



SUNDARAM FINANCE
Enduring values. New age thinking.

SEC:068:21-22/PV
September 16, 2021

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.

NSE Symbol: SUNDARMFIN

Dear Sirs,


Re: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We enclose an interview of our Managing Director, Sri Rajiv C Lochan, that has been published in today's edition of The Business Line (16th Sept 2021), for your records.

Thanking you.

Yours faithfully,

For Sundaram Finance Limited



P. Viswanathan
Secretary & Compliance Officer

Encl: Paper cutting – scanned copy – Businesline dated 16th sept 2021

Sundaram Finance Limited

Sundaram Finance eyes 'decent' growth in FY22 amid limited stress

Commercial vehicles and construction equipment segments show promise

G BALACHANDAR

Chennai, September 15

Sundaram Finance Ltd, a leading NBFC in the country, said it continues to see accounts from a few segments seeking restructuring and delinquency rates move northwards amid improving business.

Though business is returning to pre-second wave levels, there are still accounts up for restructuring, especially in the education and school bus segment, which is a fairly big portfolio for the company. Tourist buses have been impacted, as have inter-State buses.

In the car segment, tourist taxis have been impacted. In pockets, market load operators on haulage have been affected, said Rajiv Lochan, Managing Director, Sundaram Finance, in an exclusive interaction with *BusinessLine*.

As of March 31, the company had restructured 4.2 per cent of its portfolio, and

this year it has further restructured 2.6 per cent. That is higher than industry. Delinquency rates increased to 4.2 per cent by the end of June.

"We are still quite good compared to the industry," he added.

Growth complications

The first round of restructuring last year was in the commercial vehicle (CV) and bus segments.

Many who expected recovery in Q4 did not opt for it. Some school bus operators, inter-State bus operators and tourist buses expected recovery this year, but the second wave hit them hard and they have come for restructuring now.

The other complication is that viability of operators has been impacted. Freight rate has not increased in the last six months, there has been excess capacity in the system, return trips have been empty, and diesel prices



Rajiv Lochan, MD, Sundaram Finance

have gone up. There are also Covid-related temporary issues.

Rallying business

Nevertheless, business has been picking up and getting better every succeeding month. September is also trending well.

"Compared to FY20, we will still do decent, especially if the third wave does not hit us too badly. We have to go granular. In terms of growth, that's the thrust. We are seeing steady progress," Lochan said.

There are a few segments that promise a favourable growth outlook for the company in the coming years.

The tipper and construction equipment (CE) segments have picked up on the back of infrastructure activities.

"I expect a secular positive growth in the next three years in CE, which constitutes over 10 per cent of our business. It has gained momentum in the last three years and I see it gaining even more traction going forward. The agri-related segment (tractors or farm equipment) that constitutes about 7-8 per cent is doing well. Going forward, we expect to see double digit growth in this segment," said Lochan.

Within the CV segment, the company has diversified into the intermediate CV, used CV, light CV and small CV segments over the last decade, and these are witnessing growth driven by e-commerce.

"We are seeing a nice momentum in this space. There is real action for us in these three asset classes. In the passenger vehicle segment, which constitutes 25 per cent of the business, we will ride with the wave," Lochan added.

Leadership structural rejig at Tata Sons ruled out

Ratan Tata, N Chandrasekaran dismiss speculations

OUR BUREAU

Mumbai, September 15

Ratan Tata and N Chandrasekaran, Chairman, Tata Sons, on Wednesday dismissed speculations of leadership structural changes and the appointment of a new CEO.

"We are extremely disappointed with the recent media reports regarding a major



N Chandrasekaran, Chairman, Tata Sons

revamp in the TATA groups organisation framework through a speculative company-wise restructure with me seen to be critical to im-

plementing this change," Tata said, adding that such speculation can only serve to cause disruption amongst a team that has been operating smoothly with impressive growth in market value.

A Bloomberg report had suggested on Tuesday that there would be a structural change in the leadership of Tata Sons and a new CEO could be appointed.

"I would like to state that no leadership structural changes are on the anvil," Chandra said in a statement.

He added that any such de-

terminations, if relevant, are taken by the Nomination and Remuneration Committee. "We are extremely disappointed with such stories that create disruption to regular operations," he further said.

BusinessLine had reported on Tuesday that it was unlikely that the company will appoint a CEO.

"As per SEBI norms, only listed companies are mandated to have a separate CEO and Chairman. Since Tata Sons isn't a listed company, this move is not on the cards," a source had told *BusinessLine*.

+ NCLT reserves orders on fresh waiver plea by Valli Arunachalam

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