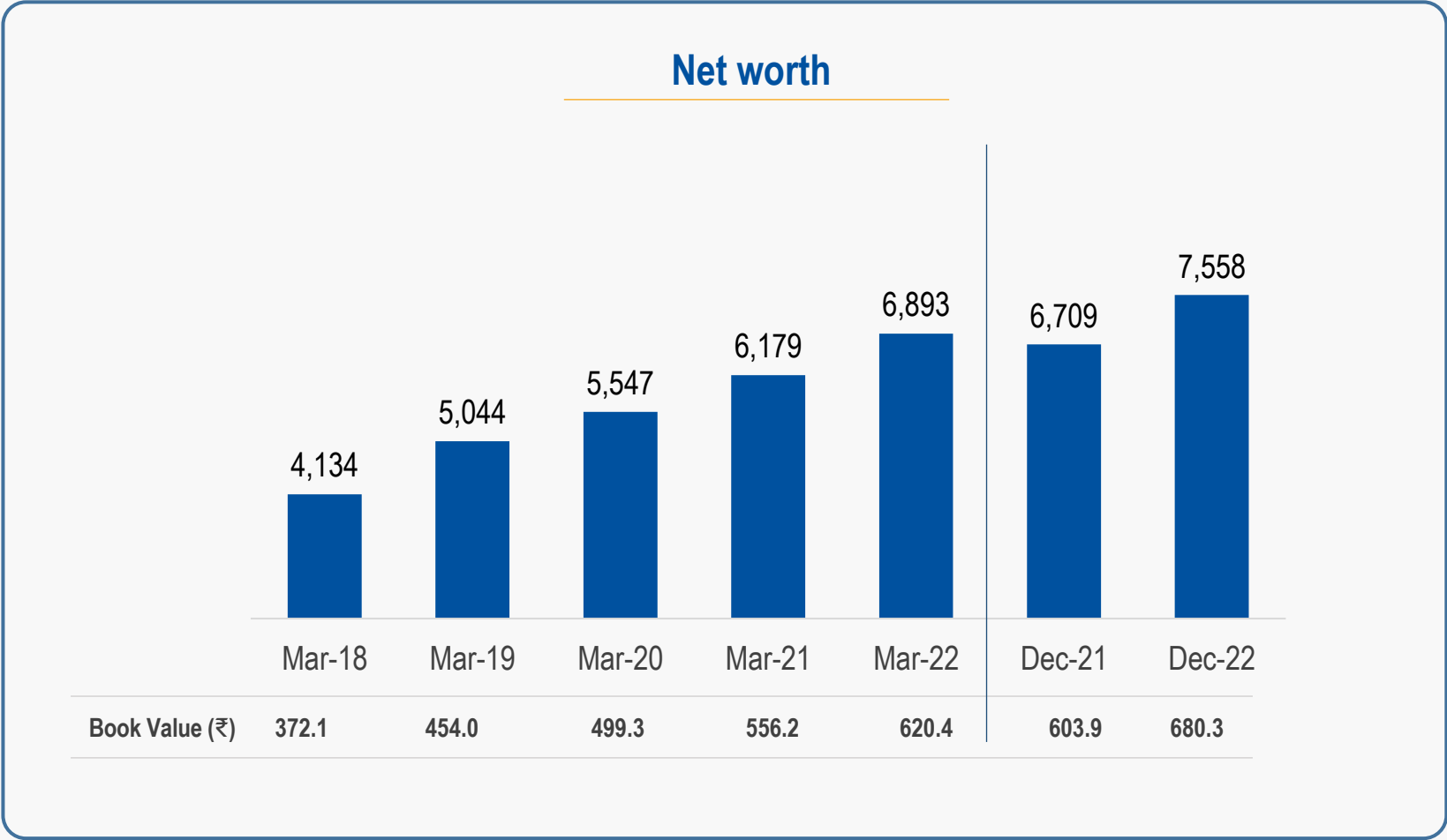
Profit after Tax



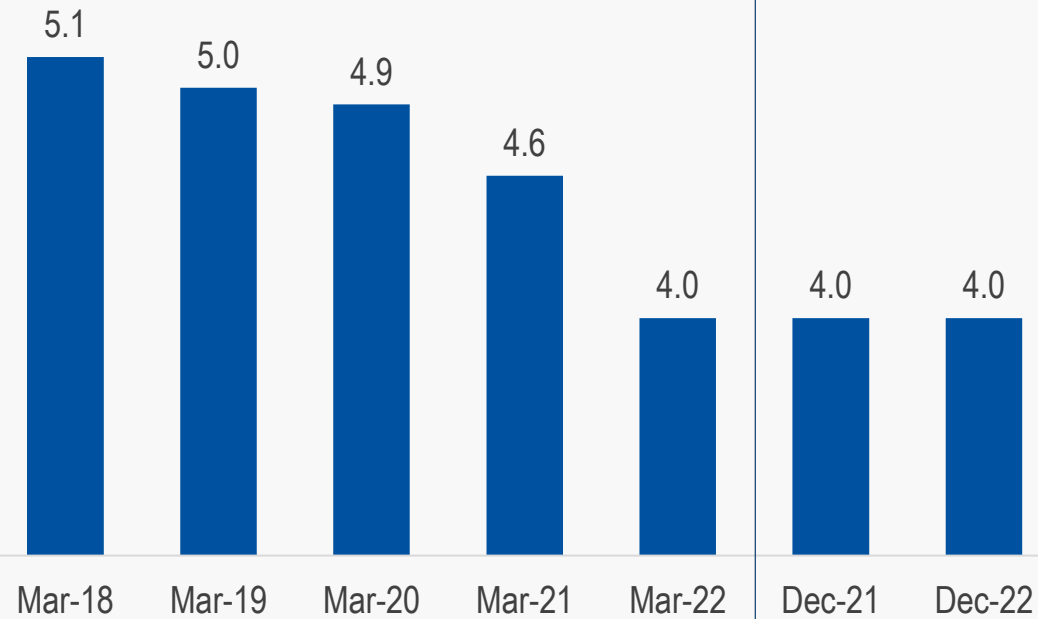
Return on Assets - %



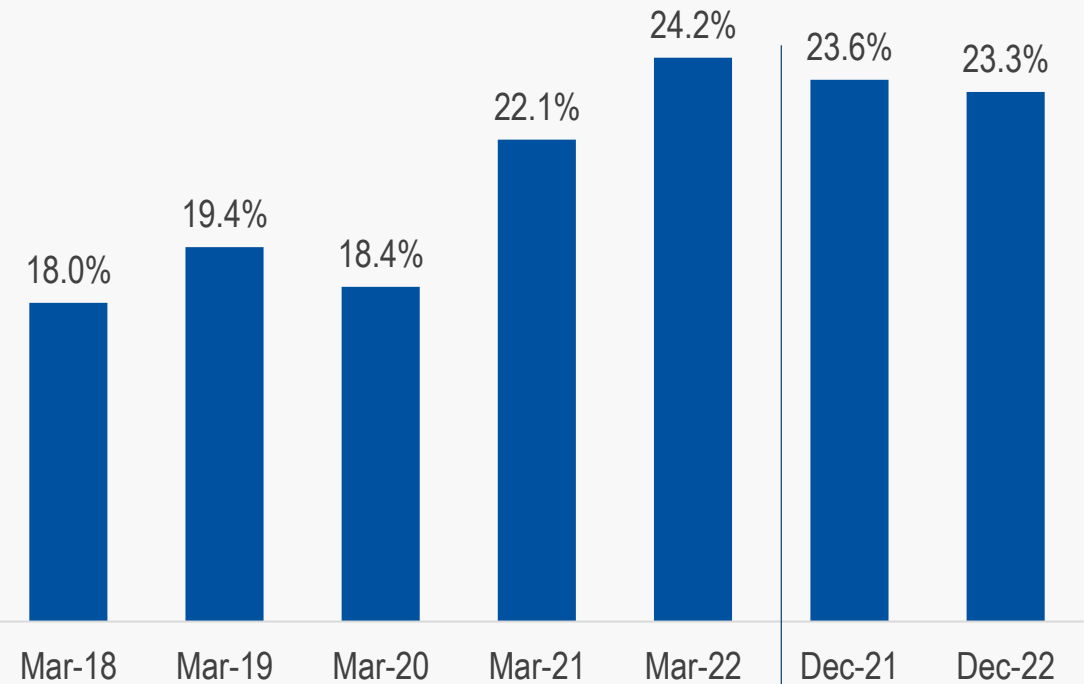
₹ in Crore



Leverage



Capital adequacy



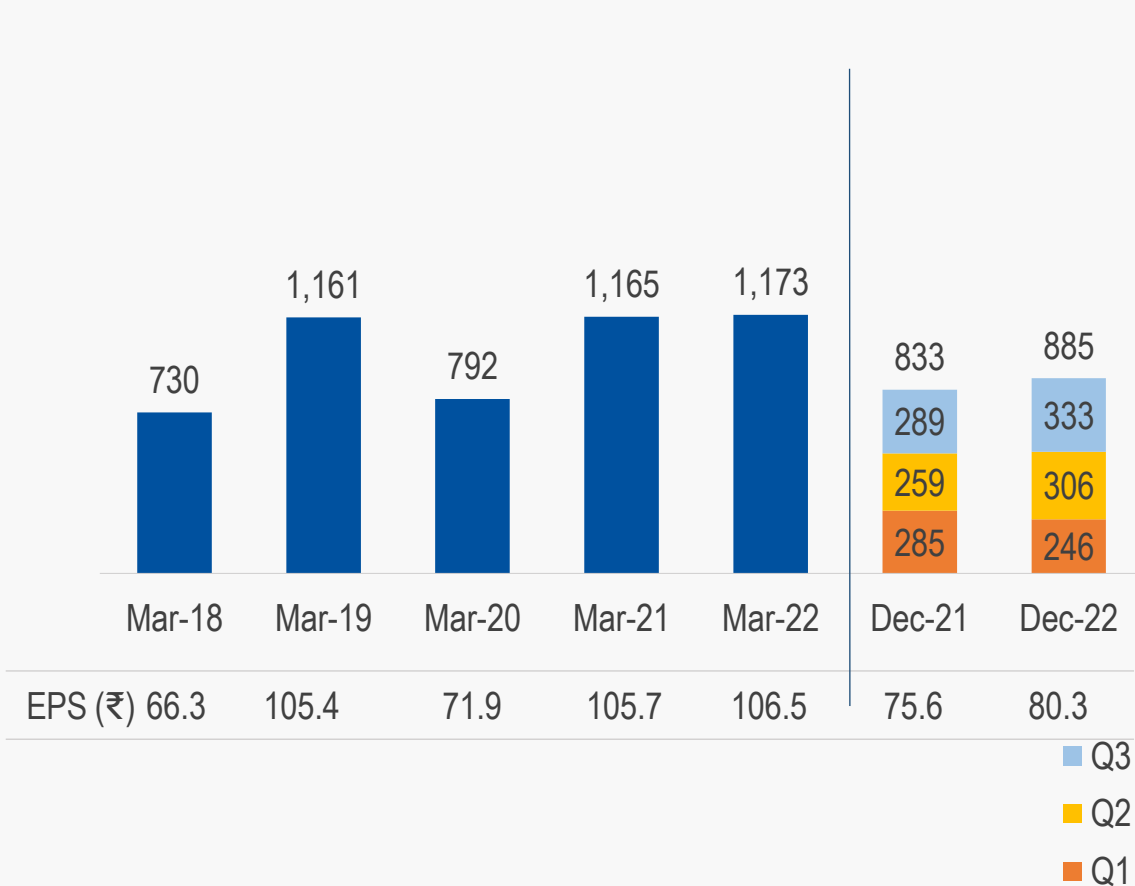


04

Consolidated results

₹ in Crore

Profit after Tax



Net Worth



CONSOLIDATED RESULTS

₹ in Crore

Particulars	Share of Net Worth		Share in Profit	
	31-Dec-22	31-Dec-21	9M FY23	9M FY22
Sundaram Finance Ltd.	7,557.94	6,709.46	771.95	604.61
Subsidiaries:				
Sundaram Finance Holdings Ltd. (Consolidated)	824.25	687.11	32.64	19.32
Sundaram Asset Management Company Ltd. (Consolidated)	384.86	362.21	54.29	72.91
Sundaram Home Finance Ltd.	1,738.97	1,617.50	150.13	114.64
Sundaram Fund Services Ltd.	40.72	38.42	1.66	1.58
Sundaram Trustee Company Ltd.	3.28	2.33	0.96	0.69
LGF Services Ltd.	3.45	3.48	0.01	0.03
Sundaram Finance Employees Welfare Trust	19.12	17.64	0.99	0.69
Joint Control Entities				
Royal Sundaram General Insurance Co. Ltd.	701.92	794.45	2.97	94.52
Adjustment arising out of Consolidation	(1,662.86)	(1,658.76)	(130.97)	(75.64)
Total	9,611.65	8,573.84	884.63	833.35

FY22	Particulars	Q3 FY23	Q2 FY23	Q3 FY22	9M FY23	9M FY22
2,311	Disbursements (₹ in Crore)	961	940	626	2,697	1,517
66.3%	Housing	62.4%	66.4%	67.0%	66.6%	69.7%
33.7%	Non-Housing	37.6%	33.6%	33.0%	33.4%	30.3%
9,495	AUM (₹ in Crore)	10,564	10,177	9,253	10,564	9,253
69.6%	Housing	69.2%	69.7%	70.3%	69.2%	70.3%
30.4%	Non-Housing	30.8%	30.3%	29.7%	30.8%	29.7%
167.70	PAT (₹ in Crore)	52.57	50.30	34.91	150.13	114.64
16.56	EPS (₹) (annualized)	20.76	19.87	13.79	19.77	15.10
1,655	Net worth (₹ in Crore)	1,739	1,687	1,618	1,739	1,618
163.45	Book Value (₹)	171.74	166.56	159.75	171.74	159.75
3.0%	Gross Stage 3%	2.9%	2.8%	5.0%	2.9%	5.0%
1.6%	Net Stage 3%	1.6%	1.6%	3.1%	1.6%	3.1%
25.7%	CAR	24.2%	24.4%	26.6%	24.2%	26.6%
105	Branches	114	105	105	114	105
822	Employees	1,028	936	808	1,028	808
40,237	Customers	40,605	40,913	39,906	40,605	39,906

The momentum on disbursements continued from Q4 of last year into 9M 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.

FY22	Particulars	Q3 FY23	Q2 FY23	Q3 FY22	9M FY23	9M FY22
2,966	Gross Written Premium (₹ in Crore)	934	847	727	2,579	2,147
7,282	AUM (₹ in Crore)	7,744	7,444	7,299	7,744	7,299
172	PAT (₹ in Crore)	5	35	37	6	189
(54)	Other Comprehensive Income (Net of Taxes)	10	6	(55)	(122)	(29)
118	Total Comprehensive Income	15	41	(18)	(116)	160
1,547	Net worth (₹ in Crore)	1,404	1,389	1,589	1,404	1,589
117%	Combined Operating Ratio	115%	117%	117%	115%	117%
158	Branches	161	159	158	161	158
2,413	Employees	2,424	2,421	2,362	2,424	2,362
29,69,390	Customers	33,77,529	32,21,556	28,37,944	33,77,529	28,37,944

While the underlying operations of the insurance business remain profitable, the profits during 9M FY23 were affected due to net loss of Rs. 70 crores on Fair Value of Equity investments as against net gain of Rs. 82 crores accounted in 9M FY22.

SUNDARAM ASSET MANAGEMENT

FY22	Particulars	Q3 FY23	Q2 FY23	Q3 FY22	9M FY23	9M FY22
53,860	AUM (₹ in Crores)	56,791	52,561	46,355	56,791	46,355
46,073	Equity (₹ in Crores)	48,034	44,982	37,679	48,034	37,679
7,787	Debt (₹ in Crores)	8,757	7,579	8,676	8,757	8,676
72	PAT (₹ in Crores)	20	16	25	54	73
364	Net worth (₹ in Crores)	385	362	362	385	362
346	Employees	377	375	357	377	357
13,09,851	Retail Investors	14,19,082	15,68,549	10,38,211	14,19,082	10,38,211
85	Branches	85	85	85	85	85

The profits for 9M FY23 were lower due to amortization of ₹ 234 crores of Asset Management rights consequent to the acquisition of Principal Mutual Fund. The charge to the P&L for 9M FY23 was ₹ 18 crores.

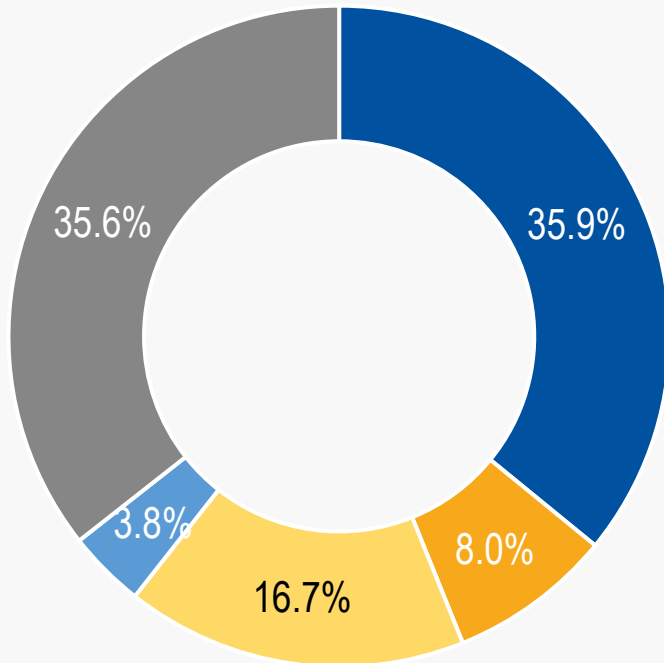


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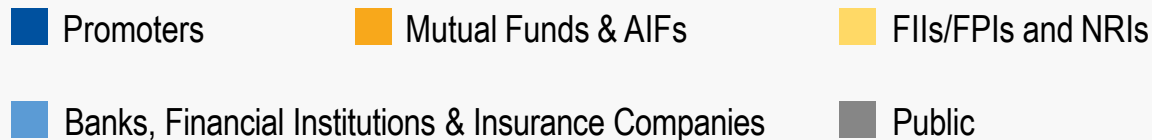
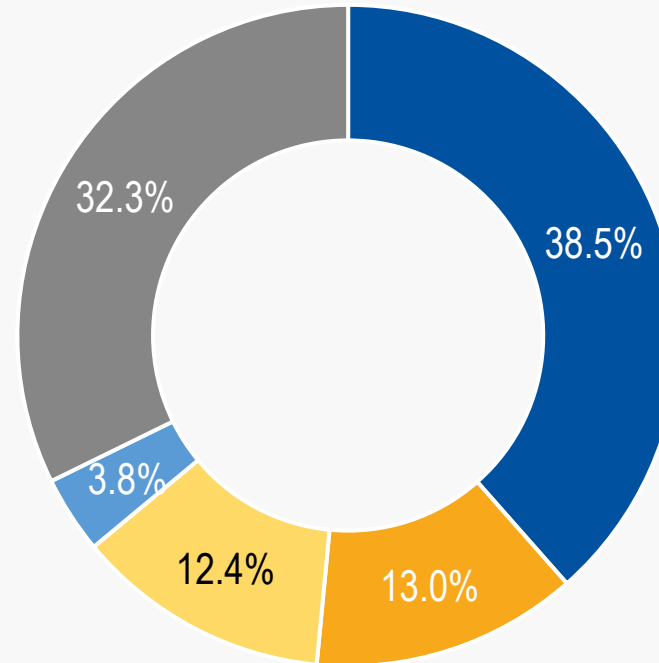
More about Sundaram Finance

SHAREHOLDING PATTERN

31-Dec-21



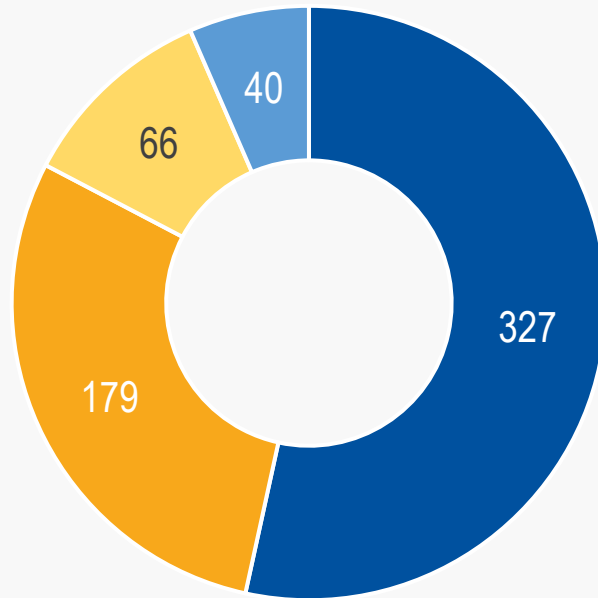
31-Dec-22



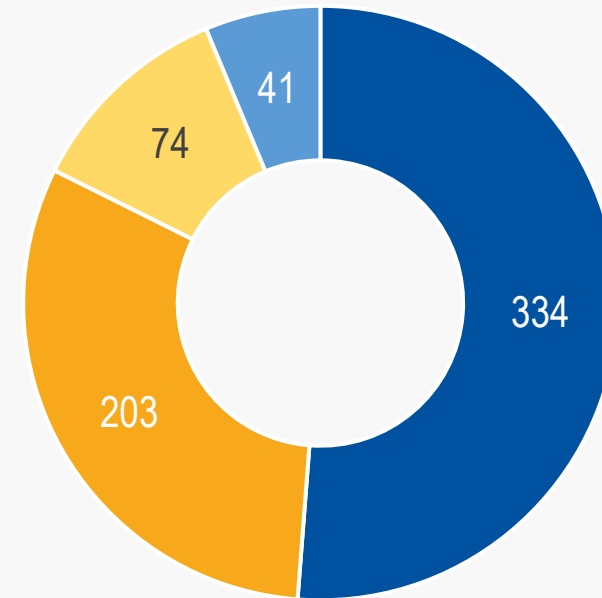
Top institutional shareholders As of 31st December 2022

Name of Shareholder	Share %
Axis Mutual Fund	5.53
Nalanda India Equity Fund Limited	3.78
ICICI Prudential Mutual Fund	2.84
Bright Star Investments Pvt Ltd.	2.37
HDFC Life Insurance Company Limited	2.03
Kotak Mutual Fund	1.46
United India Insurance Company Limited	1.28
Pari Washington India Master Fund Ltd.	1.09
Damani Estate and Finance Pvt Ltd.	0.93
Sundaram Finance Employees Welfare Trust	0.82

31-Dec-21



31-Dec-22



No. of Branches: **612**



No. of Employees: **4,228**



No. of Branches: **652**



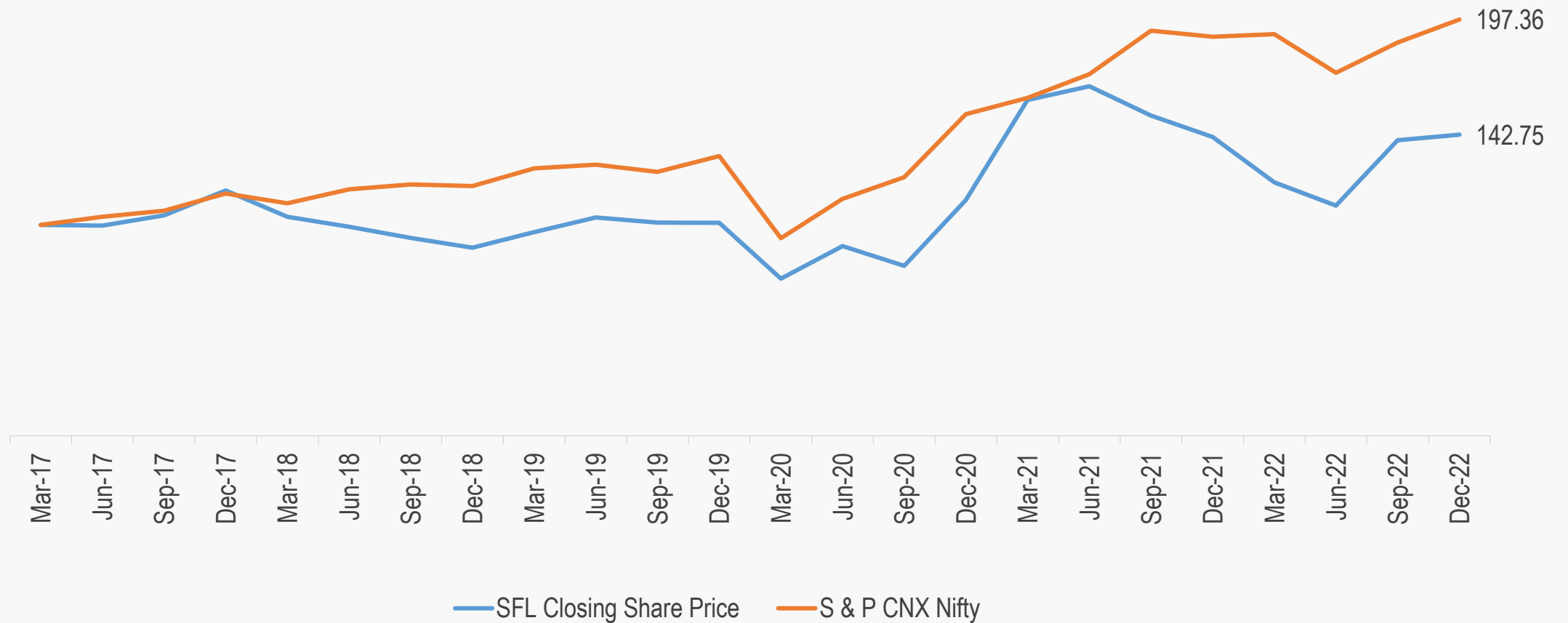
No. of Employees: **4,656**

■ 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 1st 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
- SAMC Trustee Private Limited
- SAMC Services 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
- Trans Energy Private Limited
- Sundaram Dynacast Private Limited
- Sundaram Hydraulics Limited
- Brakes India Private Limited
- The Dunes Oman LLC (FZC)
- Mind S.r.l.
- Sundaram Composite Structures Private Limited
- India Motor Parts & Accessories Limited

Sri S Viji

Chairman

Has over **5 decades of experience** in Banking, Finance, Insurance and Automotive Component Manufacturing Industry. He is the Executive Vice Chairman 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 served as the Managing Director of the company for a period of 18 years.



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 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 nearly **3 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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m.ramaswamy@sundaramfinance.in

Sri P N Srikant

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

044 – 28881207
pnsrik@sundaramfinance.in