



SUNDARAM FINANCE
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PRESS RELEASE

Audited standalone & consolidated financial results for the quarter and year ended March 31, 2022

Sundaram Finance Q4FY22 net profit up 43% at Rs. 299 crores and FY22 net profit up 12% at Rs. 903 crores

Disbursements for FY22 up by 13% (core business up by 23%) at Rs. 13,275 crores; disbursements for Q4FY22 up 13% at Rs. 3751 crores

Gross Stage 3 assets at 2.19% (3.39% as of December 31, 2021) and Net stage 3 assets at 1.07% (2.09% as of December 31, 2021)

ROA at 2.5% (2.3% in FY21) and Capital Adequacy Ratio at 24.2% (22.1% in FY21)

100% final dividend (Rs. 10 per share) declared

The Board of Directors of Sundaram Finance Ltd. (SFL) approved the audited standalone and consolidated financial results for the quarter and year ended March 31, 2022, at its meeting held on May 25, 2022, in Chennai.

"Overall economic activity improved in FY22 after a difficult first quarter due to Wave 2 of the pandemic, and demand remained robust across segments in the rest of the year. We regained share across most asset classes and grew our core business by 23% year-on-year, closed the year with best-in-class asset quality levels despite adversity and delivered double digit profit growth. This balance, consistent with our philosophy of Growth with Quality & Profitability (GQP), provides us confidence and optimism as we head into FY23," said Harsha Viji, Executive Vice Chairman.

Disbursements for FY22 recorded a growth of 13% to Rs. 13,275 crores as compared to Rs. 11,742 crores registered in FY21. Adjusting for the ECLGS scheme disbursements, a one-time Covid dispensation, core business grew by 23% YOY in FY22. Gross Stage 3 assets as on March 31, 2022, stood at 2.19% with provision cover of 52% as against 1.84% as on March 31, 2021, with provision cover of 46%. Profit after tax for Q4FY22 grew 43% year-on-year to Rs. 299 crores while profit after tax for full year FY22 grew 12% to Rs. 903 crores as against Rs. 809 crores in FY21.

"With the pandemic seemingly behind us thanks to robust vaccination and improving immunity, we go into FY23 with tailwind from a strong close to FY22. While geopolitical tensions globally and consequent inflation domestically create near-term macroeconomic uncertainty, we are geared up to extend our market share across all asset classes while continuing to ensure industry-best asset quality & continued delivery of the Sundaram experience. In addition to our traditional strengths in commercial vehicle & passenger car segments, the areas that we have diversified and grown in the last few years – Construction Equipment, Tractors & Farm Equipment and SME financing – are strong growth drivers for us going forward," said Rajiv Lochan, Managing Director.

Sundaram Finance Limited

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**STANDALONE PERFORMANCE HIGHLIGHTS FOR Q4 & FY22**

- Disbursements for Q4 FY22 was at Rs. 3,751 crores as compared to Rs. 3,305 crores in Q4 FY21. Adjusting for the pandemic induced ECLGS scheme, disbursements in Q4 FY22 grew 16% over Q4 FY21. Disbursements for FY22 recorded a growth of 13% to Rs. 13,275 crores as against Rs. 11,742 crores in FY21. Adjusting for the pandemic induced ECLGS scheme, core business disbursements grew 23% in FY22 compared to FY21.
- The assets under management stood at Rs. 29,532 crores as on 31st March 2022 as against Rs. 30,882 crores as on 31st March 2021.
- Pursuant to RBI's notification on Resolution Framework 2.0 related to advances to customers, assets totalling Rs. 722 crores, about 2.48% of loan outstanding, were restructured during FY22. The total restructured assets under Covid package were Rs. 1,417 crores, about 4.85% of loan outstanding, as on 31st March 2022.
- Gross stage 3 assets as on 31st March 2022 stood at 2.19% with provision cover of 52% when compared to 1.84% with 46% provision cover as of 31st March 2021. Net stage 3 assets as of 31st March 2022 closed at 1.07% as against 1.01% as of 31st March 2021.
- With a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions, RBI vide its circular dated 12th November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances" has clarified the NPA norms for NBFCs. RBI vide its clarification dated February 15, 2022, has given time till September 30, 2022, for implementation of certain provisions relating to "IRACP" stipulated in their circular dated November 12, 2021. In line with the RBI clarification, the company would comply with the said Regulations effective 01st October 2022. The Company continues to prepare the financial results in accordance with the applicable Ind-AS guidelines and maintains adequate ECL provisions as per Ind AS 109.

If the company had adopted the provisions of the 12th November circular from the RBI, the Gross and Net NPA would be 5.88% and 4.52% respectively. As the company has indicated earlier, the underlying business risk has not undergone any material change.

- Cost to income ratio closed at 30.92% in FY22 as against 30.55% in FY21.
- The deposit base stood at Rs. 4,103 crores as on 31st March 2022, a net accretion of Rs. 82 crores over 31st March 2021.
- Profit after tax for FY22 closed at Rs. 903 crores (Rs. 809 crores in FY21), up 12%. Profit after tax for Q4 FY22 closed at Rs. 299 crores (Rs. 209 Crores in Q4 FY21), up 43%.
- Return on assets (ROA) for FY22 closed at 2.5% as against 2.3% for FY21. Return on equity (ROE) was at 13.82% for FY22 as against 13.80% for FY21. If we exclude investments in subsidiaries and group companies, core ROE was at 18.2% for FY22 as against 19.3% for FY21.

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- Capital Adequacy Ratio stood at 24.2% (Tier I – 17.3%) as of 31st March 2022 compared to 22.1% (Tier I – 15.2%) as of 31st March 2021.
- The Company has declared final dividend of Rs.10 per share (100%). The dividend for the financial year FY 22 is Rs. 20 per share (200%) which includes interim dividend of Rs. 10 per share (100%).

CONSOLIDATED PERFORMANCE HIGHLIGHTS FOR Q4 & FY22

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 businesses (Sundaram Finance & Sundaram Home) and general insurance business (Royal Sundaram) stood at Rs. 46,309 crores as on 31st March 2022 as against Rs. 46,772 crores as on 31st March 2021. The assets under management of our asset management business (Sundaram Mutual) stood at Rs. 53,860 crores as on 31st March 2022 as against Rs. 41,196 crores as on 31st March 2021.
- Consolidated profit after tax stood at Rs. 1,173 crores for FY 22 as against profit after tax of Rs. 1,165 crores in FY 21.

GROUP COMPANY PERFORMANCE HIGHLIGHTS

Our group companies continued to perform well in difficult business conditions.

- Sundaram Mutual closed the year ended 31st March 2022 with assets under management of Rs. 53,860 crores (over 85 % in equity) and consolidated profits from the asset management businesses grew from Rs. 55 crores in FY 21 to Rs. 72 crores in FY 22, an increase of 31%. During the financial year FY22, Sundaram Mutual successfully completed the integration of Principal Asset Management's business.
- Royal Sundaram General Insurance, our joint venture with Ageas of Belgium, delivered Gross Written Premium of Rs. 2,966 crores in FY22, a 3% increase over Rs. 2,883 crores in FY21. The profit for FY22 was at Rs. 172 crores as against Rs. 313 crores in FY21, the decrease being due to two main reasons: i) lower motor claims because of extensive nation-wide lockdowns in FY21, and ii) benefit on fair value of equity investments in FY21.
- Disbursements of Sundaram Home Finance were up by 84% to Rs. 2,311 crores in FY22. The profit for FY22 was Rs. 168 crores as against Rs. 192 crores in FY21.

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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, a range of working capital products for financing diesel, tyres, insurance as well as working capital for SMEs and the distribution of financial products & solutions for the savings, protection, credit and investment needs of consumers. 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 nation-wide presence of over 600 branches, over 1.25 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 of 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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