

SEC:174:2024-25/SM
November 4, 2024

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 the Unaudited Financial Results for the quarter and half year ended 30th September 2024.

Thanking you,

Yours truly,
For Sundaram Finance Limited

P.N. Srikant
CCO & Company Secretary

Encl: a/a

CC: The Corporate Relationship
Dept. of Corporate Services
BSE Limited
Floor 25, P J Towers
Dalal Street
Mumbai 400 001

Sundaram Finance Limited

Regd. Office: 21, Patullos Road, Chennai – 600 002, India PAN: AAACS4944A CIN: L65191TN1954PLC002429

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PRESS RELEASE

**Unaudited standalone & consolidated financial results for the half year ended
September 30, 2024**

Sundaram Finance logs highest-ever disbursements of Rs. 13,768 crores; AUM grows 20% to Rs. 48,058 crores

Net profit for H1FY25 stood at Rs. 648 crores

Profits from Operations up by 23% in H1FY25

Continued improvement in asset quality with Gross Stage 3 assets at 1.62% (1.86% as of September 30, 2023) and Net Stage 3 assets at 0.89% (1.08% as of September 30, 2023)

ROA at 2.50% for H1FY25 (2.95% for H1FY24)

Capital Adequacy Ratio at 20.0% (19.9% for H1FY24)

The Board of Directors of Sundaram Finance Ltd. (SFL) approved the unaudited standalone and consolidated financial results for the half year ended Sep 30, 2024, at its meeting held on Nov 04, 2024, in Chennai.

"Team Sundaram has delivered a balanced H1FY25 despite lower-than-expected economic activity in the half year. Assets under management grew by 20% to Rs. 48,058 crores compared to the prior year period. Net stage 3 assets closed at 0.89% and profit after tax for H1FY25 was at Rs. 648 crores. Our Group companies in asset management, general insurance and home finance have continued their trajectory from FY24 and recorded strong results. We continue to rely on our time-tested approach of steady and sustainable growth with best-in-class asset quality and consistent profitability," said Harsha Viji, Executive Vice Chairman.

Disbursements for H1FY25 recorded a growth of 3% over H1FY24. Gross stage 3 assets improved over the previous year. Gross stage 3 assets as on September 30, 2024, stood at 1.62% with provision cover of 45% as against 1.86% as on September 30, 2023, with provision cover of 42%. Core operations performed strongly with profit from operations up by 23% in H1FY25. Profits after tax was flat at Rs. 648 crores during H1FY25 and H1FY24 primarily due to a shift in the timing of dividend income last year. Dividend income was at Rs. 43 crores during H1FY25 as against Rs. 181 crores in H1FY24. Return on assets closed at 2.50% in H1FY25 as against 2.95% for H1FY24 and capital adequacy at 20.0% remains quite comfortable.

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“Economic activity in Q2 was well below expectations with the monsoons disrupting consumption and government spending being slower post the general elections. The tepid economic activity was exacerbated by growing concerns on asset quality in the microfinance and unsecured lending sectors. With no exposure in these segments, we delivered a well-balanced performance in a tough operating environment, recording operating profit growth of 23%. Looking ahead, we remain cautiously optimistic of a recovery in economic activity in H2 as domestic consumption and private sector capital expenditure resume and the central government’s infrastructure spend and policy agenda gather pace. Team Sundaram will continue to remain sharply focused on delivering the Sundaram experience to our customers, our people and all stakeholders,” said Rajiv Lochan, Managing Director.

STANDALONE PERFORMANCE HIGHLIGHTS FOR H1FY25

- Disbursements for H1FY25 grew by 3% to Rs. 13,768 crores as compared to Rs. 13,430 crores registered in H1FY24.
- The assets under management grew by 20% to Rs. 48,058 crores as on 30th September 2024 as against Rs. 40,106 crores as on 30th September 2023.
- Net interest income grew 19.4% to Rs. 1,304 crores in H1FY25 from Rs. 1,092 crores in H1FY24.
- Gross stage 3 as on 30th September 2024 stood at 1.62% with 45% provision cover as against 1.86% with provision cover of 42% as on 30th September 2023. Net stage 3 as on 30th September 2024 closed at 0.89% as against 1.08% as on 30th September 2023.
- The Gross and Net NPA, as per RBI’s asset classification norms for NBFCs, are 2.39% and 1.55% respectively as against 2.89% and 2.06% as of 30th September 2023.
- Profit from operations increased by 23% in H1FY25 as compared to H1FY24.
- Cost to income ratio closed at 32.27% in H1FY25 as against 35.18% in H1FY24.
- The dividend income was lower during H1FY25 at Rs. 43 crores as against Rs. 181 crores in H1FY24.
- Profit after tax was flat at Rs. 648 crores during H1FY25 and H1FY24.
- Return on assets (ROA) for H1FY25 closed at 2.50% as against 2.95% for H1FY24. Return on equity (ROE) was at 14.2% for H1FY25 as against 16.2% for H1FY24.
- Capital Adequacy Ratio stood at 20.0% (Tier I –16.4%) as of 30th September 2024 compared to 19.9% (Tier I – 15.9%) as of 30th September 2023.

CONSOLIDATED PERFORMANCE HIGHLIGHTS FOR H1FY25

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. 72,541 crores as on 30th September 2024 as against Rs. 60,578 crores as on 30th September 2023, a growth of 20%. The assets under management of our asset management business stood at Rs. 76,845 crores as on 30th September 2024 as against Rs. 61,884 crores as on 30th September 2023, a growth of 24%.
- Profit after tax for H1FY25 grew by 18% to Rs. 871 crores as compared to Rs. 741 crores in H1FY24.

GROUP COMPANY PERFORMANCE HIGHLIGHTS

Our group companies continued to perform well.

- The asset management business closed the half year ended 30th September 2024 with assets under management of Rs. 76,845 crores (around 85% in equity) and consolidated profits from the asset management businesses was at Rs. 68 crores as against Rs. 49 crores in H1FY24.
- Royal Sundaram reported a Gross Written Premium (GWP) of Rs. 2,053 crores as compared to Rs. 1,818 crores in the corresponding period of the previous year, representing a growth of 13%. The Company reported a profit after tax of Rs. 126 crores for H1FY25 as against a profit of Rs. 145 crores in H1FY24.
- Sundaram Home Finance continued to grow strongly with disbursements up by 26% to Rs. 2,896 crores in H1FY25. The profit for H1FY25 was Rs. 111 crores, as against Rs. 117 crores in H1FY24.

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

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the full range of general insurance products and services. It has a nationwide presence of over 700 branches, over 1.1 lakh depositors and over 4.75 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 in 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.

ABOUT TSF GROUP

With a legacy spanning a century, the TSF Group's interests cover the automotive and financial services sectors. Companies promoted by the TSF Group have combined revenue of more than Rs. 26,000 crores, 42,000 employees, 1,200 branches, and 36 factories. In the automotive industry, the TSF group operates across segments from component manufacturing, parts distribution, vehicle dealership and vehicle financing. The Group serves marquee customers across the globe and is known for high quality design-led manufacturing. The TSF Group companies are market leaders in their segments and include Brakes India, Wheels India, Axles India, Turbo Energy, IMPAL, Madras Auto Service, and Sundaram Motors. In financial services, the TSF Group promoted Sundaram Finance (founded 1954), one of the most respected names in the NBFC sector, with interests in automotive lending, general insurance, housing loans, and asset management. The financial services business has more than Rs. 72,000 crores in assets and a further Rs.76,000 crores in assets managed. The TSF Group comprises the T.S. Santhanam branch of the erstwhile TVS group and continues the tradition of Trust, Value and Service that the group has been known for this past century.

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

For further details, please contact:

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