



**SUNDARAM FINANCE**

*Enduring values. New age thinking.*

SEC:104:21-22/SS

November 8, 2021

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 unaudited financial results for the quarter and half year ended 30<sup>th</sup> September 2021.

Thanking you,

Yours truly,  
for Sundaram Finance Limited

  
P. Viswanathan  
Secretary & Compliance Officer



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**



**PRESS RELEASE**

**Unaudited standalone & consolidated financial results for the quarter and half year ended September 30, 2021**

**Sundaram Finance H1 FY22 net profit up by 12% at Rs. 402 crores as against Rs. 358 crores in H1 FY21**

**Disbursements for H1 FY22 up by 38% at Rs. 5,681 crores; Q2 FY22 disbursements up 14% at Rs. 3,621 crores over Q2 FY21**

**Stage 3 assets at 3.45% (4.25% as of 30<sup>th</sup> June 21) and Net stage 3 assets at 2.12% (3.12% as of 30<sup>th</sup> June 2021)**

**ROA at 2.3% (2% in H1 FY21) and Capital Adequacy Ratio at 23.4% (19.3% in H1 FY21)**

The Board of Directors of Sundaram Finance Ltd. (SFL) approved the unaudited standalone and consolidated financial results for the quarter and half year ended September 30, 2021, at its meeting held on November 8, 2021, in Chennai. The accounts have been subjected to a limited review by the Company's statutory auditors in line with the regulatory guidelines.

The second quarter witnessed recovery across most macro-economic indicators following the second wave of the Covid-19 pandemic, which significantly disrupted the economy in the first quarter. The pace of vaccination has remained good, and the risk of a third wave appears to have reduced. Despite fears of a rainfall deficit, a significantly above normal September ensured that the southwest monsoon season in 2021 concluded with a mere 1% deficit.

"Every month in the second quarter has seen improvement on both business growth and collections. The vicious second wave appears behind us. That said, overall recovery to a new normal will take time. Customer sentiment has significantly improved, and the second half of the year will likely see broad-based recovery," said Harsha Viji, Executive Vice Chairman, SFL.

Disbursements for H1 FY22 recorded a growth of 38% to Rs. 5,681 crores as compared to Rs. 4,103 crores registered in the corresponding period of the previous year. Gross stage 3 assets as on September 30, 2021, stood at 3.45% with provision cover of 39% as against 4.25% as on June 30, 2021, with provision cover of 27%. Profit after tax registered a 12% rise in H1 FY22, with net profit at Rs. 402 crores as against Rs. 358 crores in H1 FY21.

"We have made good progress on both growth and asset quality in the second quarter. While stress continues in Covid-impacted sub-sectors, we remain focused on supporting our customers in resuming their business activity from the disruptions imposed by the pandemic. Despite supply challenges due to the global chip shortage, demand is improving across asset classes," said Rajiv Lochan, Managing Director, SFL.

**Sundaram Finance Limited**





## STANDALONE PERFORMANCE HIGHLIGHTS FOR Q2 & H1 FY22

- Disbursements for Q2 FY22 recorded a growth of 14% to Rs. 3,621 crores as compared to Rs. 3,174 crores registered in Q2 FY21. Disbursements for H1 FY22 recorded a growth of 38% to Rs. 5,681 crores as against Rs. 4,103 crores.
- The assets under management stood at Rs. 29,811 crores as on 30<sup>th</sup> September 2021 as against Rs. 29,823 crores as on 30<sup>th</sup> June 2021.
- Pursuant to RBI's notification on Resolution Framework 2.0 related of advances to customers, assets totaling Rs. 781 crores, about 2.68% of loan outstanding, were restructured during H1 FY22. The total restructured assets were Rs. 2,087 crores, about 7.17% of loan outstanding as on 30<sup>th</sup> September 2021.
- Gross stage 3 assets as on 30<sup>th</sup> September 2021 stood at 3.45% with provision cover of 39% when compared to 4.25% with 27% provision cover as of 30<sup>th</sup> June 2021. Net stage 3 assets as of 30<sup>th</sup> September 2021 closed at 2.12% as against 3.12% as of 30<sup>th</sup> June 2021.
- Gross NPA and Net NPA as on 30<sup>th</sup> September 2021 stood at 3.85% and 2.48% respectively when compared to 4.59% and 3.38% respectively as on 30<sup>th</sup> June 2021 and 2.44% and 1.44% respectively as of 30<sup>th</sup> September 2020.

The Gross and Net NPA as of 30<sup>th</sup> September 2020 above is in line with the interim order of the Honourable Supreme Court of India dated September 3, 2020, which directed that borrowers who have availed moratorium benefit and were not declared as non-performing till August 31, 2020 shall not be declared as NPA till further orders. Had the Company classified such borrower accounts as NPA on 30<sup>th</sup> September 2020, the Gross and Net NPA were would have been at 2.81% and 1.74% respectively.

- Cost to income ratio closed at 29.2% in H1 FY22 as against 32% in H1 FY21.
- The deposit base stood at Rs. 4,125 crores as on 30<sup>th</sup> September 2021, a net accretion of Rs.104 crores over 31<sup>st</sup> March 2021.
- Profit after tax registered a 12% rise in H1 FY22, with net profit at Rs. 402 crores. The company had registered a net profit of Rs. 358 crores for the half year ended 30<sup>th</sup> September 2020. Profit after tax for Q2 FY22 closed at Rs. 211 crores, a 10% increase over Q2 FY21.
- Return on assets (ROA) for H1 FY22 closed at 2.3% as against 2% for H1 FY21. Return of equity (ROE) was at 12.7% for H1 FY22 as against 12.5% for H1 FY21. If we exclude investments in subsidiaries and group companies, core ROE was at 15.4% for H1 FY22 as against 16.8% for H1 FY21.
- Capital Adequacy Ratio stood at 23.4% (Tier I – 16.3%) as of 30<sup>th</sup> September 2021 compared to 19.3% (Tier I – 13.7%) as of 30<sup>th</sup> September 2020.

### Sundaram Finance Limited





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## CONSOLIDATED PERFORMANCE HIGHLIGHTS FOR Q2 & H1 FY22

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. 46,190 crores as on 30<sup>th</sup> September 2021 as against Rs. 46,634 crores as on 30<sup>th</sup> September 2020. The assets under management of our asset management business stood at Rs. 43,057 crores as on 30<sup>th</sup> September 2021 as against Rs.33,867 crores as on 30<sup>th</sup> September 2020.
- Profits after tax stood at Rs. 545 crores in H1 FY22 compared to profit after tax of Rs. 552 crores for the half year ended 30<sup>th</sup> September 2020.

## GROUP COMPANY PERFORMANCE HIGHLIGHTS

Our group companies continued to perform well in difficult business conditions.

- The asset management business closed the half year ended 30<sup>th</sup> September 2021 with assets under management of Rs. 43,057 crores (~80 % in equity) and consolidated profits from the asset management businesses grew from Rs. 19 crores in H1 FY21 to Rs. 48 crores in H1 FY22. The acquisition of Principal Mutual fund by the asset management business is pending SEBI approval.
- Royal Sundaram General Insurance, our joint venture with Ageas of Belgium, delivered Gross Written Premium of Rs. 1,420 crores in H1 FY22, a 13% increase over Rs. 1,257 crores in H1 FY21. The profit for H1 FY22 was at Rs. 152 crores as against Rs. 241 crores in H1 FY21, impacted by an elevated level of COVID Wave 2 claims in the health book during H1 FY22 and lower motor claims in H1 FY21 due to more extensive nation-wide lockdowns.
- Disbursements of Sundaram Home Finance were up by 136% to Rs. 891 crores in H1 FY22. The profit for H1 FY22 was Rs. 80 crores as against Rs. 99 crores in H1 FY21.



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## 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 nation-wide presence of over 600 branches, over two lakh depositors and over four lakh 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, 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.

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

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