

SEC:110/23-24/SR

August 11, 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 unaudited Financial Results for the quarter ended 30th June 2023.

Thanking you,

Yours truly,
for Sundaram Finance Limited

P N Srikant
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

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PRESS RELEASE

Unaudited standalone & consolidated financial results for the quarter ended June 30, 2023

Sundaram Finance logs highest-ever disbursements of Rs. 6,489 crores, 32% over Q1FY23; AUM grows 22% to Rs. 37,255 crores

Net profit for Q1FY24 up by 25% at Rs. 281 crores

Continued improvement in asset quality with Gross Stage 3 assets at 1.90% (2.51% as of June 30, 2022) and Net Stage 3 assets at 1.00% (1.30% as of June 30, 2022)

Disbursements for Q1FY24 up by 32% over Q1 FY23 and profits after tax for Q1FY24 up by 25% to Rs. 281 crores from Rs. 226 crores in Q1 FY23

ROA at 2.7% (2.5% in Q1FY23) and Capital Adequacy Ratio at 21.4% (24.1% in Q1FY23)

The Board of Directors of Sundaram Finance Ltd. (SFL) approved the unaudited standalone and consolidated financial results for the quarter ended June 30, 2023, at its meeting held on August 11, 2023, in Chennai.

"The first quarter of FY24 has been satisfying. Assets under management grew by 22%, net stage 3 assets closed at 1.00% and profit after tax recorded a 25% growth to Rs. 281 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. Overall, our time-tested approach of steady and sustainable growth with best-in-class asset quality and consistent profitability remains our primary focus," said Harsha Viji, Executive Vice Chairman.

Disbursements for Q1FY24 recorded a growth of 32% over Q1FY23 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 driven by our focused collection efforts & deep customer relationships. Gross stage 3 assets as on June 30, 2023, stood at 1.90% with provision cover of 48% as against 2.51% as on June 30, 2022, with provision cover of 49%. Profit after tax at Rs. 281 crores registered an increase of 25% in Q1FY24 as against Rs. 226 crores in Q1FY23. Return on assets at 2.7% improved over Q1FY23 (2.5%) and capital adequacy at 21.4% remains quite comfortable to support planned growth.

Sundaram Finance Limited



“The year is off to a strong start powered by our people, processes and technology, and we have struck a good balance between growth, asset quality and profitability. We remain focused on extending our market share across all asset classes and geographies we operate in. Looking ahead, as inflation stabilizes and the monsoon normalizes, we expect economic activity to gather going into the festival season. Team Sundaram is geared up to sustain the momentum from FY23 and Q1FY24 with a sharp focus on delivering the Sundaram experience to our customers, our people and other stakeholders,” said Rajiv Lochan, Managing Director.

STANDALONE PERFORMANCE HIGHLIGHTS FOR Q1FY24

- Disbursements for Q1FY24 recorded a growth of 32% to Rs. 6,489 crores as compared to Rs. 4,915 crores registered in Q1FY23.
- The assets under management stood at Rs. 37,255 crores as on 30th June 2023 as against Rs.30,552 crores as on 30th June 2022, up by 22%.
- The total restructured assets under Covid relief measures enabled by the Reserve Bank of India were at Rs. 538 crores, about 1.5% of loan outstanding, as on 30th June 2023.
- Gross stage 3 as on 30th June 2023 stood at 1.90% with 48% provision cover as against 2.51% with provision cover of 49% as on 30th June 2022. Net stage 3 as on 30th June 2023 closed at 1.00% as against 1.30% as on 30th June 2022.
- The Gross and Net NPA, as per RBI’s new asset classification norms for NBFCs, are 2.96% and 2.00% respectively as against 2.66% and 1.41% as of 30th June 2022 (based on old norms).
- Cost to income ratio closed at 35.27% in Q1FY24 as against 36.02% in Q1FY23.
- Profit after tax registered a 25% rise in Q1FY24, with net profit at Rs. 281 crores. The company had registered a net profit of Rs. 226 crores in Q1FY23.
- Return on assets (ROA) for Q1FY24 closed at 2.7% as against 2.5% for Q1FY23. Return of equity (ROE) was at 14.3% for Q1FY24 as against 12.9% for Q1FY23. If we exclude investments in subsidiaries and group companies, core ROE was at 16.2% for Q1FY24 as against 15.5% for Q1FY23.
- Capital Adequacy Ratio stood at 21.4% (Tier I –17%) as of 30th June 2023 compared to 24.1% (Tier I – 17.8%) as of 30th June 2022.

Sundaram Finance Limited



CONSOLIDATED PERFORMANCE HIGHLIGHTS FOR Q1FY24

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. 57,150 crores as on 30th June 2023 as against Rs. 47,432 crores as on 30th June 2022. The assets under management of our asset management business stood at Rs. 59,862 crores as on 30th June 2023 as against Rs. 48,810 crores as on 30th June 2022.
- Profit after tax for Q1FY24 was Rs. 375 crores as compared to Rs. 246 crores in Q1FY23.

GROUP COMPANY PERFORMANCE HIGHLIGHTS

Our group companies continued to perform well.

- The asset management business closed the quarter ended 30th June 2023 with assets under management of Rs.59,862 crores (over 80% in equity) and consolidated profits from the asset management businesses was at Rs. 24 crores as against Rs. 18 crores in Q1FY23.
- Royal Sundaram reported a Gross Written Premium (GWP) of Rs. 908 crores as compared to Rs. 798 crores in the previous year, representing a growth of 14%. The Company reported a profit after tax of Rs. 95 crores for Q1FY24 as against a loss of Rs. 34 crores in Q1FY23. Profit after tax during Q1FY24 includes net gain of Rs. 41 crores on Fair Value of Equity investments as against net loss on Fair Value of equity investments of Rs. 79 crores accounted for Q1FY23.
- Sundaram Home Finance continued to grow strongly with disbursements up by 37% to Rs.1,094 crores in Q1FY24. The profit for Q1FY24 was Rs. 57 crores, up by 21% as against Rs.47 crores in Q1FY23.

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.

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

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Sundaram Finance Limited