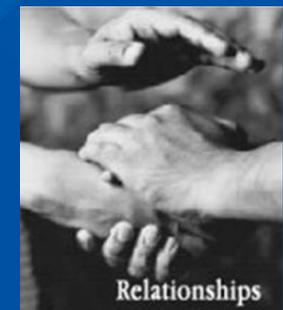
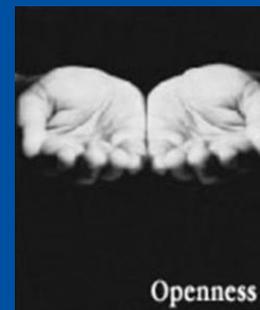
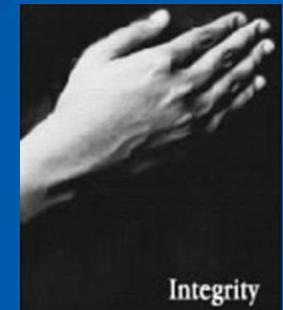




SUNDARAM FINANCE
Enduring values. New age thinking.

PERFORMANCE HIGHLIGHTS

H1FY23





01

Overview of
Sundaram Finance



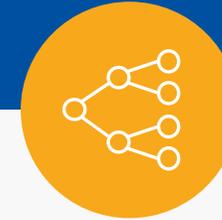
02

Financial results &
performance



03

Key trends in financial
performance



04

Consolidated results



05

More about
Sundaram Finance



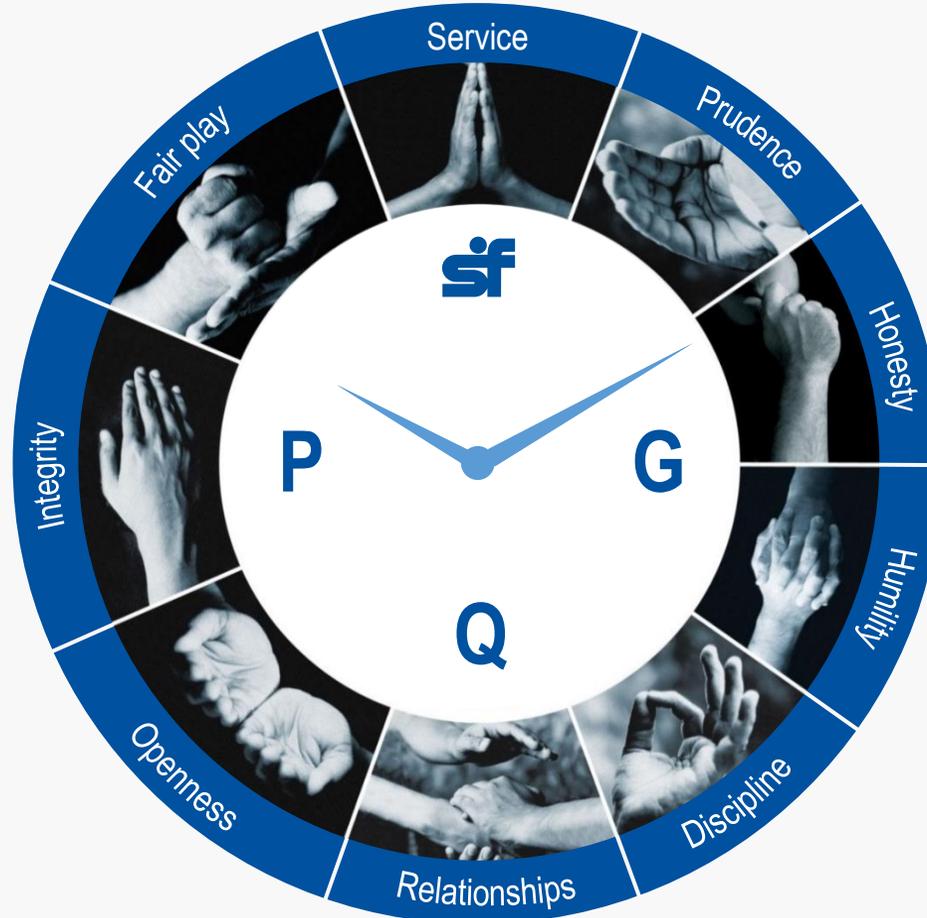
01 Overview of Sundaram Finance

OUR VISION, MISSION AND PHILOSOPHY



Vision

To be the most respected NBFC in the country



Growth

Quality

Profitability



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



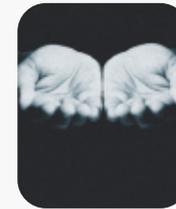
Humility

To realise that humility is the greatest virtue



Discipline

To know that discipline is your ally in all situations



Openness

To be open to scrutiny, anywhere, anytime



Prudence

To be the voice of prudence in the midst of chaos



Integrity

To put integrity about all else



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>	31,980	640	4,522	5,19,139
 Royal Sundaram General Insurance <i>Joint Venture with Ageas Insurance International NV</i>	7,444	159	2,421	32,21,556
 SUNDARAM HOME <i>100% subsidiary</i>	10,177	105	936	40,913
 SUNDARAM MUTUAL UNEARTHING OPPORTUNITIES <i>100% subsidiary</i>	52,561	85	375	15,68,549
 Group	1,02,162	989	8,254	53,50,157

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

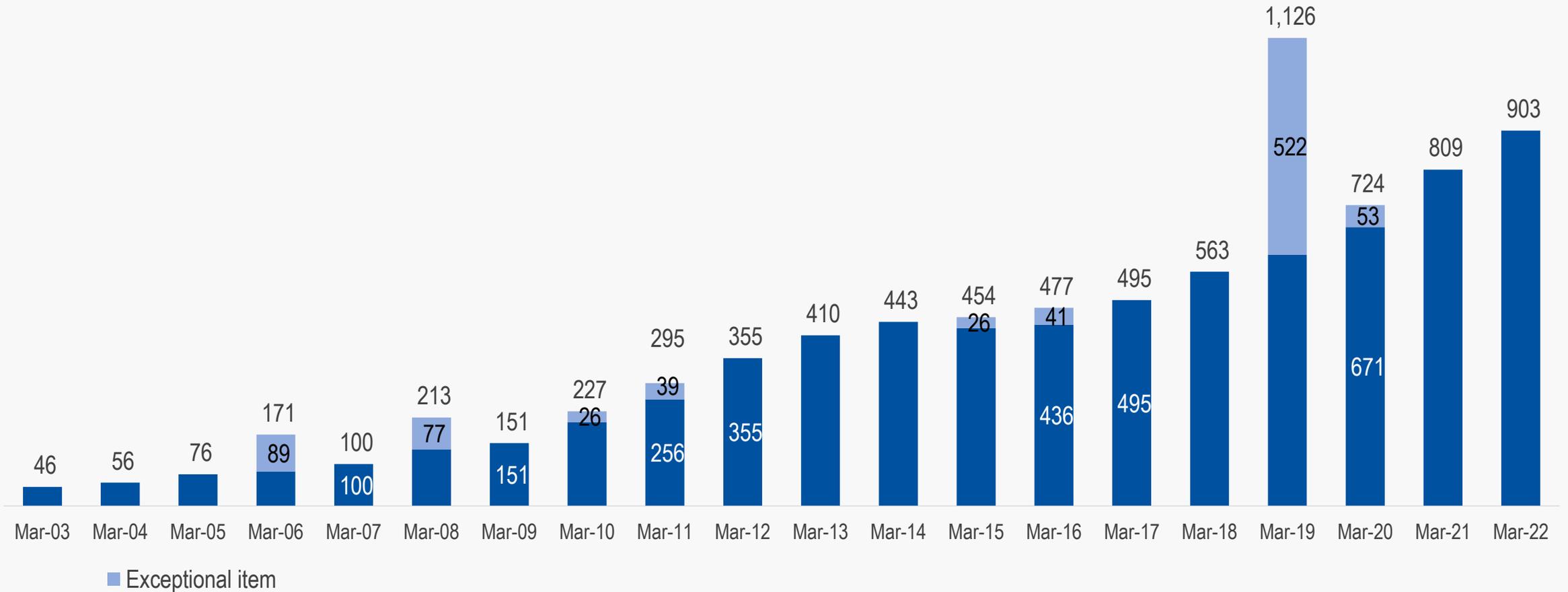
Receivables Under Management



SUNDARAM FINANCE – PERFORMANCE OVER LAST TWENTY YEARS

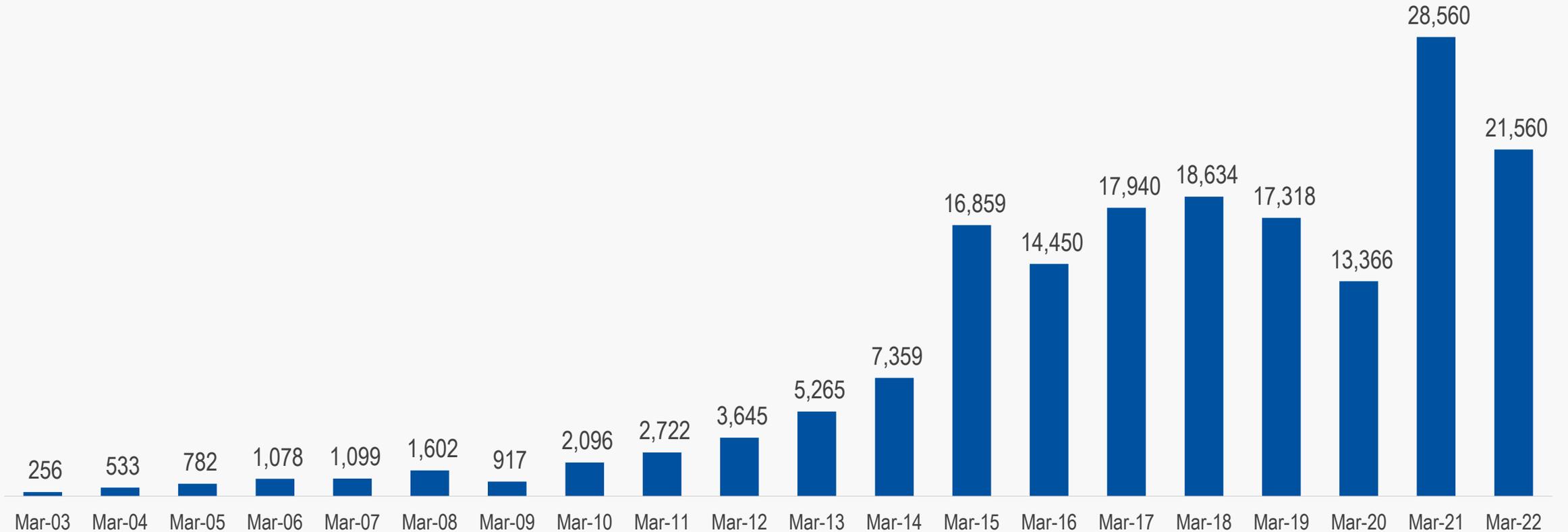
₹ in Crore

PAT



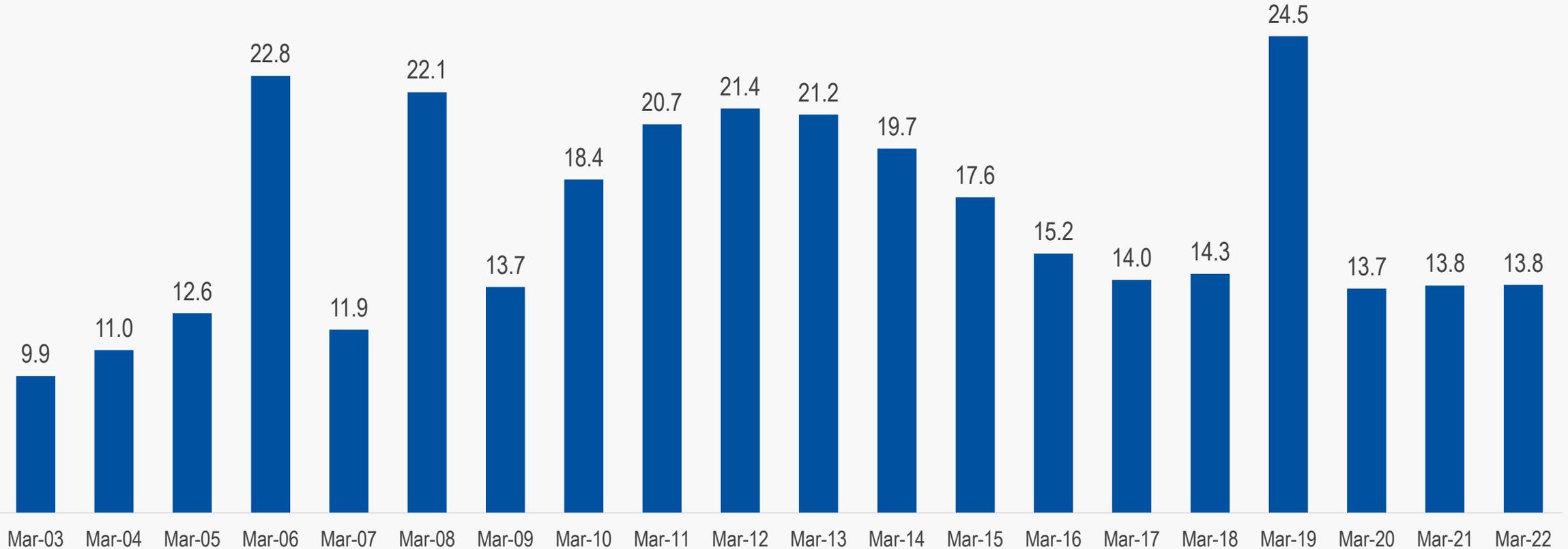
₹ in Crore

Market Capitalization



SUNDARAM FINANCE – PERFORMANCE OVER LAST TWENTY YEARS

Return on Equity %





02

Financial results & performance

OVERALL HIGHLIGHTS OF FINANCIAL PERFORMANCE

As of 30th September 2022



AUM

₹31,980 Crores



7.3% up
from Sep 21



Gross Stage 3

2.54%



3.45%
in Sep 21

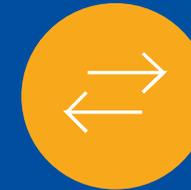


Cost-to-income

31.67%



29.13%
in H1FY22



ROA

2.9%



2.3%
in H1FY22



ROE

14.9%*



12.7%
in H1FY22

*Core ROE (excluding investments in subsidiaries) at 16.4% vs. 15.4%

HIGHLIGHTS – GROWTH OF 80% IN CORE BUSINESS



Economic activity continued to improve across all segments during H1FY23 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. H1FY23 disbursements are highest-ever HY levels and grew 77% over H1FY22 and 32% sequentially over H2FY22.

Disbursements for H1FY23 recorded a growth of 77% to ₹10,034 crores as compared to ₹5,681 crores registered in the corresponding period of the previous year. Adjusting for the pandemic-induced ECLGS scheme, **core business disbursements grew by 80%** in H1FY23 compared to H1FY22

The assets under the management stood at ₹31,980 crores as on 30th September 2022 as against ₹ 29,811 crores as on 30th September 2021, **registering a 7.3% increase year-on-year.**

Commercial vehicles, especially medium and heavy commercial vehicles, recovery continued through H1FY23. 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 ₹ 927 crores, about 2.9% of outstanding loans as on 30th September 2022.



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 30th September 2022 stood at 2.54% with provision cover of 47% when compared to 3.45% with 39% provision cover as of 30th September 2021.

Net stage 3 assets as on 30th September 2022 closed at 1.37% as against 2.12% as on 30th September 2021.

RBI vide its circulars dated 12th November 2021 & 15th February 2022 has tightened the norms for asset classification for NBFCs. During the quarter, 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. This has resulted in additional provision of Rs.17.37 crores.

With the improvement in the asset quality, the impairment cost for H1FY23 was Rs. 80.17 crores as against Rs. 250.47 crores in H1FY22.

The Gross and Net NPA are 4.29% and 2.97% respectively (as per old norms, the Gross and Net NPA are 2.67% and 1.48% respectively) as against 3.85% and 2.48% as of 30th September 2021.

HIGHLIGHTS – PROFITABILITY IMPROVED CONSISTENTLY



Profits after tax grew 32% over H1FY22 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 31.67% in H1FY23 as against 29.13% in H1FY22.

Return on assets (ROA) for H1FY23 closed at 2.9% as against 2.3% for H1FY22.

Profit after tax at ₹529 crores in H1FY23 crores as against ₹402 crores in H1FY22, up 32%; Profit after tax for Q2 FY23 up by 44% to Rs. 303 crores from Rs. 211 crores in Q2 FY22

Return of equity (ROE) was at 14.9% for H1FY23 as against 12.7% for H1FY22. If we exclude investments in subsidiaries and group companies, core ROE was at 16.4% for H1FY23 as against 15.4% for H1FY22

PROFIT & LOSS STATEMENT

₹ in Crore

FY22	Particulars	Q2FY22	Q2FY23	Q1FY23	H1FY22	H1FY23
3,827.64	Revenue From Operations*	1,011.76	1,034.23	923.59	1,953.11	1,957.82
20.43	Other Income	3.35	3.77	6.73	8.84	10.50
3,848.07	Total Revenue	1,015.11	1,038.00	930.32	1,961.95	1,968.32
1,700.11	Finance cost	413.41	425.57	404.05	871.94	829.62
652.54	Operating expenses	157.97	186.13	176.52	307.95	362.65
318.52	Impairment	165.27	27.18	52.99	250.47	80.17
2,671.17	Total Expenses	736.65	638.88	633.56	1,430.36	1,272.44
1,176.90	Profit Before Tax	278.46	399.12	296.76	531.59	695.88
903.41	Profit After Tax	210.65	303.53	225.73	402.23	529.26

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

BALANCE SHEET

₹ in Crore

31-Mar-22	Particulars	30-Sep-21	30-Sep-22
	Equity and Liabilities		
28,323.23	Financial Liabilities	27,291.04	28,758.35
71.20	Non-Financial Liabilities	61.59	59.24
6,893.09	Equity	6,506.67	7,315.24
35,287.52	Total – Equity and Liabilities	33,859.30	36,132.83
	Assets		
34,413.89	Financial Assets	33,046.53	35,161.74
873.63	Non-Financial Assets	812.77	971.09
35,287.52	Total – Assets	33,859.30	36,132.83



03

Key trends in financial performance

FINANCIAL SUMMARY

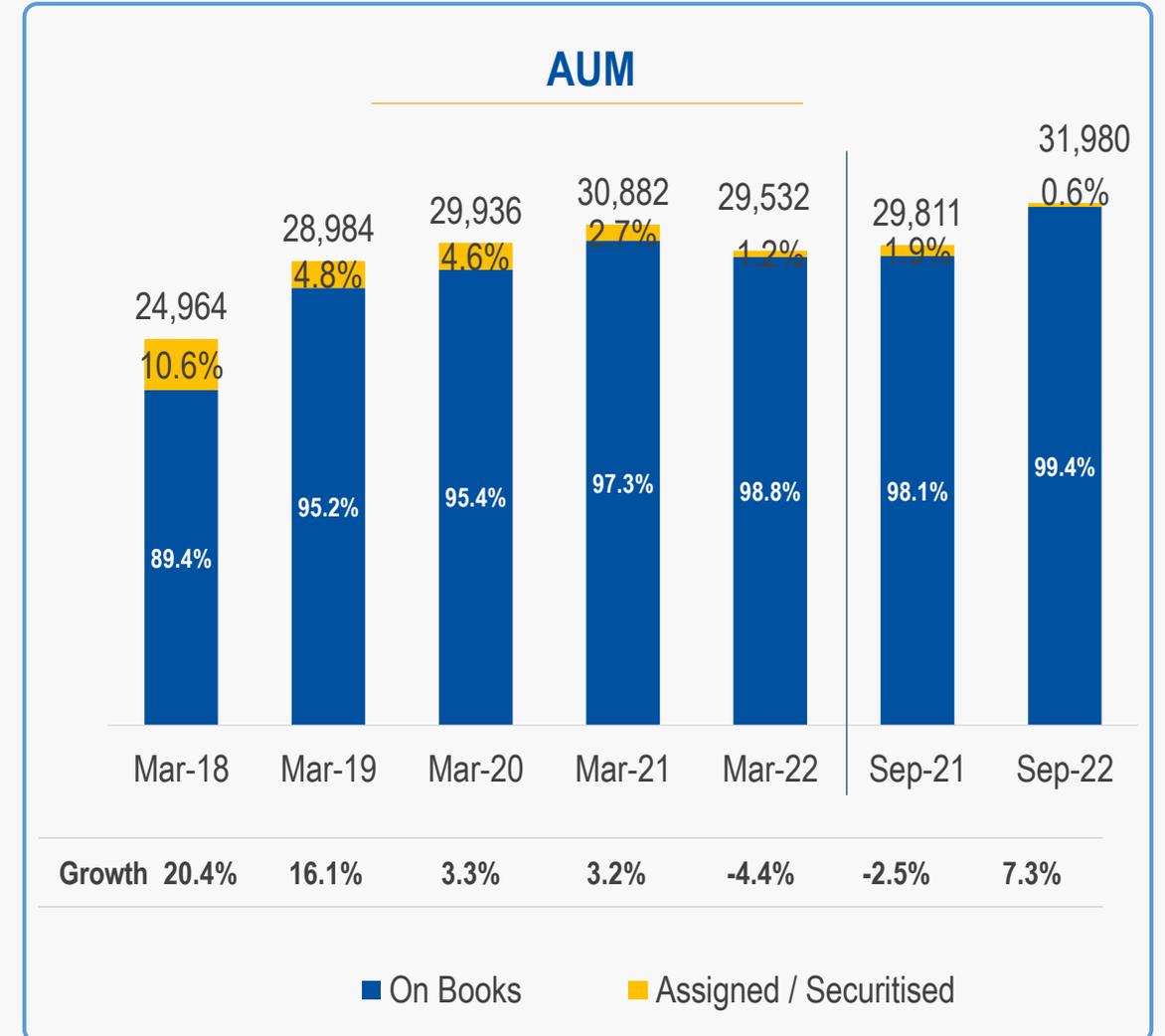
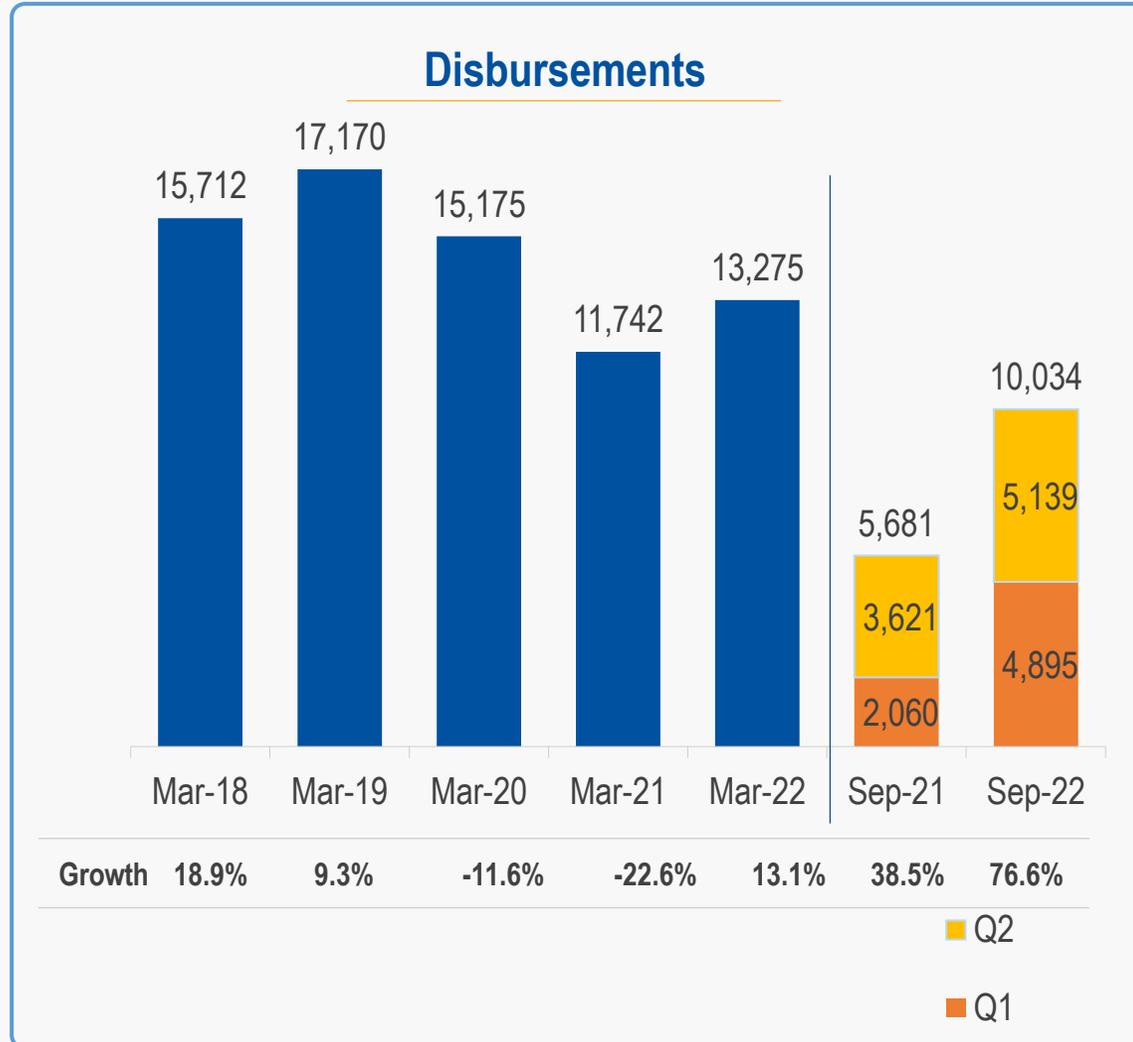
Year	Paid-up Capital	Networth	Disbursements	Receivables Under Management	PAT	Dividend %	Market Capitalisation
Mar-12	55.55	1,789	9,433	15,540	355.45	155	3,645
Mar-13	*111.10	2,087	9,991	17,645	410.11	90	5,265
Mar-14	111.10	2,405	9,719	18,158	442.51	100	7,359
Mar-15	111.10	2,978	10,012	18,734	454.14	105	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
Sep-21	111.10	6,507	5,681	34,221	402.23	-	27,222
Sep-22	111.10	7,315	10,034	36,700	529.26	-	25,132

* 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.

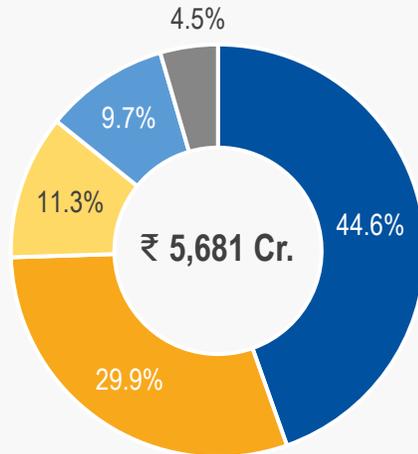
DISBURSEMENTS AND AUM

₹ in Crore



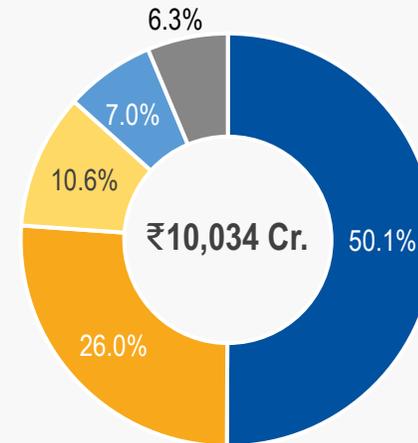


Sep-21



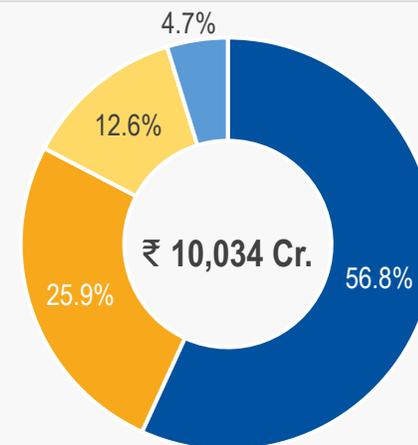
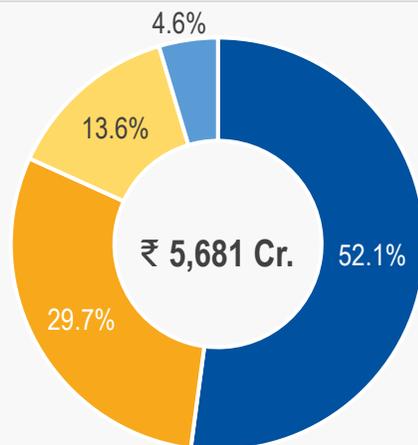
Used Vehicles – 19.4%

Sep-22



Used Vehicles – 19.2%

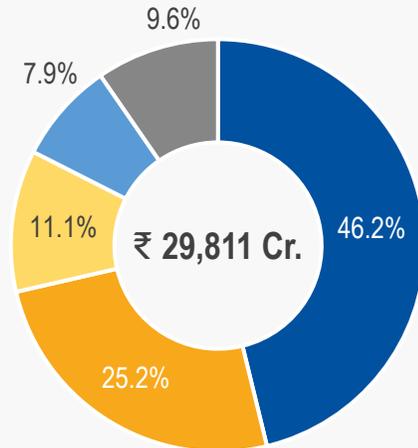
- CVs
- Cars
- Construction Equipment
- Tractors
- Others



- South
- North
- West
- East

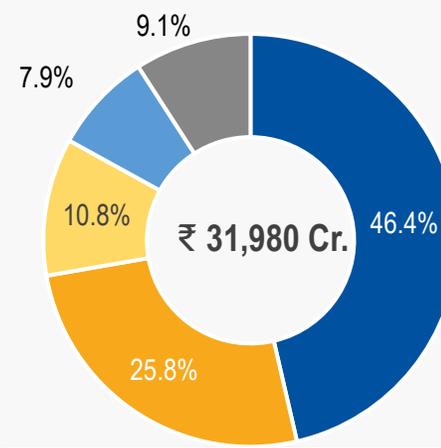


Sep-21



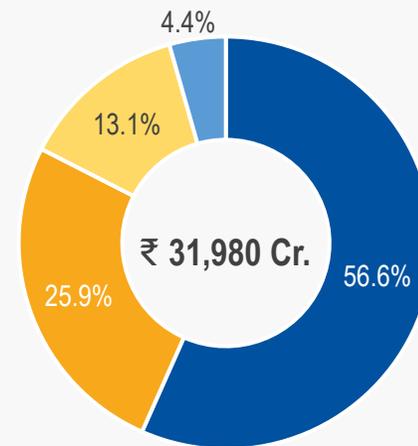
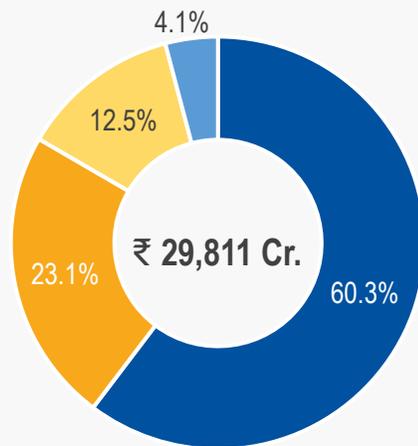
Used Vehicles – 14.9%

Sep-22



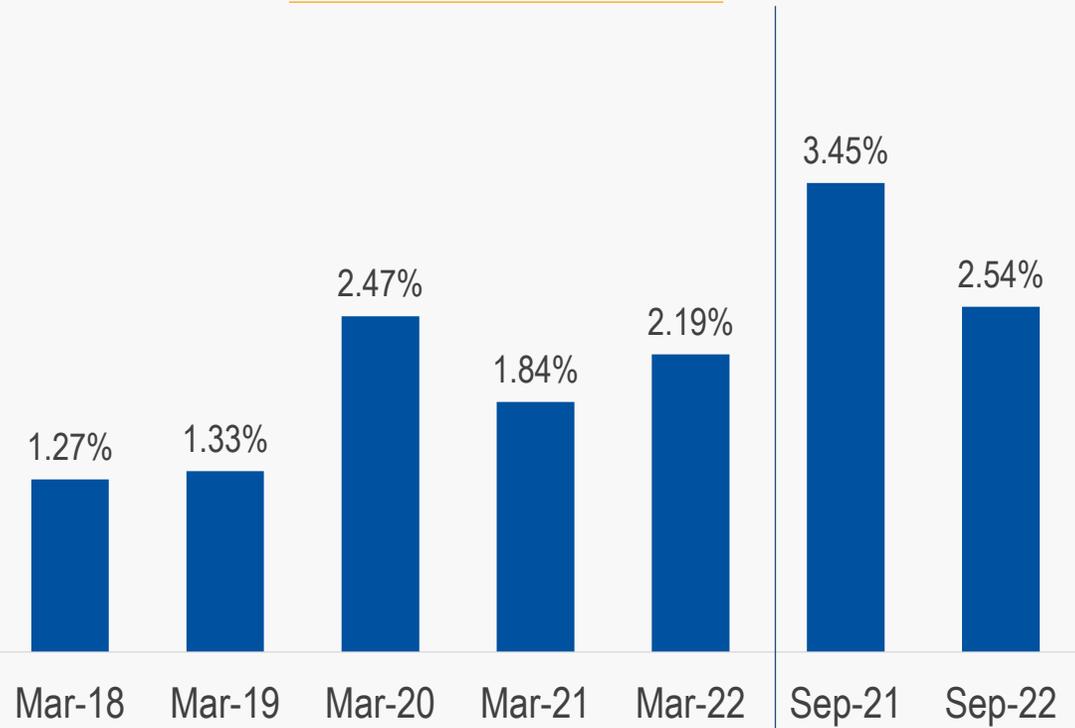
Used Vehicles – 14.9%

- CVs
- Cars
- Construction Equipment
- Tractors
- Others

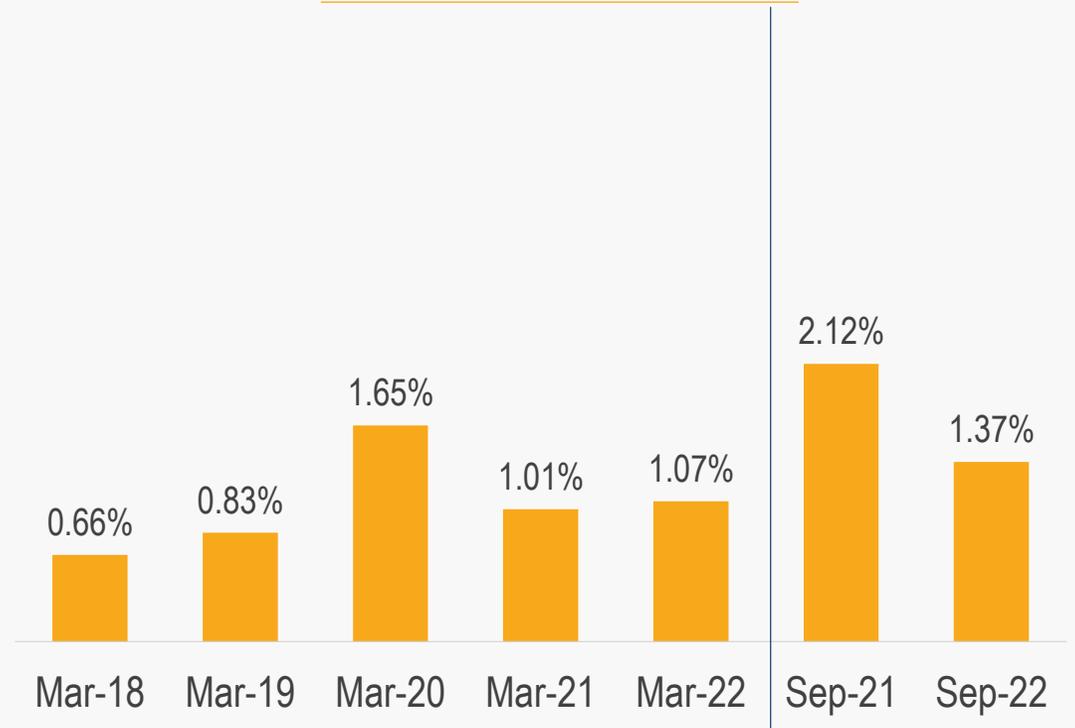


- South
- North
- West
- East

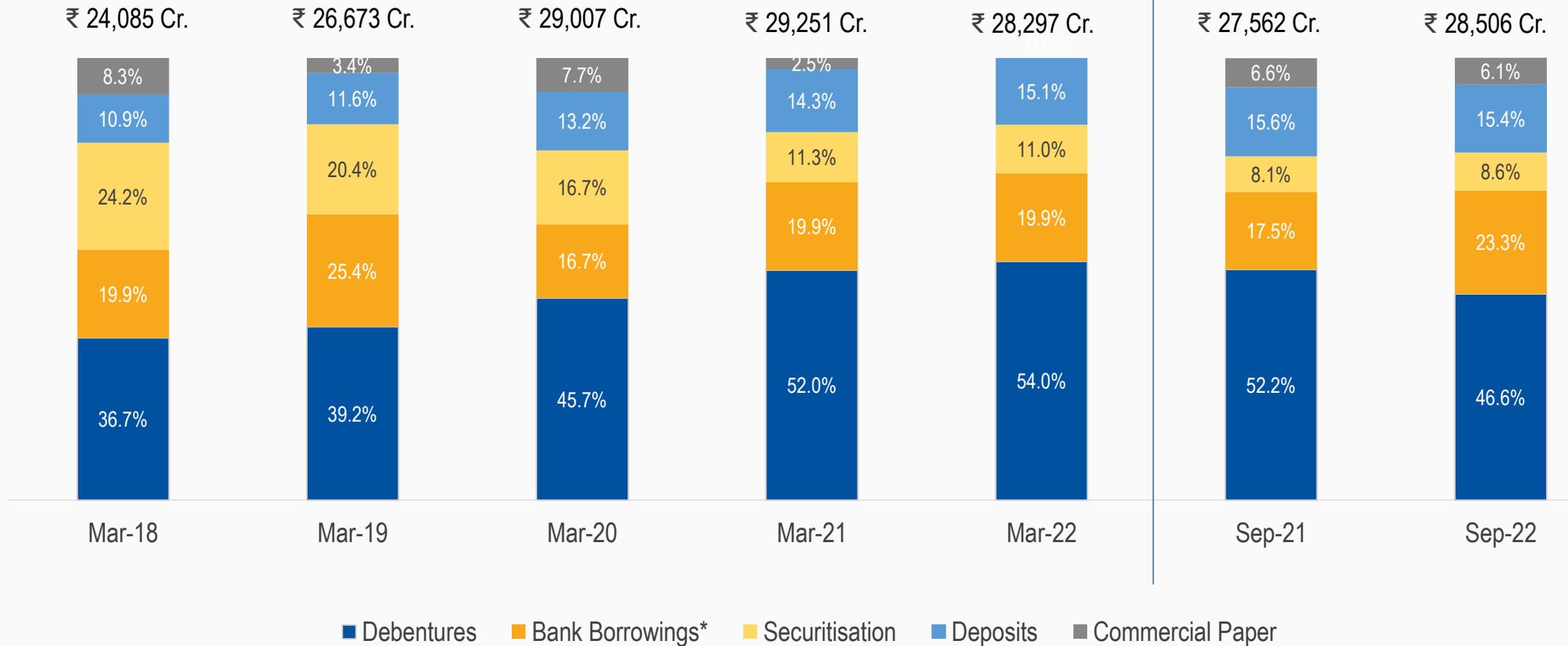
Gross Stage 3%



Net Stage 3%



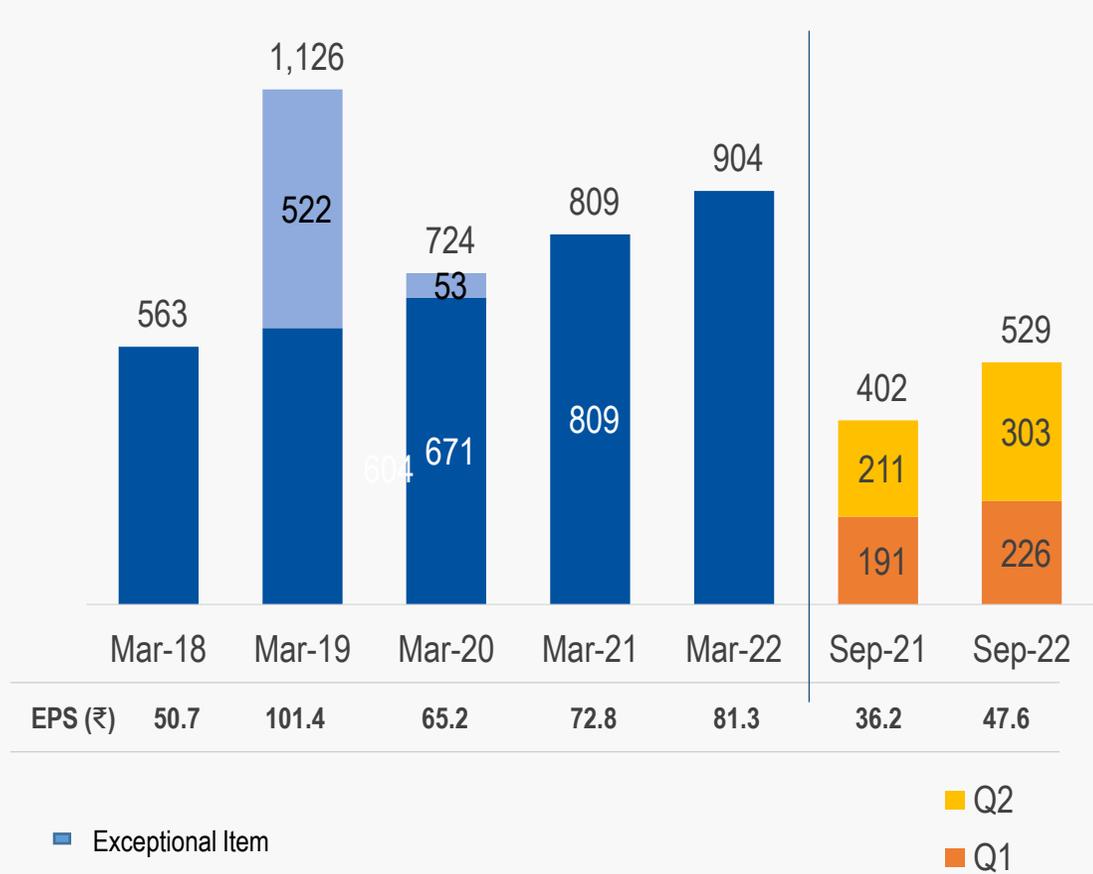
FUNDING MIX



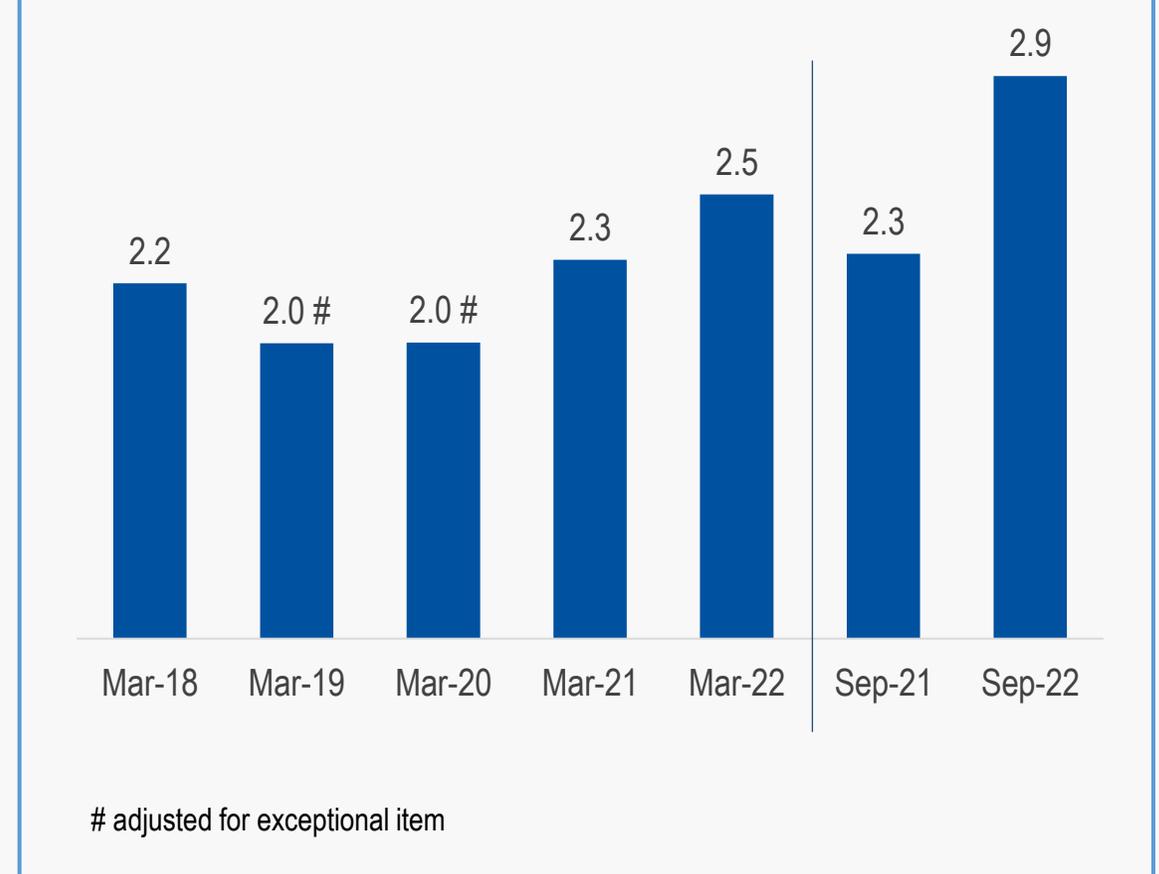
* Includes a) Term loans b) Commercial Papers and demand loans availed against the sanctioned limits.

₹ in Crore

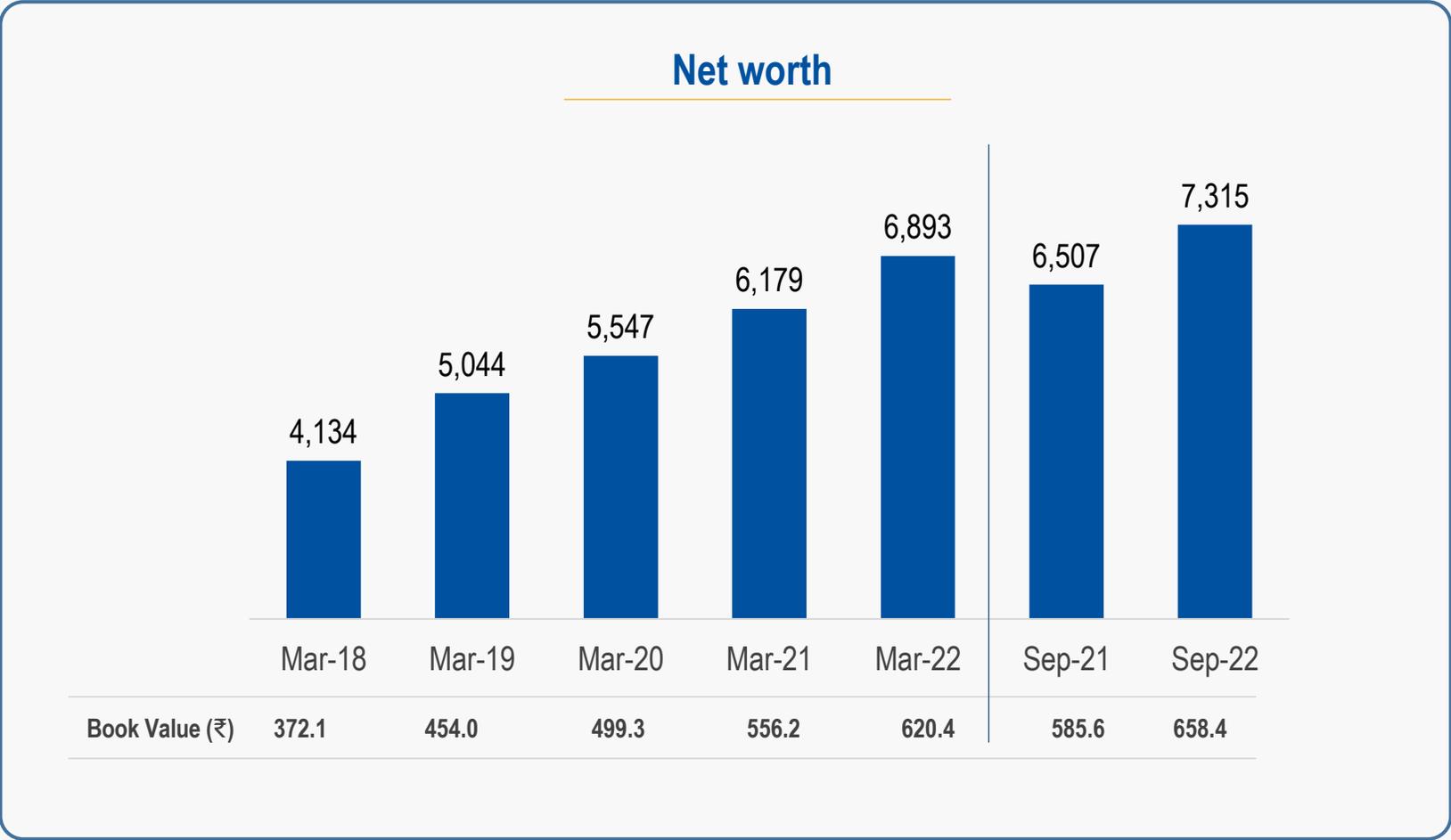
Profit after Tax



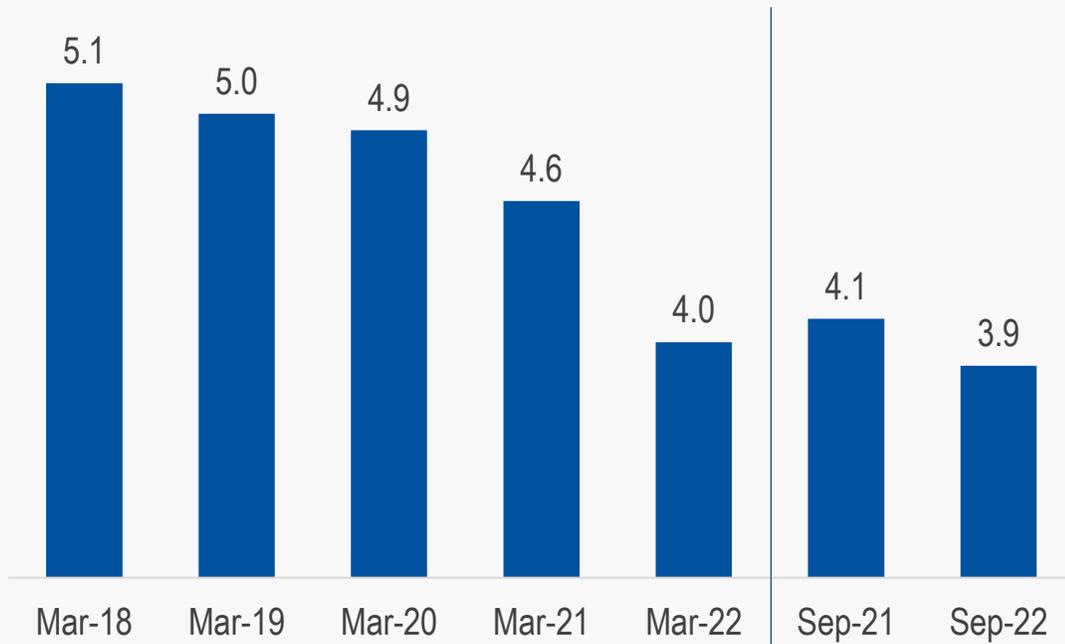
Return on Assets - %



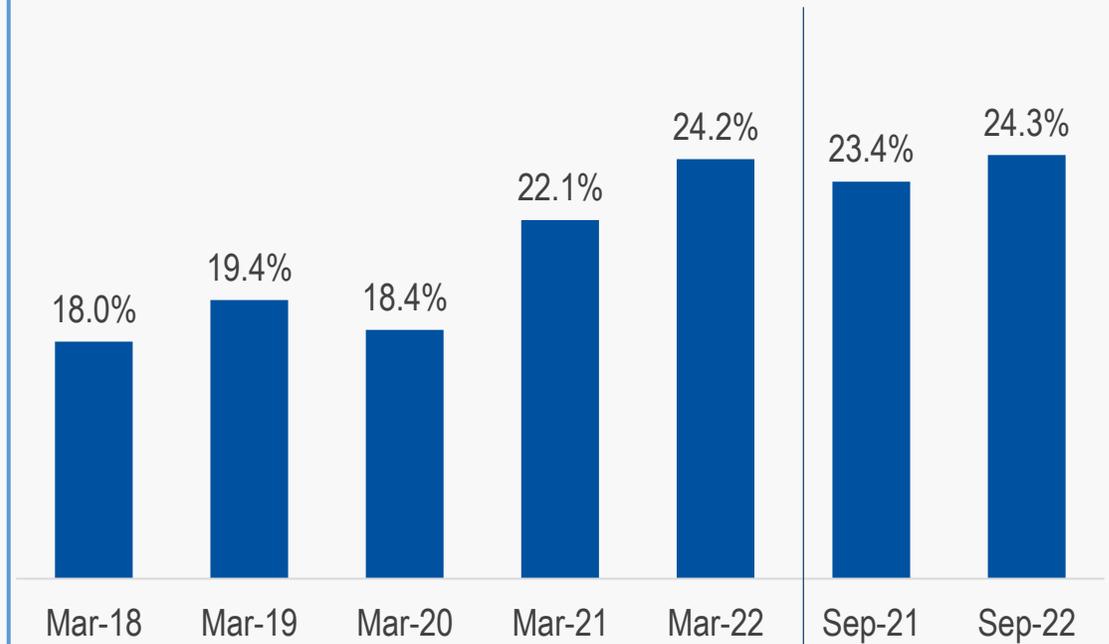
₹ in Crore

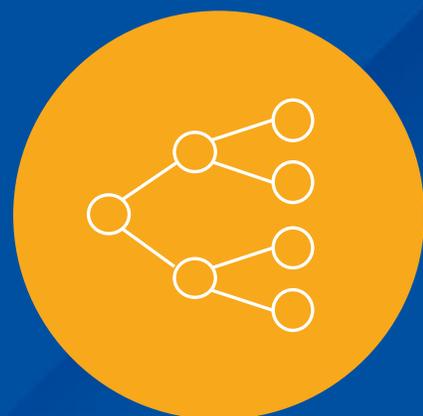


Leverage



Capital adequacy



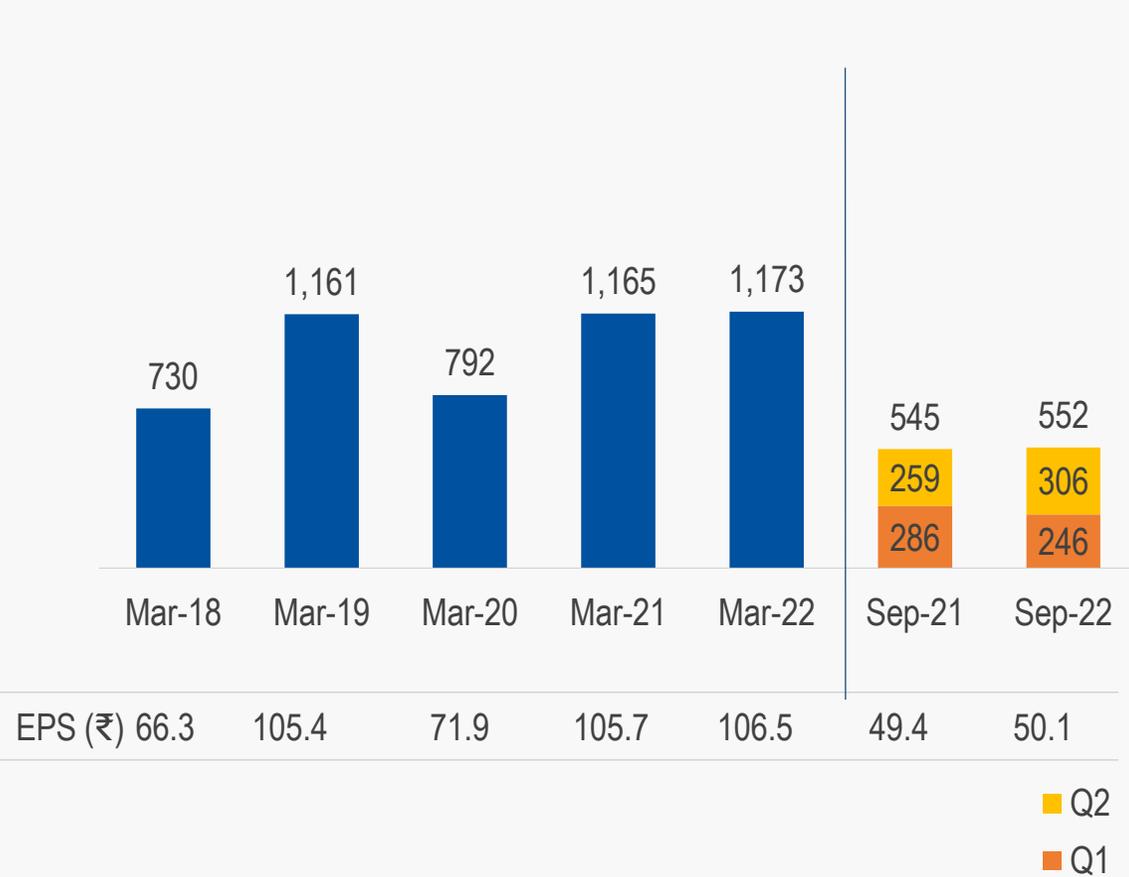


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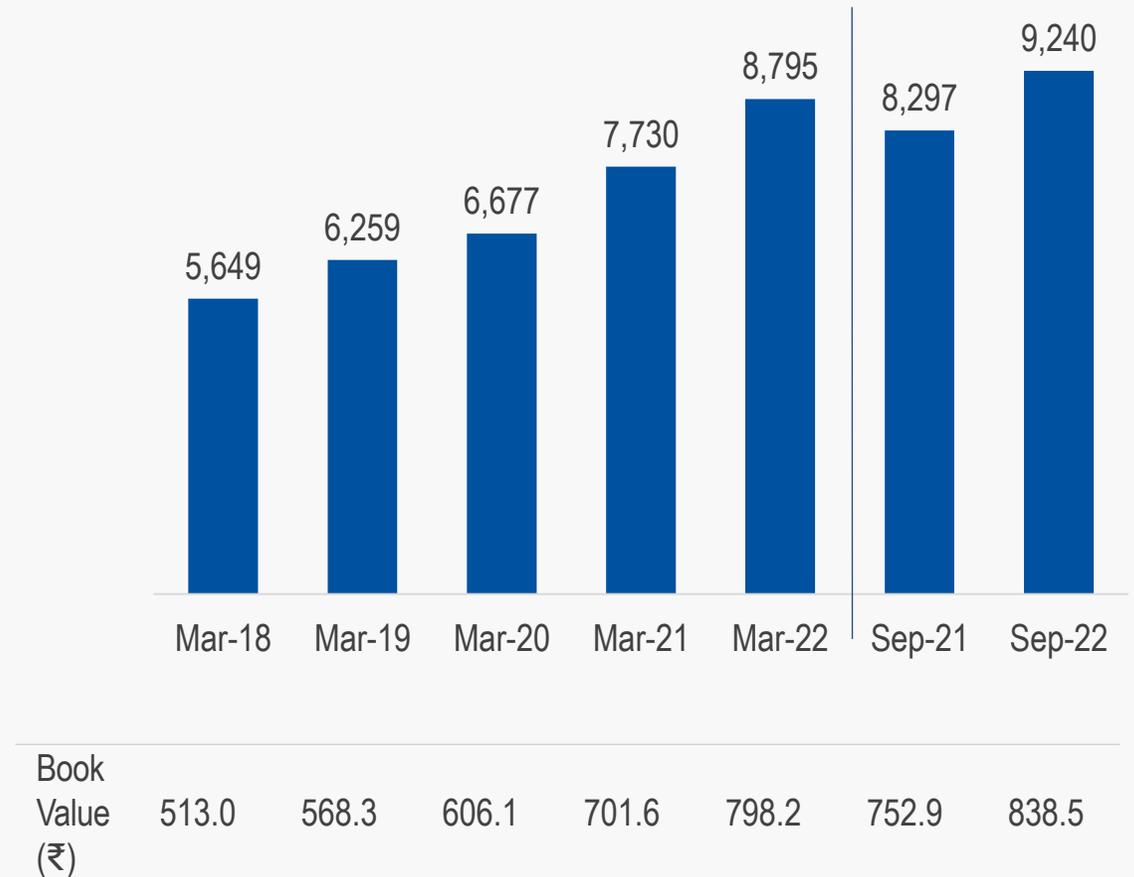
Consolidated results

₹ in Crore

Profit after Tax



Net Worth



CONSOLIDATED RESULTS

₹ in Crore

Particulars	Share of Net Worth		Share in Profit	
	30-Sep-21	30-Sep-22	H1FY22	H1FY23
Sundaram Finance Ltd.	6,506.67	7,315.24	402.23	529.26
Subsidiaries:				
Sundaram Finance Holdings Ltd. (Consolidated)	663.93	777.59	11.34	17.48
Sundaram Asset Management Company Ltd. (Consolidated)	286.98	361.87	47.98	34.26
Sundaram Home Finance Ltd.	1,582.64	1,686.51	79.73	97.56
Sundaram Fund Services Ltd.	37.38	40.10	0.54	1.04
Sundaram Trustee Company Ltd.	2.10	2.93	0.46	0.61
LGF Services Ltd.	3.48	3.44	0.03	(0.01)
Sundaram Finance Employees Welfare Trust	17.67	18.90	0.72	0.78
Joint Control Entities				
Royal Sundaram General Insurance Co. Ltd.	803.29	694.57	76.02	0.45
Adjustment arising out of Consolidation	(1,607.54)	(1,661.41)	(74.52)	(129.64)
Total	8,296.60	9,239.74	544.53	551.79

31-Mar-22	Particulars	30-Sep-21	30-Sep-22
2,311	Disbursements (₹ in Crore)	891	1,736
66.3%	Housing	71.6%	68.9%
33.7%	Non-Housing	28.4%	31.10%
9,495	AUM (₹ in Crore)	9,134	10,177
69.6%	Housing	70.4%	69.7%
30.4%	Non-Housing	29.6%	30.3%
167.70	PAT (₹ in Crore)	79.73	97.56
16.56	EPS (₹) (annualized)	15.75	19.27
1,655	Net worth (₹ in Crore)	1583	1687
163.45	Book Value (₹)	156.30	166.56
3.00%	Stage III assets %	4.95%	2.78%
1.57%	Stage III assets % (net of ECL)	2.55%	1.57%
25.7%	CAR	25.8%	24.4%
105	Branches	106	105
822	Employees	810	936
40,237	Customers	39,837	40,913

The momentum on disbursements continued from Q4 of last year into H1 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-Sep-21	30-Sep-22
2,966	Gross Written Premium (₹ in Crore)	1,420	1,645
7,282	AUM (₹ in Crore)	7,245	7,444
172	PAT (₹ in Crore)	152	1
(54)	Other Comprehensive Income (Net of Taxes)	26	(132)
118	Total Comprehensive Income	178	(131)
1,547	Net worth (₹ in Crore)	1,607	1,389
117%	Combined Operating Ratio	118%	117%
158	Branches	158	159
2,413	Employees	2,374	2,421
29,69,390	Customers	29,36,599	32,21,556

While the underlying operations of the insurance business remain profitable, the profits during the half-year were affected due to net loss of Rs. 62 crores on Fair Value of Equity investments as against net gain of Rs. 91 crores accounted in the half year ended September 2021.

During the half year, the other comprehensive income is lower on account of MTM valuation of debt instruments resulting in net loss of Rs.176.39 crores as against net gain of Rs.35.46 crores in the corresponding previous period.

31-Mar-22	Particulars	30-Sep-21	30-Sep-22
53,860	AUM (₹ in Crores)	43,057	52,561
46,073	Equity (₹ in Crores)	34,236	44,982
7,787	Debt (₹ in Crores)	8,821	7,579
72	PAT (₹ in Crores)	48	34
364	Net worth (₹ in Crores)	287	362
346	Employees	357	375
13,09,851	Retail Investors	10,24,674	15,68,549
85	Branches	85	85

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

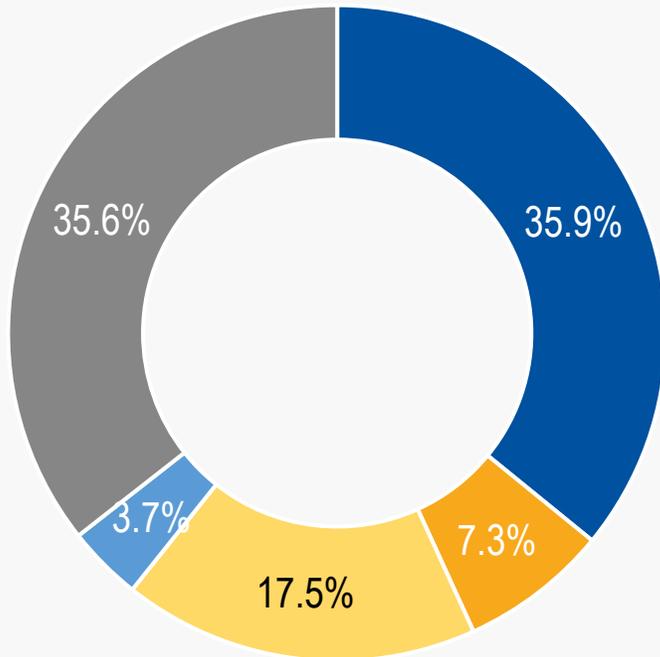


05

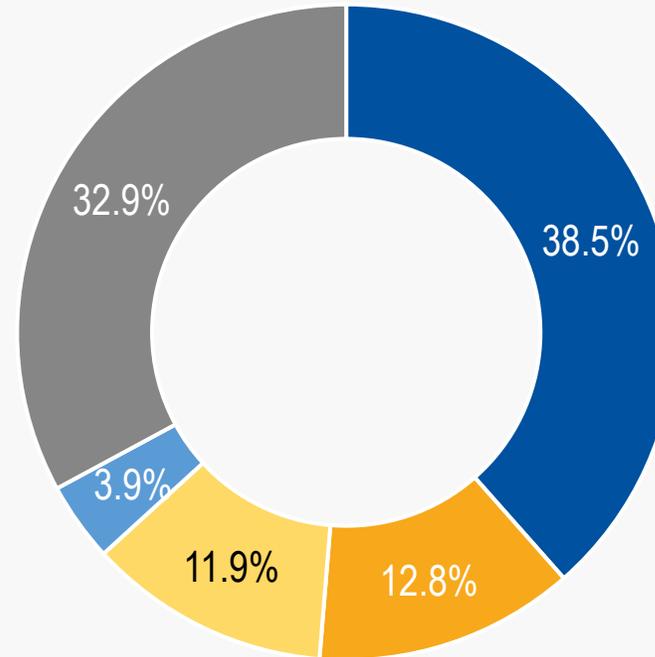
More about Sundaram Finance

SHAREHOLDING PATTERN

30-Sep-21

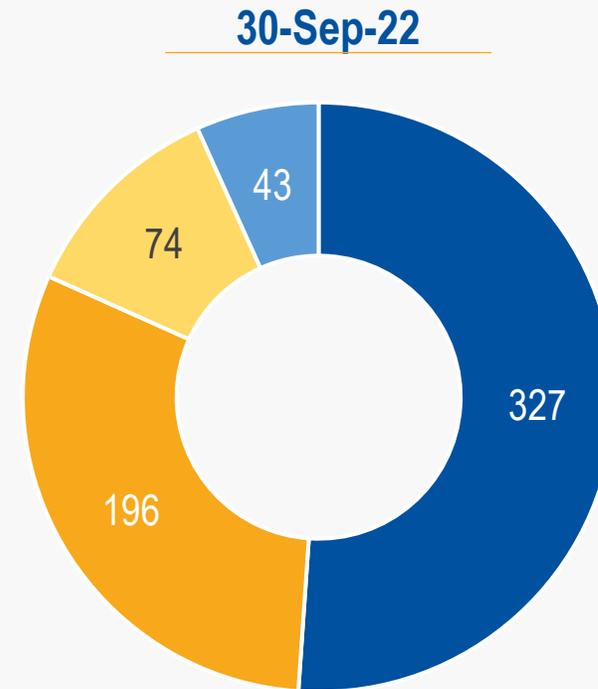
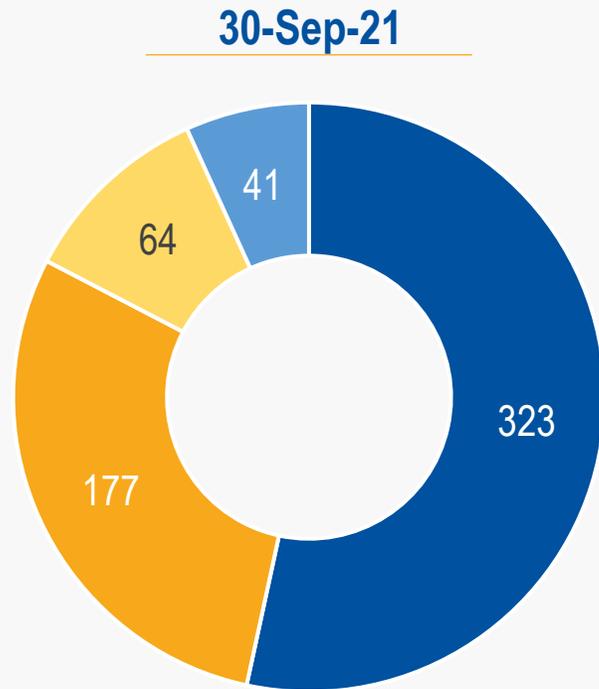


30-Sep-22



Top institutional shareholders As of 30th September 2022

Name of Shareholder	Share %
Axis Mutual Fund Trustee Limited	5.50
Nalanda India Equity Fund Limited	3.78
ICICI Prudential ESG Fund	3.02
Bright Star Investments Pvt Ltd	2.37
HDFC Life Insurance Company Limited	2.03
Kotak Emerging Equity Scheme	1.41
United India Insurance Company Limited	1.34
Pari Washington India Master Fund, Ltd.	1.09
Damani Estate and Finance Pvt Ltd.	0.93
Sundaram Finance Employees Welfare Trust	0.82



No. of Branches: **605**



No. of Employees: **4,204**



No. of Branches: **640**



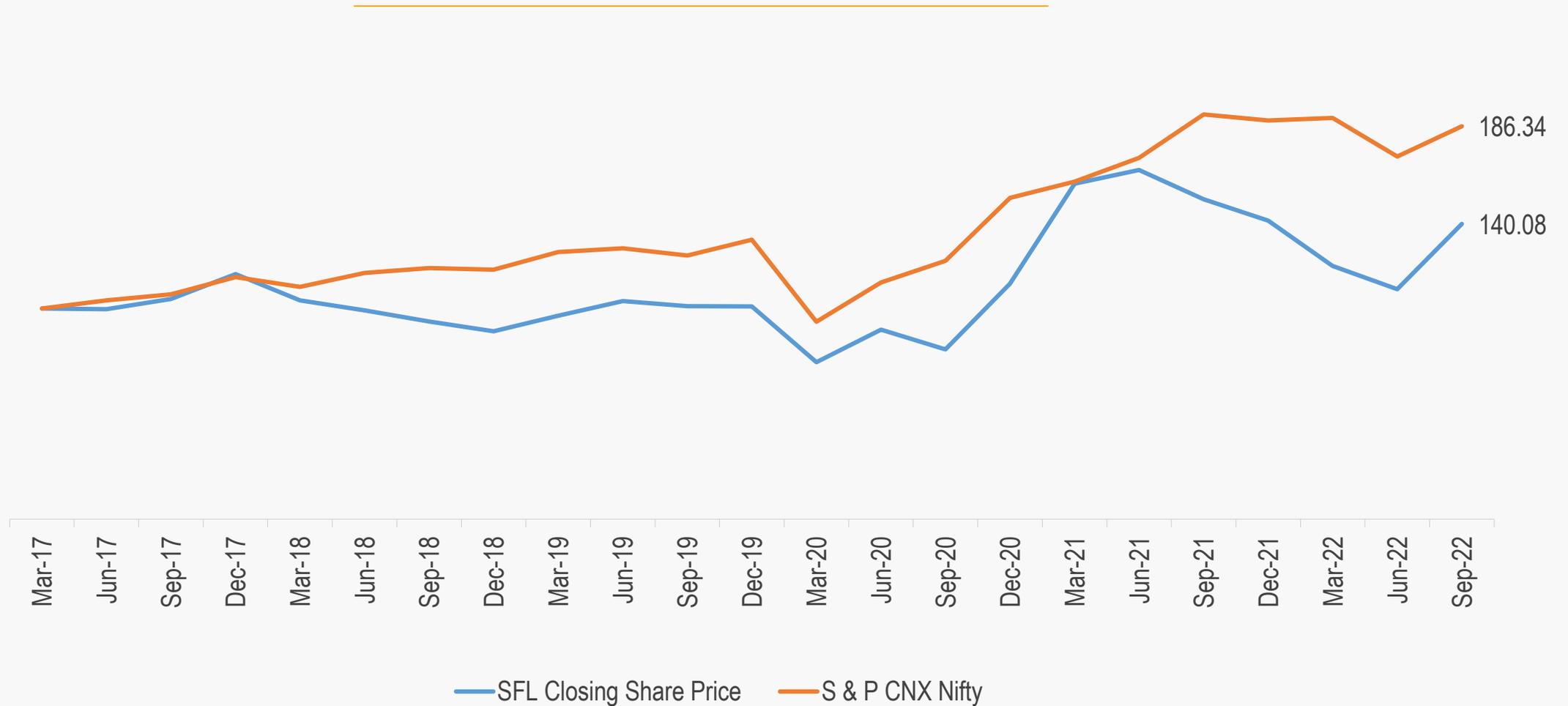
No. of Employees: **4,522**

■ 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
- Brakes India Private Limited
- Wheels India Limited
- The Dunes Oman LLC (FZC)
- Turbo Energy Private Limited
- Mind S.r.l.
- Transenergy Private Limited
- Sundaram Composite Structures Private Limited
- Sundaram Dynacast Private Limited
- India Motor Parts & Accessories Limited
- Sundaram Hydraulics 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 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 P N Srikant

Secretary & Compliance Officer
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