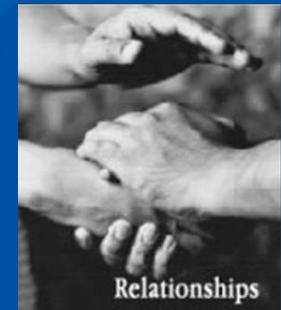
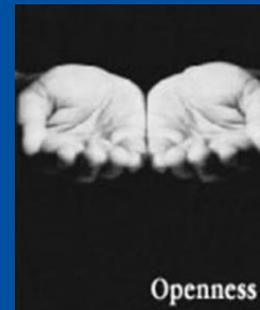
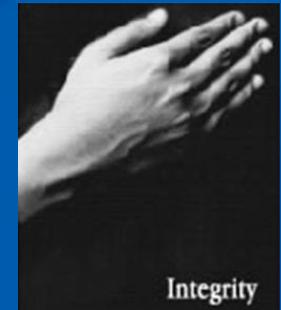
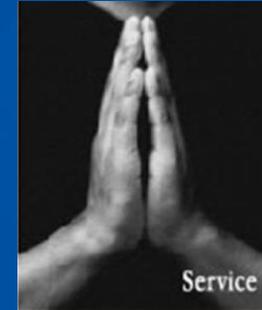




SUNDARAM FINANCE
Enduring values. New age thinking.

PERFORMANCE HIGHLIGHTS

FY23





01

Overview of
Sundaram Finance



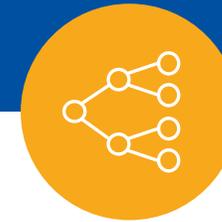
02

Financial results &
performance



03

Key trends in financial
performance



04

Consolidated results



05

More about
Sundaram Finance



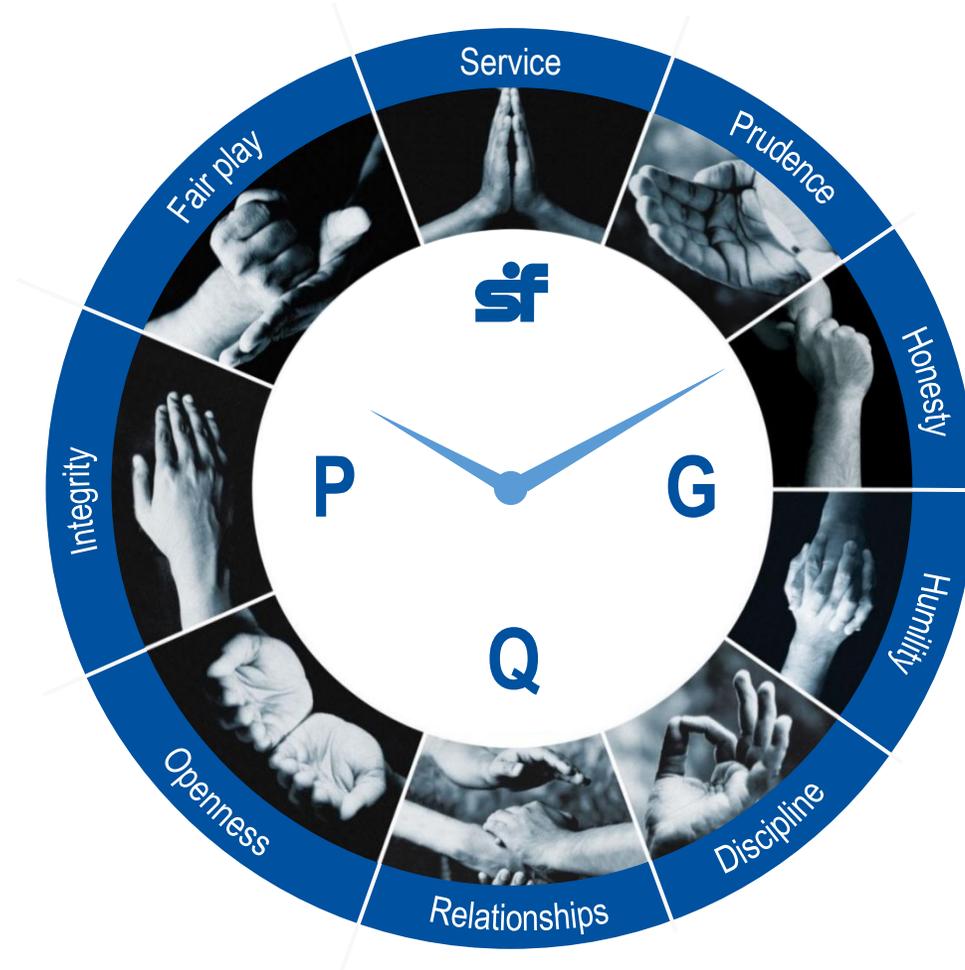
01 Overview of Sundaram Finance

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



Humility

To realise that humility is the greatest virtue



Discipline

To know that discipline is your ally in all situations



Honesty

To believe that honesty is the only policy



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	 Staffs *	 Customer count
 SUNDARAM FINANCE Enduring values. New age thinking.	34,552	671	7,371	5,32,533
 Royal Sundaram General Insurance Joint Venture with Ageas Insurance International NV	7,673	164	2,910	32,53,364
 SUNDARAM HOME 100% subsidiary	11,181	117	1,127	41,431
 SUNDARAM MUTUAL UNEARTHING OPPORTUNITIES 100% subsidiary	54,804	85	506	13,19,288
 Group	1,08,210	1,037	11,914	51,46,616

* Includes off roll employees

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 nearly Rs. 1,10,000 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

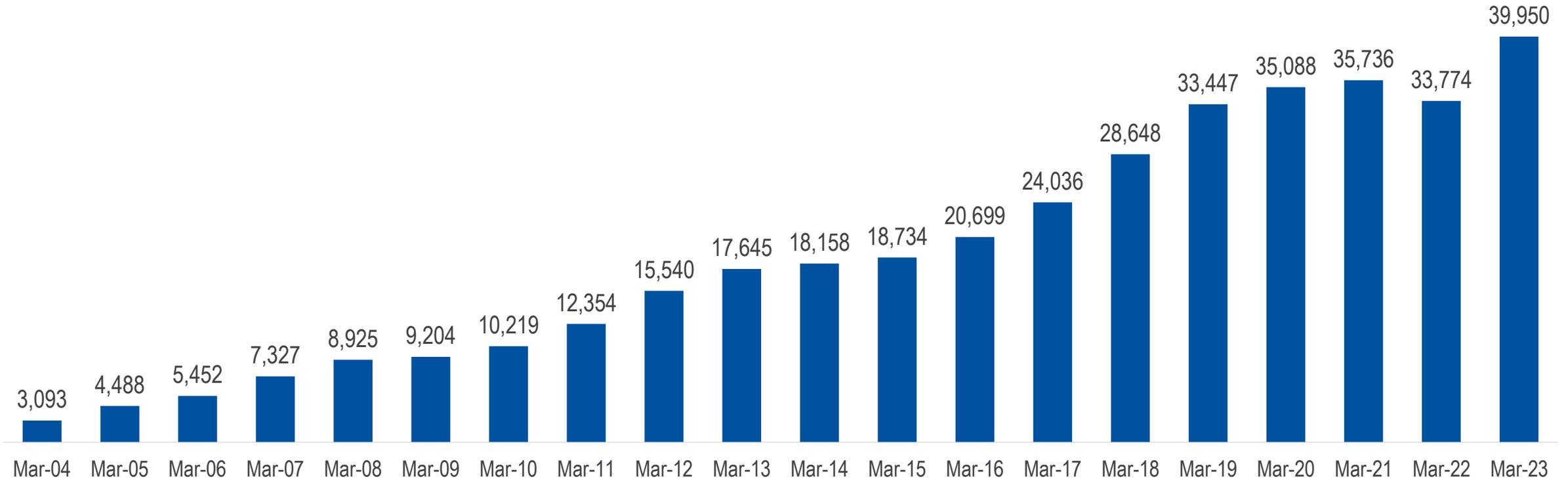
- Diesel
- Insurance
- Tyre
- Sundaram Credit Line

Distribution

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

₹ in Crore

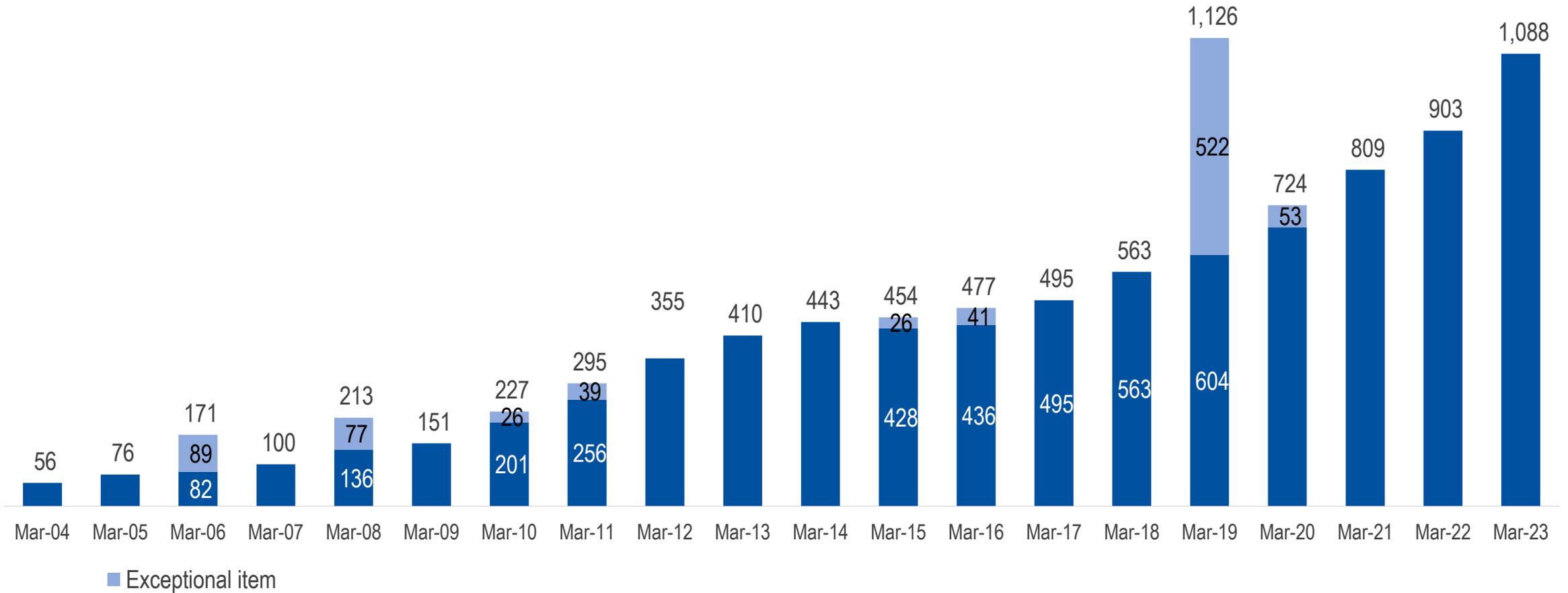
Receivables Under Management



SUNDARAM FINANCE – PERFORMANCE OVER LAST TWENTY YEARS

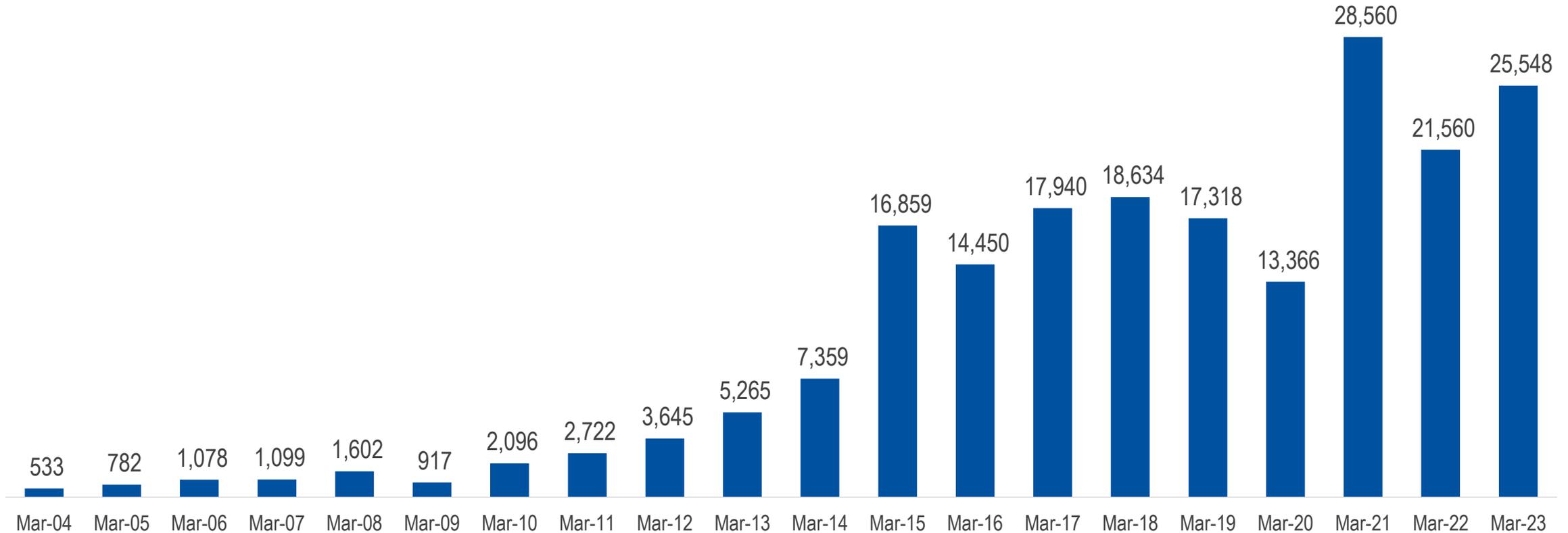
₹ in Crore

PAT



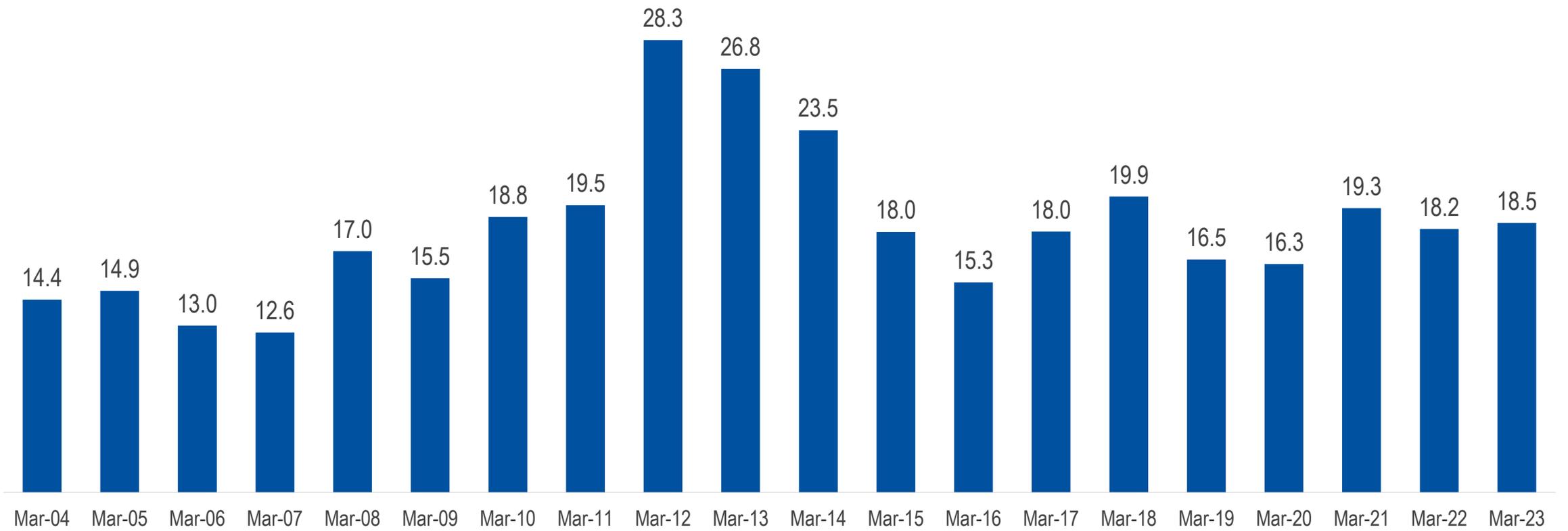
₹ in Crore

Market Capitalization



SUNDARAM FINANCE – PERFORMANCE OVER LAST TWENTY YEARS

Core Return on Equity %*



ROE%	11.0	12.6	22.8	11.9	22.1	13.7	18.4	20.7	21.4	21.2	19.7	17.6	15.2	14.0	14.3	24.5	13.7	13.8	13.8	14.9
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* Core ROE (excluding investments in subsidiaries)



02

Financial results & performance

OVERALL HIGHLIGHTS OF FINANCIAL PERFORMANCE

As of 31st March 2023



AUM

₹34,552 Crores



17.0% up
from Mar 22



Gross Stage 3

1.66%



2.19%
in Mar 22

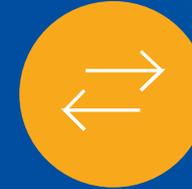


Cost-to-income

34.36%



32.36%
in FY22



ROA

2.8%



2.5%
in FY22



ROE

14.9%*



13.8%
in FY22

**150% final dividend (₹ 15 per share) declared.
Total dividend for FY23 270% (₹ 27 per share)**

*Core ROE (excluding investments in subsidiaries) at 18.5% vs. 18.2%

HIGHLIGHTS – GROWTH OF 58% IN CORE BUSINESS



Economic activity continued to improve across all segments during 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. FY23 disbursements are highest-ever and grew 58% over FY22.

Disbursements for FY23 recorded a growth of 58% to ₹20,966 crores as compared to ₹13,275 crores registered in the corresponding period of the previous year. Adjusting for the pandemic-induced ECLGS scheme, **core business disbursements grew by 60%** in FY23 compared to FY22

The assets under the management stood at ₹34,552 crores as on 31st March 2023 as against ₹ 29,532 crores as on 31st March 2022, **registering a 17% increase year-on-year.**

Commercial vehicles, especially medium and heavy commercial vehicles, recovery continued through 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 ₹ 628 crores, about 1.8% of outstanding loans as on 31st March 2023.



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 March 2023 stood at 1.66% with provision cover of 49% when compared to 2.19% with 52% provision cover as of 31st March 2022.

Net stage 3 assets as on 31st March 2023 closed at 0.86% as against 1.07% as on 31st March 2022.

RBI vide its circulars dated 12th November 2021 & 15th February 2022 has modified the upgradation norms for Non-Performing Assets 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. As a matter of prudence, the ECL model was suitably amended to provide higher provisions to reflect the underlying risk for those loan assets under new norms.

With the improvement in the asset quality, the impairment cost for FY23 was Rs. 134 crores as against Rs. 319 crores in FY22.

The Gross and Net NPA, per RBI's tighter norms on asset classification, are 3.00% and 2.10% respectively as against 2.42% and 1.26% as of 31st March 2022 (based on old norms).

HIGHLIGHTS – PROFITABILITY IMPROVED CONSISTENTLY



Profits after tax grew 20% over 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 34.36% in FY23 as against 32.36% in FY22.

Return on assets (ROA) for FY23 closed at 2.8% as against 2.5% for FY22.

Profit after tax at ₹ 1088 crores in FY23 crores as against ₹ 903 crores in FY22, up by 20%; Profit after tax for Q4 FY23 up by 6% to Rs. 316 crores from Rs. 299 crores in Q4 FY22

Return of equity (ROE) was at 14.9% for FY23 as against 13.8% for FY22. If we exclude investments in subsidiaries and group companies, core ROE was at 18.5% for FY23 as against 18.2% for FY22

PROFIT & LOSS STATEMENT

₹ in Crore

Particulars	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
Revenue From Operations*	1,034.93	991.70	927.40	3,984.46	3,827.64
Other Income	50.96	2.28	8.65	63.74	20.43
Total Revenue	1,085.89	993.98	936.05	4,048.20	3,848.07
Finance cost	490.21	457.26	410.89	1,777.09	1,700.11
Operating expenses	173.94	180.31	175.62	716.90	652.54
Impairment	16.79	37.29	(28.37)	134.25	318.52
Total Expenses	680.94	674.86	558.14	2,628.24	2,671.17
Profit Before Tax	404.95	319.12	377.91	1,419.96	1,176.90
Profit After Tax	316.36	242.68	298.80	1,088.31	903.41

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

During Q4 FY 23, as a matter of prudence, the ECL model was tweaked to provide higher provisions of Rs 29 Cr for Stage 1 & 2 assets.

BALANCE SHEET

₹ in Crore

Particulars	31-Mar-23	31-Dec-22	31-Mar-22
Equity and Liabilities			
Financial Liabilities	33,254.03	30,734.62	28,323.23
Non-Financial Liabilities	67.27	63.68	71.20
Equity	7,737.40	7,557.94	6,893.09
Total – Equity and Liabilities	41,058.70	38,356.24	35,287.52
Assets			
Financial Assets	39,937.75	37,314.91	34,413.89
Non-Financial Assets	1,120.95	1,041.33	873.63
Total – Assets	41,058.70	38,356.24	35,287.52



03

Key trends in financial performance

FINANCIAL SUMMARY

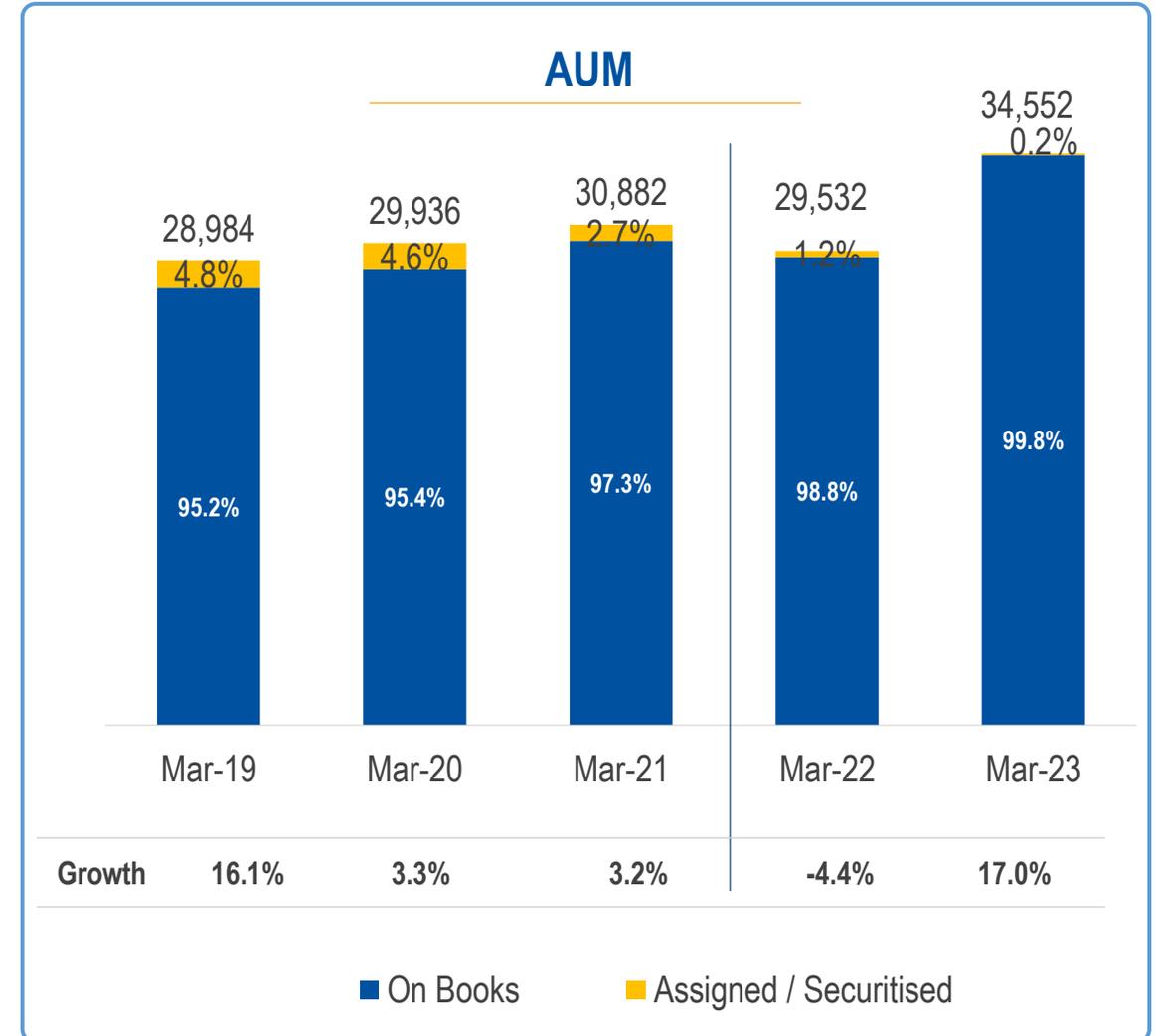
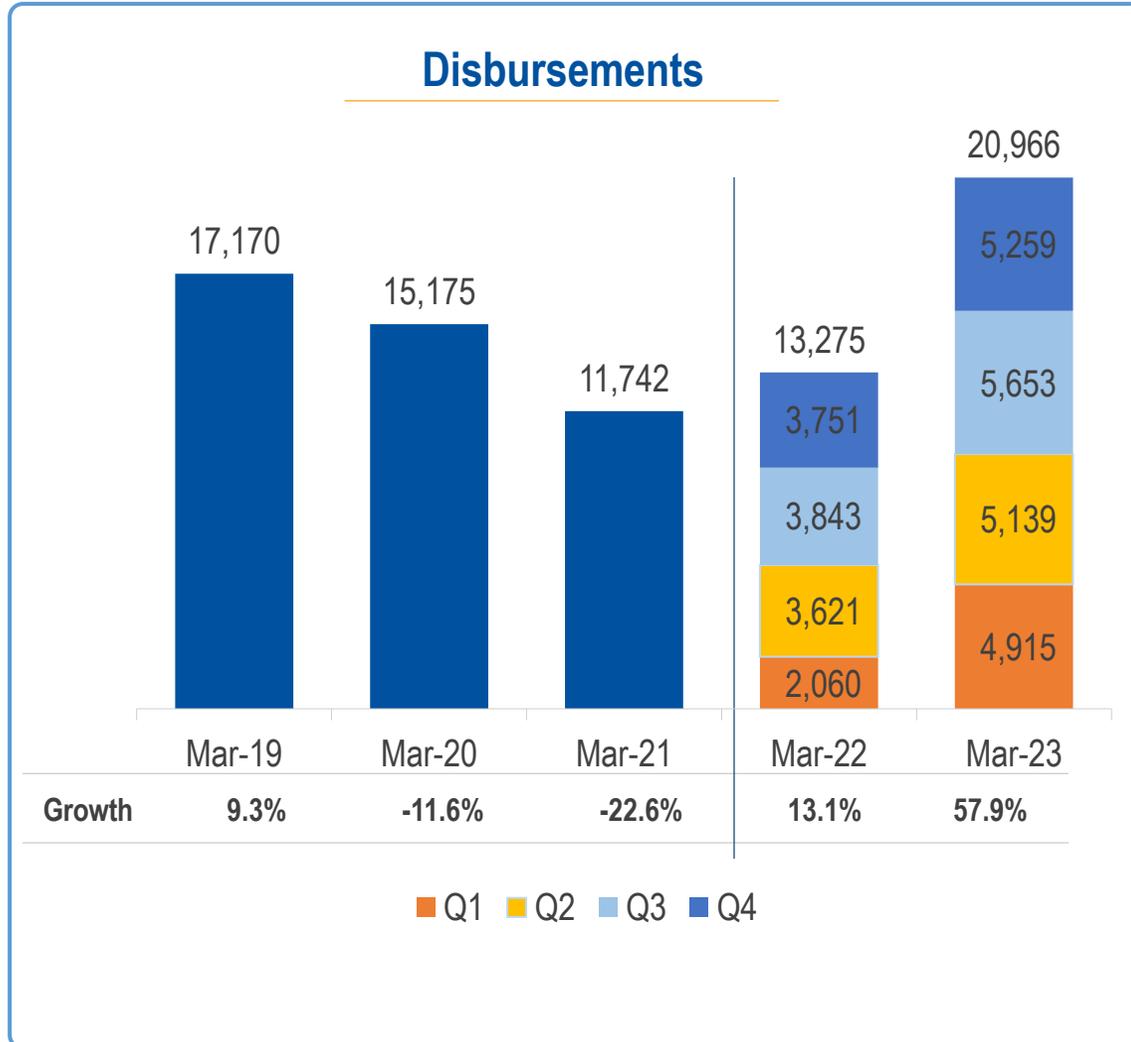
Year	Paid-up Capital	Networth	Disbursements	Receivables Under Management	PAT	Dividend %	Market Capitalisation
Mar-12	55.55	1,789	9,433	15,540	355.45	155	3,645
Mar-13	*111.10	2,087	9,991	17,645	410.11	90	5,265
Mar-14	111.10	2,405	9,719	18,158	442.51	100	7,359
Mar-15	111.10	2,978	10,012	18,734	454.14	105	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
Mar-23	111.10	7,737	20,966	39,950	1,088.31	270	25,548

* 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

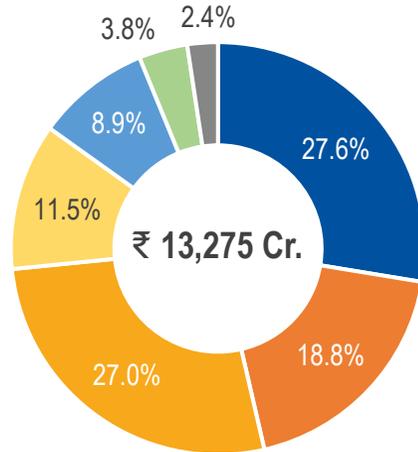


DISBURSEMENTS



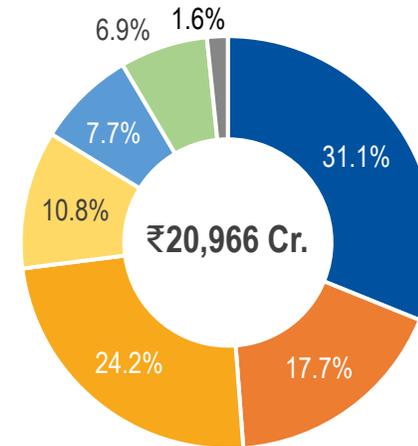
Asset wise

Mar-22



Used Assets – 22.3%

Mar-23

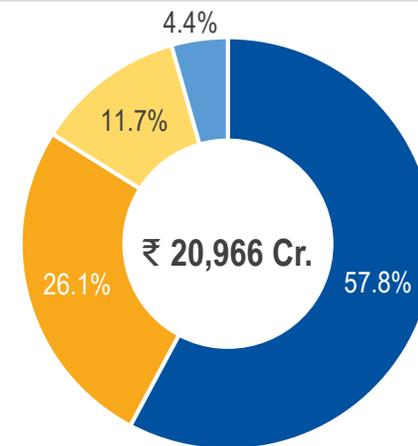
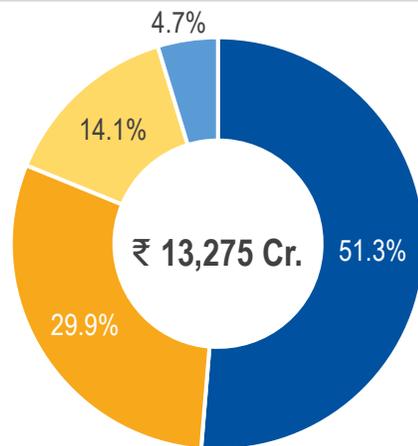


Used Assets – 22.4%

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



Region wise



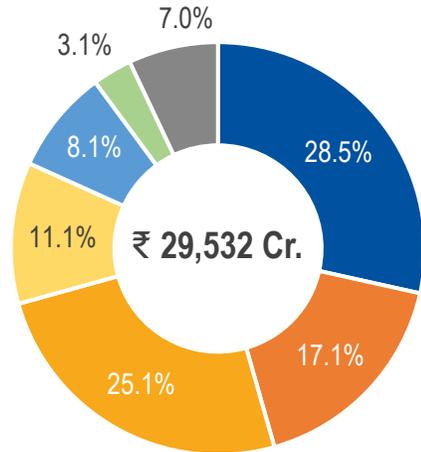
- South
- North
- West
- East

ICV, LCV and SCV as Retail CV



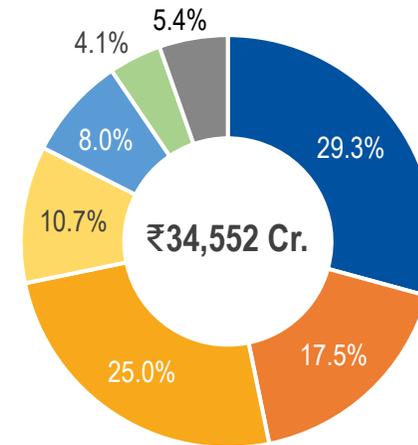
Asset wise

Mar-22



Used Assets – 17.4%

Mar-23

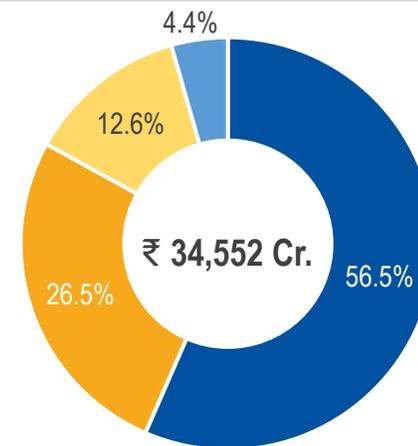
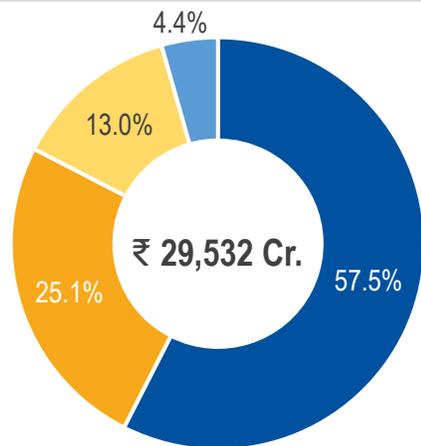


Used Assets – 18.1%

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



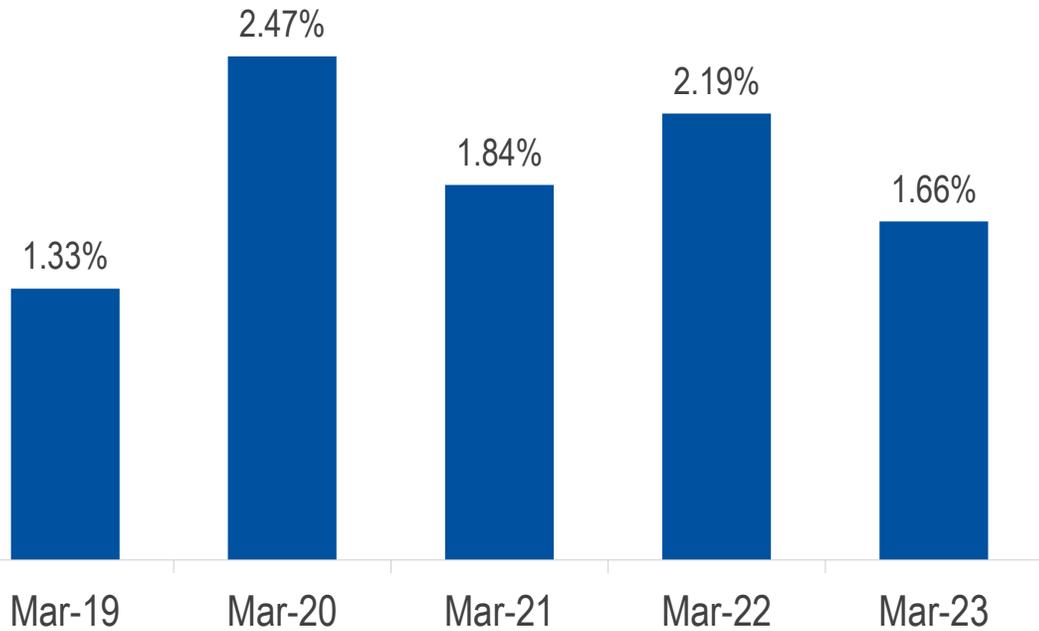
Region wise



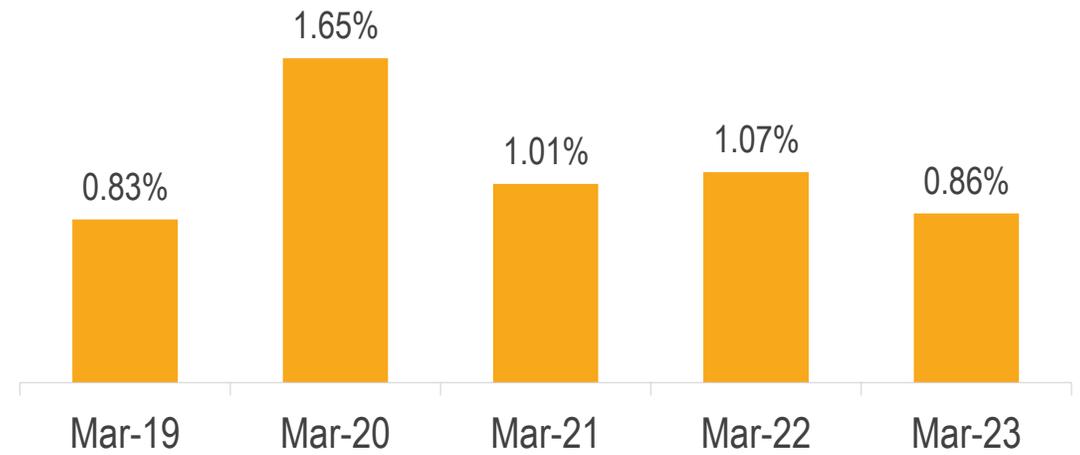
- South
- North
- West
- East

ICV, LCV and SCV as Retail CV

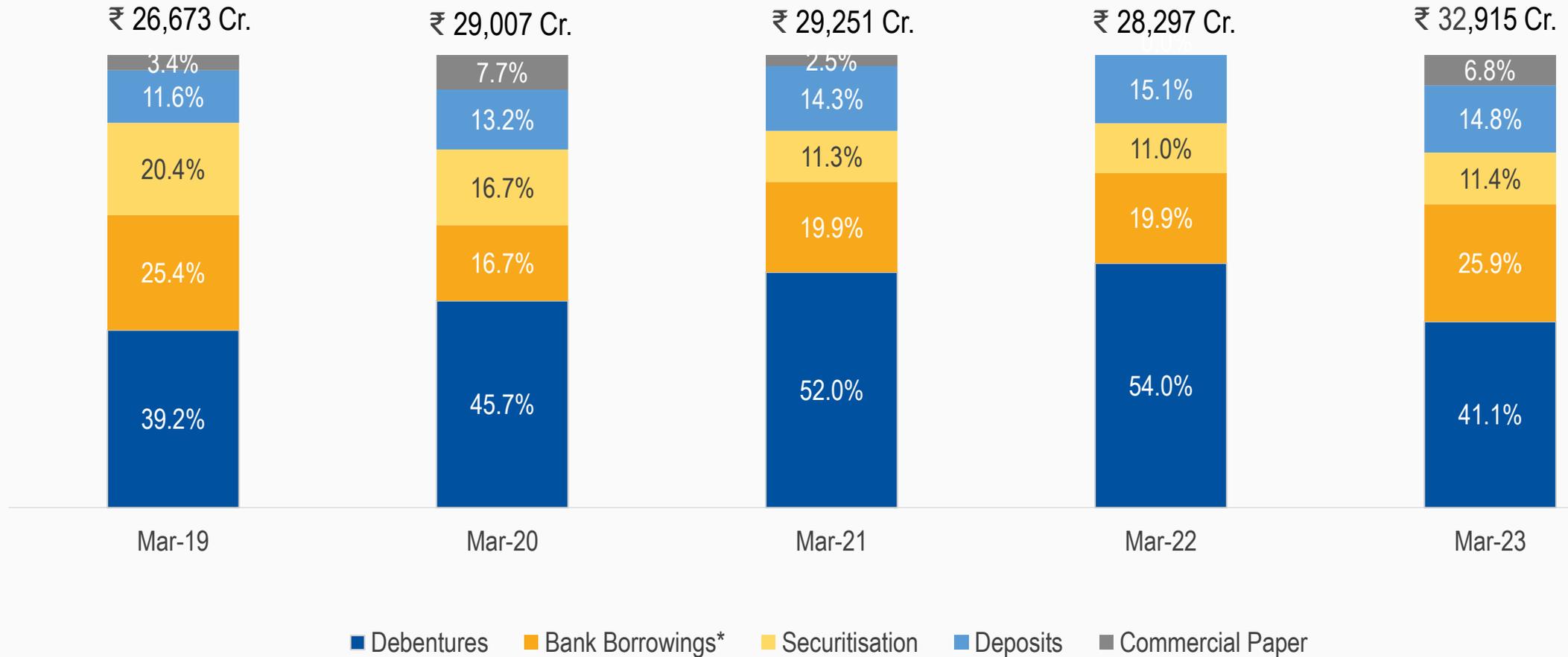
Gross Stage 3%



Net Stage 3%

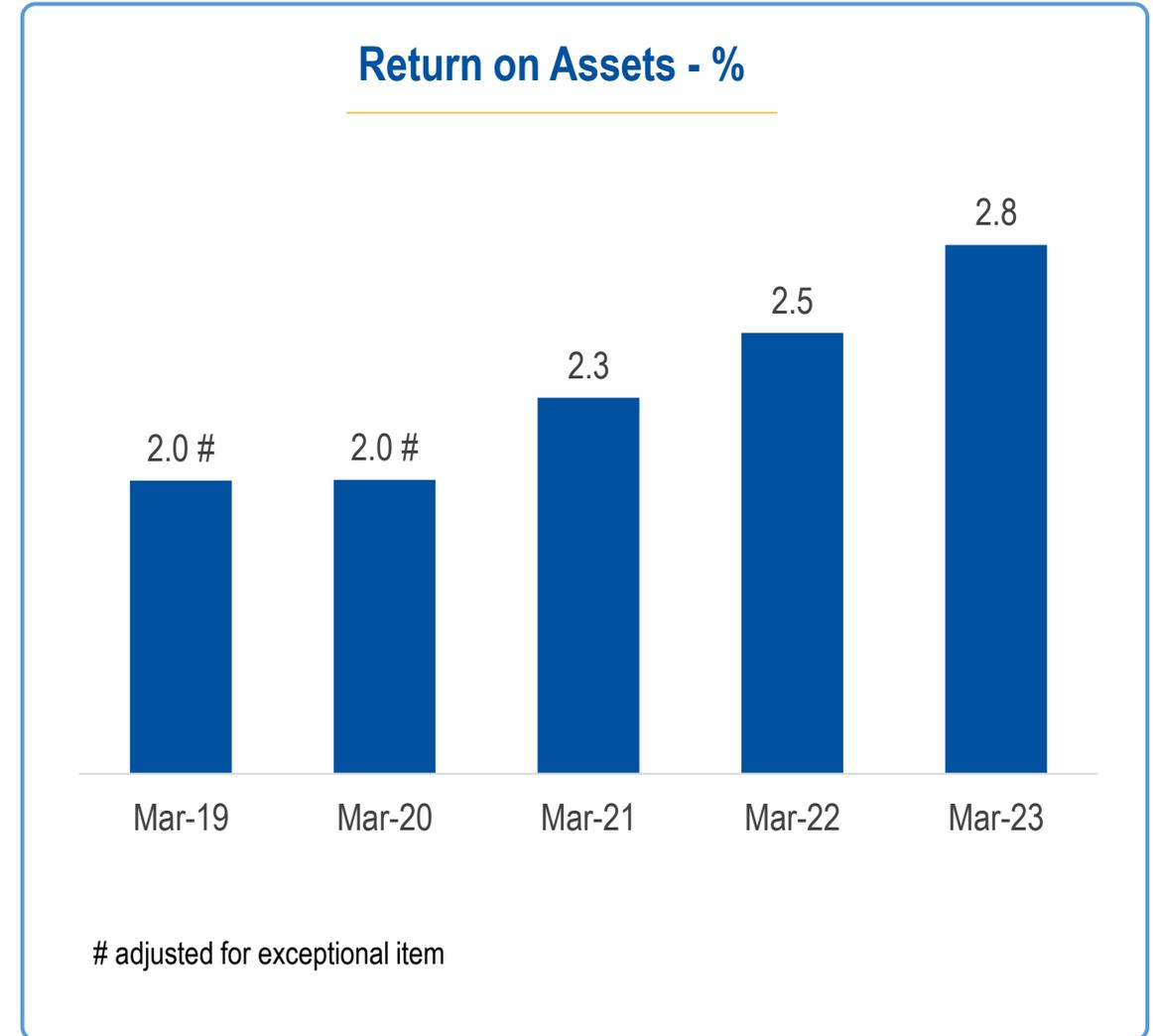
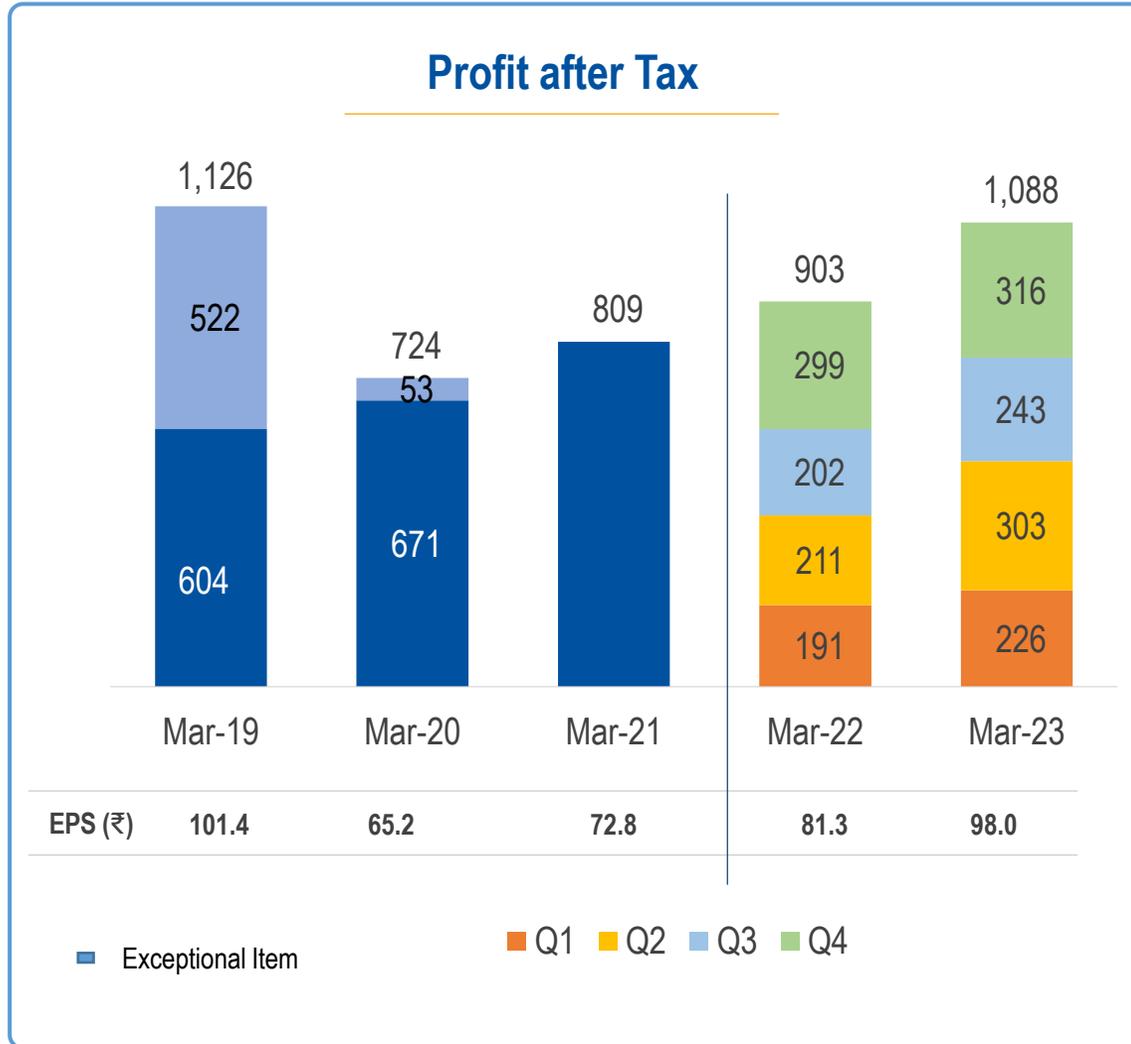


FUNDING MIX

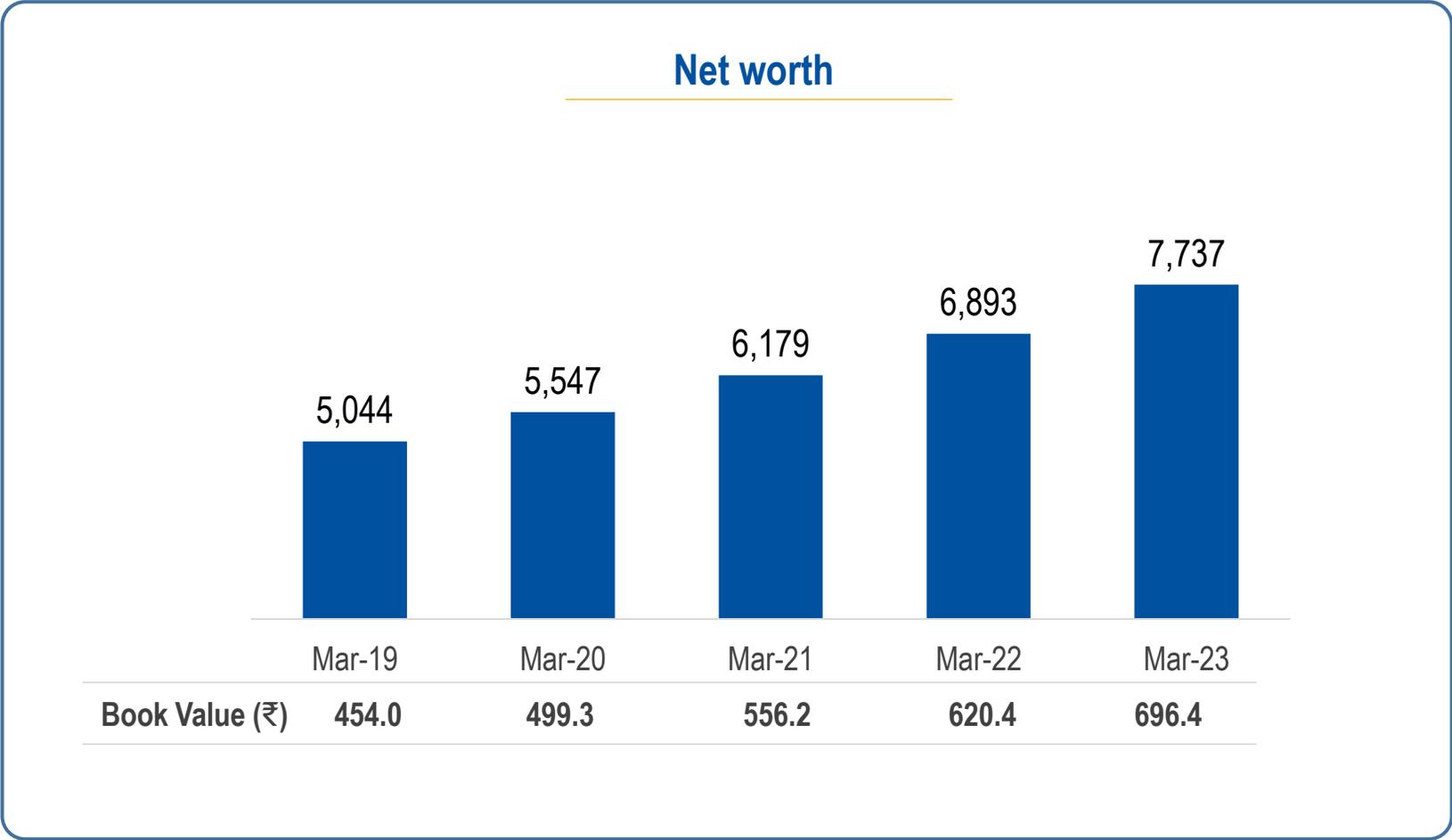


* Includes a) Term loans b) Commercial Papers and demand loans availed against the sanctioned limits.

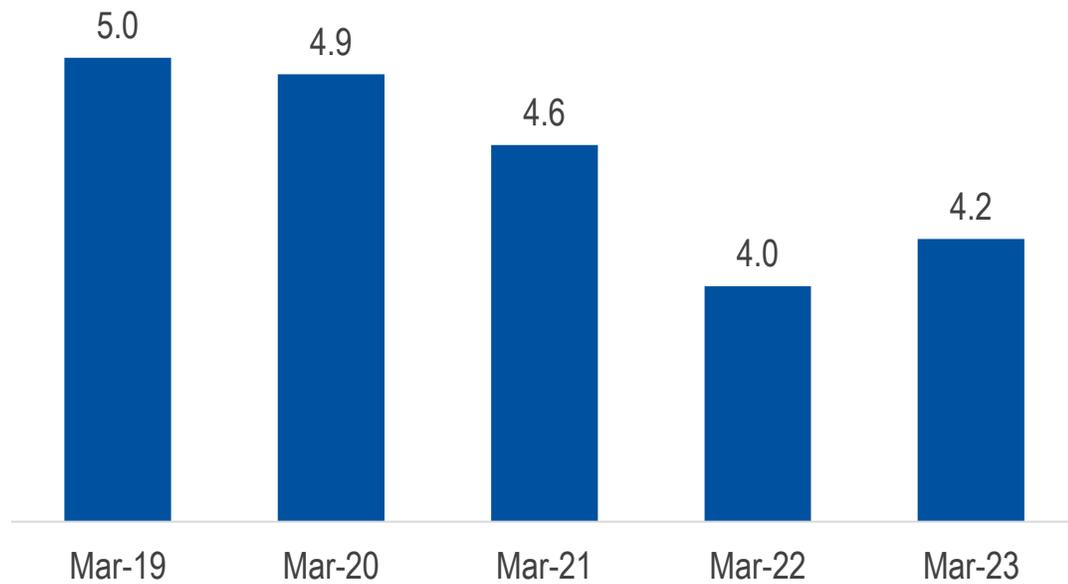
₹ in Crore



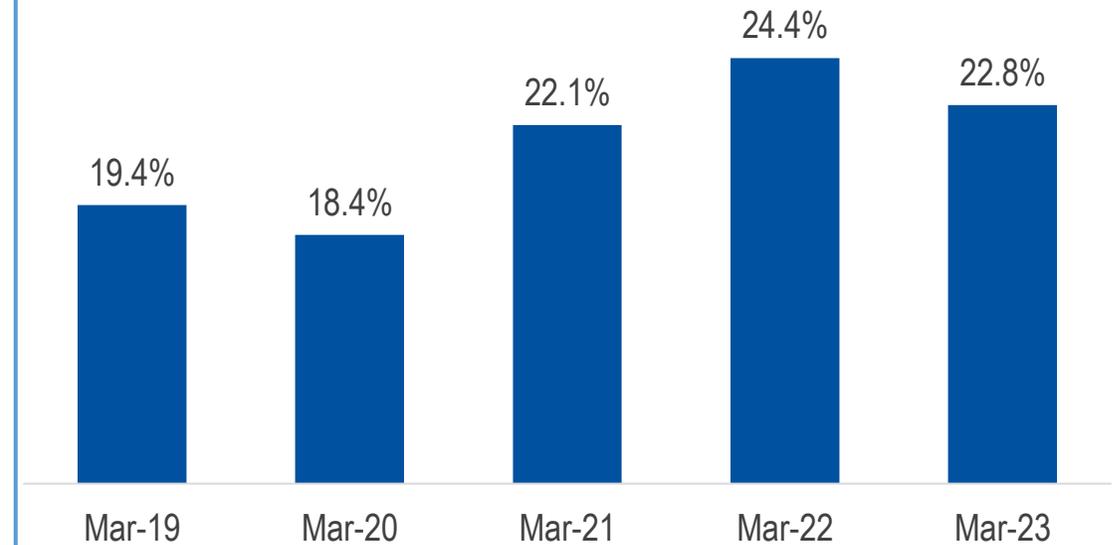
₹ in Crore

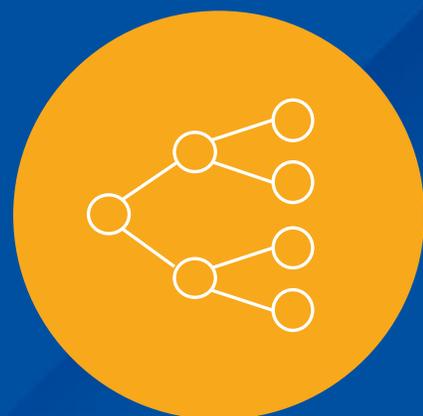


Leverage



Capital adequacy



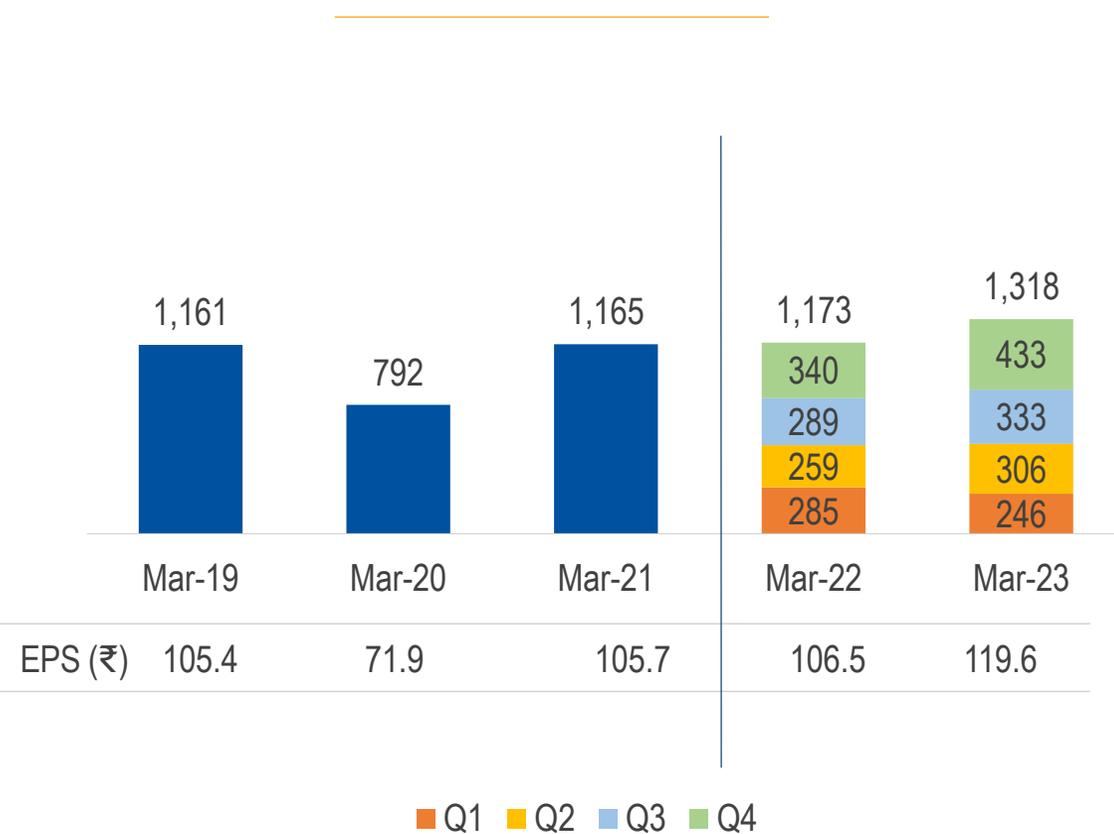


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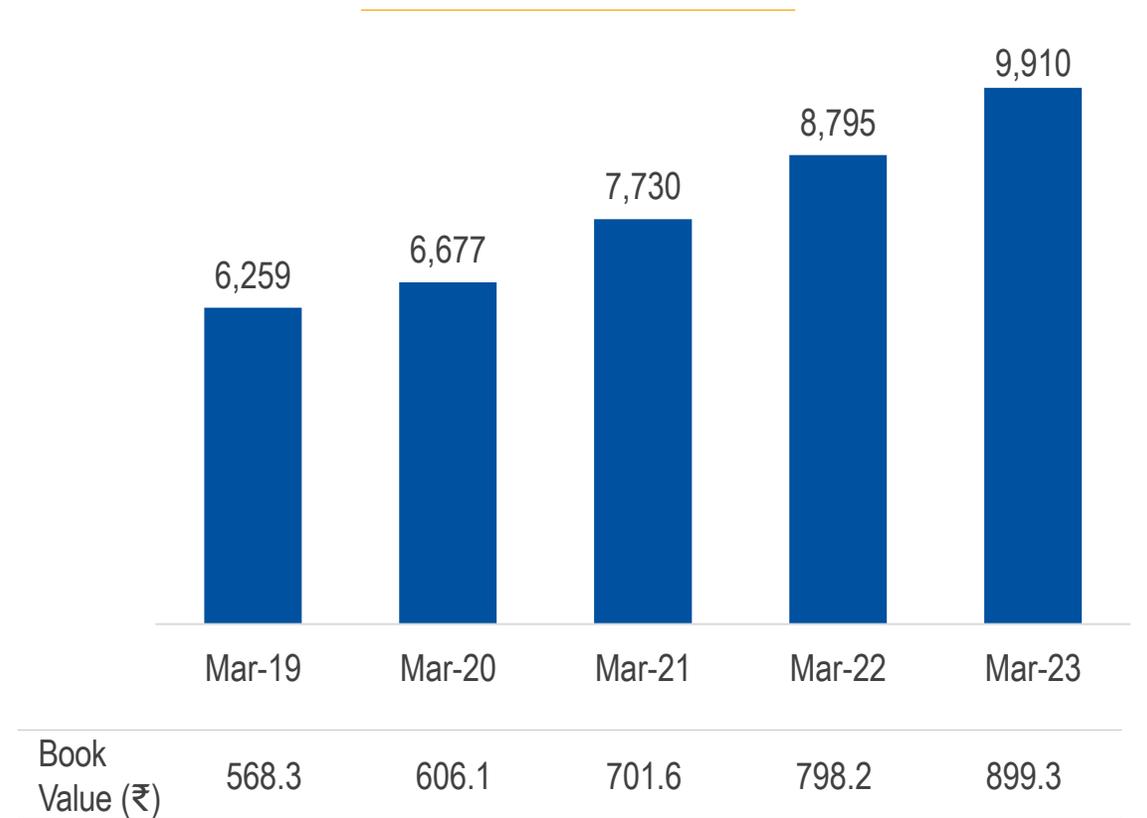
Consolidated results

₹ in Crore

Profit after Tax



Net Worth



CONSOLIDATED RESULTS

₹ in Crore

Particulars	Share of Net Worth		Share in Profit	
	31-Mar-22	31-Mar-23	FY22	FY23
Sundaram Finance Ltd.	6,893.09	7,737.40	903.41	1,088.31
Subsidiaries:				
Sundaram Home Finance Ltd.	1,654.98	1,805.03	167.70	215.41
Sundaram Finance Holdings Ltd. (Consolidated)	705.24	838.67	37.80	55.80
Sundaram Asset Management Company Ltd. (Consolidated)	364.08	404.15	71.63	73.11
Sundaram Fund Services Ltd.	39.06	41.11	2.27	2.03
Sundaram Finance Employees Welfare Trust	18.12	19.87	1.17	1.74
Sundaram Trustee Company Ltd.	2.62	3.58	0.97	1.26
LGF Services Ltd.	3.57	3.48	0.12	0.03
Joint Control Entities:				
Royal Sundaram General Insurance Co. Ltd.	773.49	721.38	86.21	21.77
Adjustment arising out of Consolidation	(1,659.42)	(1,664.82)	(97.94)	(141.67)
Total	8,794.83	9,909.85	1,173.34	1,317.81

Particulars	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
Disbursements (₹ in Crore)	1,204	961	794	3,901	2,311
Housing	54.6%	54.8%	56.1%	56.9%	66.3%
Non-Housing	45.4%	45.2%	43.9%	43.1%	33.7%
AUM (₹ in Crore)	11,181	10,564	9,495	11,181	9,495
Housing	64.9%	69.2%	69.6%	64.9%	69.6%
Non-Housing	35.1%	30.8%	30.4%	35.1%	30.4%
PAT (₹ in Crore)	65.3	52.6	53.1	215.4	167.7
EPS (₹)	6.45	5.19	5.24	21.27	16.56
Net worth (₹ in Crore)	1,805	1,739	1,655	1,805	1,655
Book Value (₹)	178.27	171.74	163.45	178.27	163.45
Gross Stage 3%	2.3%	2.9%	3.0%	2.3%	3.0%
Net Stage 3%	1.1%*	1.6%	1.6%	1.1%*	1.6%
CAR	23.5%	24.2%	25.7%	23.5%	25.7%
Branches	117	111	105	117	105
Staffs	1,127	1,047	861	1,127	861
Customers	41,431	40,605	40,237	41,431	40,237

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

* Net Stage 3 excluding restructured accounts is 0.85%.

Particulars	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
Gross Written Premium (₹ in Crore)	938	934	819	3,517	2,966
AUM (₹ in Crore)	7,673	7,744	7,282	7,673	7,282
PAT (₹ in Crore)	38	5	(17)	44	172
Other Comprehensive Income (Net of Taxes)	1	10	(25)	(121)	(54)
Total Comprehensive Income	39	15	(42)	(77)	118
Net worth (₹ in Crore)	1,443	1,404	1,547	1,443	1,547
Combined Operating Ratio	101%	112%	114%	111%	117%
Branches	164	161	158	164	158
Staffs	2,910	2,938	2,916	2,910	2,916
Customers	32,53,364	33,77,529	29,69,390	32,53,364	29,69,390

The current year's profit was lower than previous year majorly due to Mark to Market loss ₹ 78 cr. (net of tax) on equity investments compared to (a) Mark to Market gain ₹ 33 cr. (net of tax) and (b) impairment reversal on certain bonds of ₹ 37 cr. (net of tax) in the previous year.

Particulars	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
AUM (₹ in Crores)	54,804	56,787	54,901	54,804	54,901
Equity (₹ in Crores)	45,742	48,023	46,069	45,742	46,069
Debt (₹ in Crores)	9,062	8,764	8,832	9,062	8,832
PAT (₹ in Crores)	19	20	(1)	73	72
Net worth (₹ in Crores)	404	385	364	404	364
Staffs	506	501	478	506	478
Retail Investors	13,19,288	14,19,082	13,09,851	13,19,288	13,09,851
Branches	85	85	85	85	85

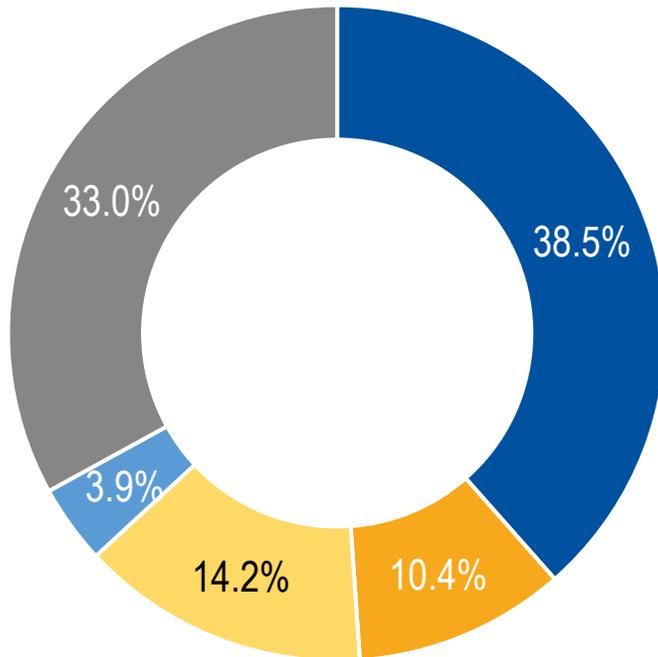
The profits for FY23 is lower by ₹ 23 crores due to amortization of ₹ 234 crores of Asset Management rights consequent to the acquisition of Principal Mutual Fund in FY 22.



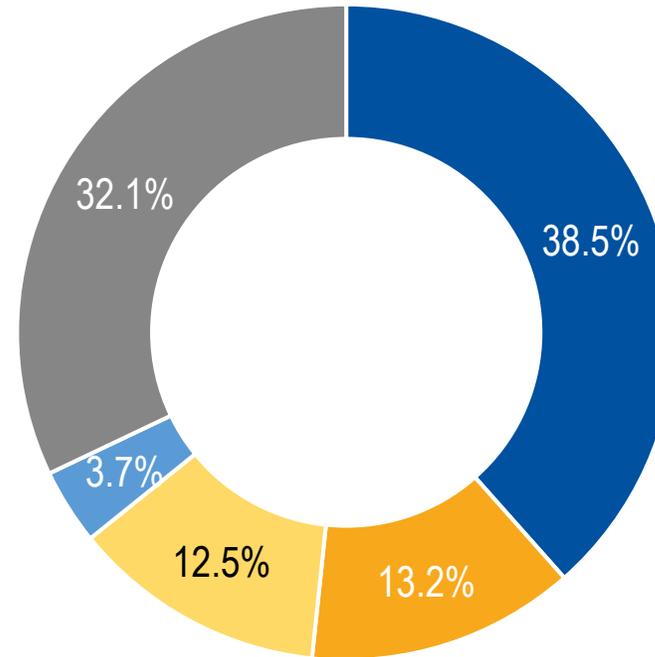
05

More about Sundaram Finance

31-Mar-22

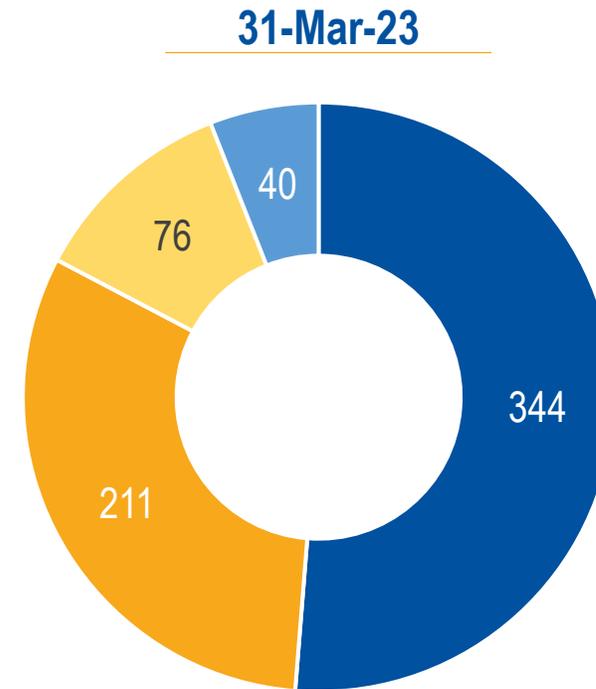
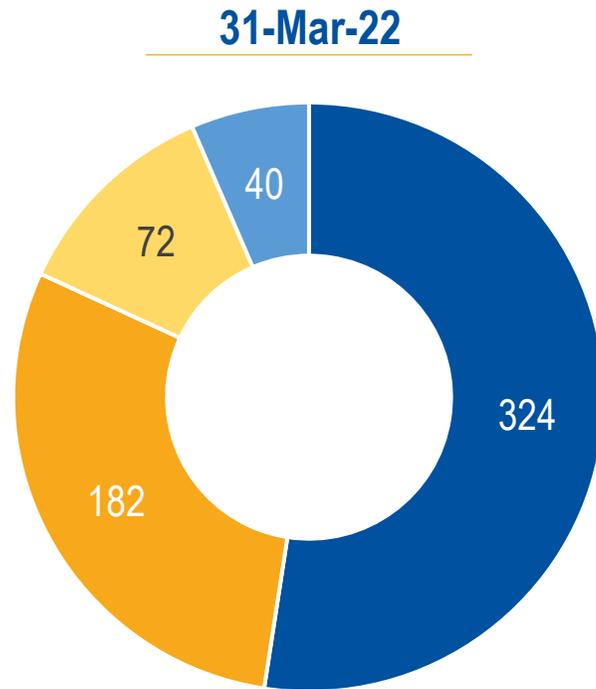


31-Mar-23



Top institutional shareholders As of 31st March 2023

Name of Shareholder	Share %
Axis Mutual Fund	5.51
Nalanda India Equity Fund Limited	3.78
ICICI Prudential Mutual Fund	2.83
Bright Star Investments Pvt Ltd.	2.37
HDFC Life Insurance Company Limited	1.98
Kotak Mutual Fund	1.56
United India Insurance Company Limited	1.25
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: **618**



No. of Staffs: **6,567**



No. of Branches: **671**



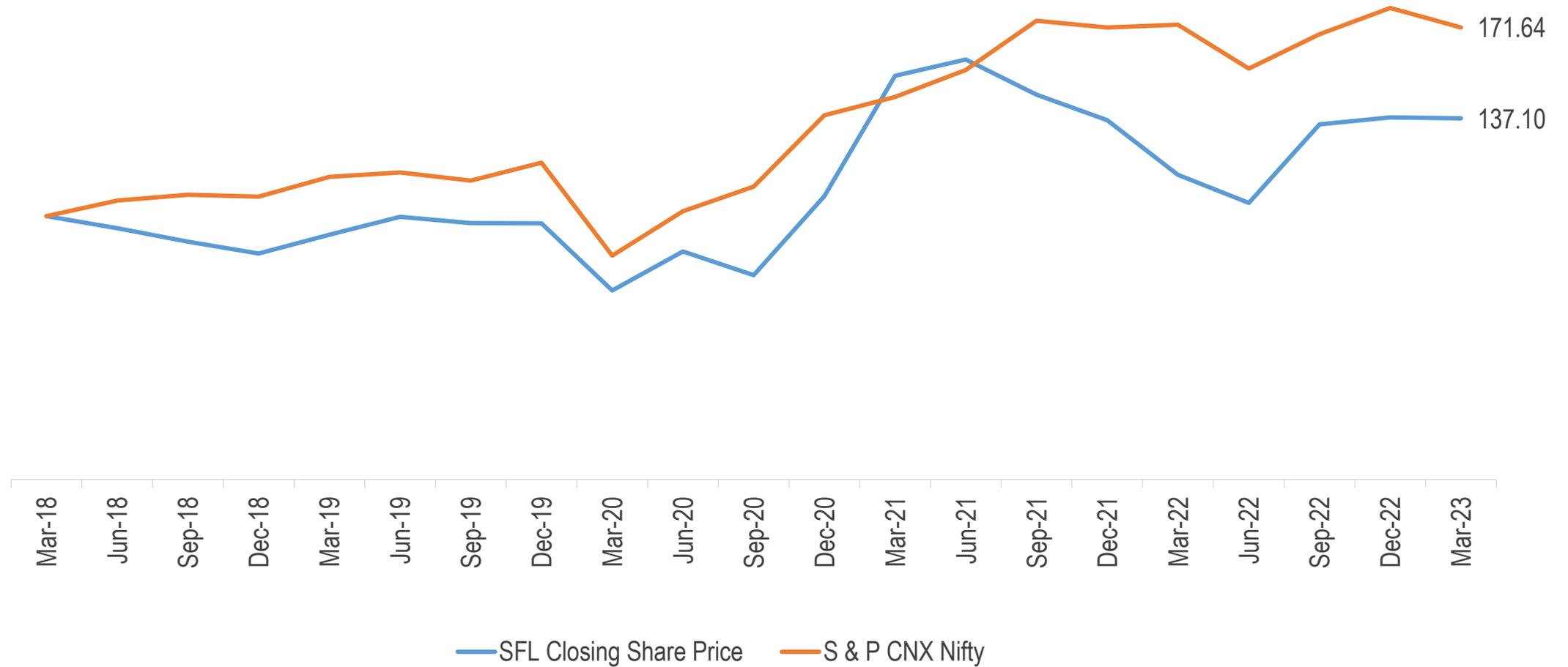
No. of Staffs: **7,371**

■ 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 2018





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 S Prasad

Independent Director

Has more than a **decade of experience** in industry as finance professional and over **42 years** as a practicing Chartered Accountant.



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 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 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 L Ganesh

Independent Director

Has over **47 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)

Ms Bhavani Balasubramanian Independent Director

Has over **4 decades of audit experience** including overseas experience. Formerly a partner of Fraser & Ross and Deloitte Haskins & Sells, with extensive experience in auditing a variety of clients, including listed companies and multinationals in different industries in India and abroad.



FCA
ACS

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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Sri P N Srikant

Secretary & Compliance Officer
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pnsrik@sundaramfinance.in