



SEC: 262:2023-24/SM
February 5, 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 Unaudited Financial Results for the quarter and nine months ended 31st December 2023.

Thanking you,

Yours truly,
For Sundaram Finance Limited

P.N. Srikant
CCO & Company Secretary

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 and nine months ended
December 31, 2023**

Sundaram Finance logs highest-ever disbursements of Rs. 19,954 crores, 27% over 9MFY23; AUM grows 26% to Rs. 42,172 crores

Net profit for 9MFY24 up by 23% at Rs. 948 crores; Q3FY24 PAT up by 24% at Rs.300 crores

Continued improvement in asset quality with Gross Stage 3 assets at 1.77% (2.43% as of December 31, 2022) and Net Stage 3 assets at 1.02% (1.35% as of December 31, 2022)

Disbursements for Q3FY24 up by 15% over Q3FY23

ROA at 2.79% (2.78% in 9MFY23) and Capital Adequacy Ratio at 20.0% (23.3% in 9MFY23)

140% interim dividend (Rs. 14/- per share) declared

The Board of Directors of Sundaram Finance Ltd. (SFL) approved the unaudited standalone and consolidated financial results for the nine months ended December 31, 2023, at its meeting held on February 5, 2024, in Chennai.

"Team Sundaram has delivered a strong nine months and Q3 of FY24 despite lower-than-expected economic activity in the quarter. Assets under management grew by 26% to a new high of Rs. 42,172 crores, net stage 3 assets closed at 1.02% and profit after tax recorded a 23% growth to Rs. 948 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. 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 9MFY24 recorded a growth of 27% over 9MFY23 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. Gross stage 3 assets as on December 31, 2023, stood at 1.77% with provision cover of 43% as against 2.43% as on December 31, 2022, with provision cover of 45%. Profit after tax at Rs. 948 crores registered an increase of 23% in 9MFY24 as against Rs. 772 crores in 9MFY23. Return on assets at 2.79% as against 2.78% for 9MFY23 and capital adequacy at 20.0% remains quite comfortable to support planned growth.

Sundaram Finance Limited



“Q3 activity in the automotive space was well below expectations of the festival period, with several asset classes declining year-on-year and others growing in single digits. Despite this, team Sundaram has delivered a tremendous performance and we have struck a terrific balance between growth, asset quality and profitability. Q4 is off to an auspicious start but prospects will be influenced by the upcoming general elections in April-May and related events. We will continue to focus on extending our market share across all asset classes and geographies we operate in and on delivering the Sundaram experience to our customers, our people and other stakeholders,” said Rajiv Lochan, Managing Director.

STANDALONE PERFORMANCE HIGHLIGHTS FOR 9MFY24

- Disbursements for 9MFY24 recorded a growth of 27% to Rs. 19,954 crores as compared to Rs. 15,707 crores registered in 9MFY23. Disbursements for Q3FY24 recorded a growth of 15% to Rs. 6,524 crores as compared to Rs. 5,653 crores in Q3FY23.
- The assets under management grew by 26% to Rs. 42,172 crores as on 31st December 2023 as against Rs.33,558 crores as on 31st December 2022.
- Net interest income rose 16% in 9MFY24 compared to 9MFY23. For the quarter ending December 31, 2023, net interest income rose 17% over the corresponding quarter in FY23.
- The total restructured assets under Covid relief measures enabled by the Reserve Bank of India were at Rs. 343 crores, about 0.8% of loan outstanding, as on 31st December 2023.
- Gross stage 3 as on 31st December 2023 stood at 1.77% with 43% provision cover as against 2.43% with provision cover of 45% as on 31st December 2022. Net stage 3 as on 31st December 2023 closed at 1.02% as against 1.35% as on 31st December 2022.
- The Gross and Net NPA, as per RBI’s new asset classification norms for NBFCs, are 2.61% and 1.82% respectively as against 3.97% and 2.78% as of 31st December 2022.
- Cost to income ratio closed at 35.14% in 9MFY24 as against 34.80% in 9MFY23.
- Profit after tax registered a 23% rise in 9MFY24, with net profit at Rs. 948 crores. The company had registered a net profit of Rs. 772 crores in 9MFY23. Profit after tax registered a 24% increase in Q3FY24, with net profit at Rs. 300 crores as compared to Rs. 243 crores in Q3FY23.
- Return on assets (ROA) for 9MFY24 closed at 2.79% as against 2.78% for 9MFY23. Return on equity (ROE) was at 15.5% for 9MFY24 as against 14.2% for 9MFY23. If we exclude investments in subsidiaries and group companies, core ROE was at 17.2% for 9MFY24 as against 17.0% for 9MFY23.
- Capital Adequacy Ratio stood at 20.0% (Tier I –16.0%) as of 31st December 2023 compared to 23.3% (Tier I – 17.8%) as of 31st December 2022.
- The Company has declared an interim dividend of Rs. 14/- per share (140%).

Sundaram Finance Limited



CONSOLIDATED PERFORMANCE HIGHLIGHTS FOR 9MFY24

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. 63,658 crores as on 31st December 2023 as against Rs. 51,866 crores as on 31st December 2022. The assets under management of our asset management business stood at Rs. 67,272 crores as on 31st December 2023 as against Rs. 56,791 crores as on 31st December 2022.
- Profit after tax for 9MFY24 grew by 32% to Rs. 1,168 crores as compared to Rs. 885 crores in 9MFY23.

GROUP COMPANY PERFORMANCE HIGHLIGHTS

Our group companies continued to perform well.

- The asset management business closed the nine months ended 31st December 2023 with assets under management of Rs. 67,272 crores (over 85% in equity) and consolidated profits from the asset management businesses was at Rs. 74 crores as against Rs. 56 crores in 9MFY23.
- Royal Sundaram reported a Gross Written Premium (GWP) of Rs. 2,792 crores as compared to Rs. 2,579 crores in the previous year, representing a growth of 8%. The Company reported a profit after tax of Rs. 178 crores for 9MFY24 as against a profit of Rs. 6 crores in 9MFY23. Profit after tax during 9MFY24 includes net gain of Rs. 73 crores on Fair Value of Equity investments as against net loss on Fair Value of equity investments of Rs. 70 crores in 9MFY23.
- Sundaram Home Finance continued to grow strongly with disbursements up by 32% to Rs.3,559 crores in 9MFY24. The profit for 9MFY24 was Rs. 179 crores, up by 19% as against Rs.150 crores in 9MFY23.

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 700 branches, nearly 1.2 lakh depositors and over 4.5 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.

ABOUT TSF GROUP

With a legacy spanning a century, the TSF Group's interests span the automotive and financial services sectors. Companies promoted by the TSF Group have combined revenue of more than Rs. 21,000 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. 63,000 crores in assets and a further Rs. 67,000 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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Sundaram Finance Limited