

ARCs are gearing up to buy, resolve stressed retail loans

BIZ REDESIGN. Move comes amid falling corporate loan stress for future growth

K Ram Kumar
Mumbai

With stress in lenders’ corporate loan book coming down, asset reconstruction companies (ARCs) are gearing up their operations towards acquiring and resolving stressed retail loans.

This move is in anticipation of the ripple effect that sour loans in the unsecured personal loan portfolio can have on the secured loan book.

Hari Hara Mishra, CEO, Association of ARCs in India (AACRI), said: “ARCs are looking forward to new opportunities in the retail segment, with 21 out of 27 ARCs already handling retail NPAs (non-performing assets). “The business models of ARCs are undergoing a quiet makeover towards retail in terms of manpower, technology and alliances with service providers.”

Crisil Intelligence, in its industry study for ARCII’s upcoming initial public offer, noted that lower corporate NPAs have propelled the downward trend in scheduled commercial banks’ (SCBs) gross NPAs. The GNPA levels of large

borrowers (with aggregate exposure of ₹5 crore and above) in SCBs declined significantly from 14.3 per cent in FY19 to 3 per cent in FY24.

The study forecast that overall GNPA levels of SCBs are set to witness a calibrated rise in FY26.

The report underscored that stress in unsecured lending segment, comprising consumer loans, personal loans, and credit cards, has witnessed a rapid growth, with a CAGR (compounded annual growth rate) of 16.5 per cent, 26.9 per cent and 29.1 per cent, respectively, between FY20 and FY25.

VULNERABILITY RISES

This growth has been driven, in part, due to overleveraging by low-income borrowers, who took multiple unsecured loans, per the report. As a result, the segment’s vulnerability to defaults and delinquencies has increased. The overall NPA under retail segment was about ₹1.5 lakh crore as of March 31, 2025. Stress in the retail segment has been increasing in the last few years mainly due to the unsecured lending segment.

“Many borrowers availing credit cards and personal



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loans also have another live retail loan outstanding, which are often high-ticket loans (that is housing and/or vehicle loan).

“When any loan account of a borrower in a bank/FI becomes an NPA, all other loans (even if standard) of that borrower will also be classified as non-performing by that bank/FI,” the study

said. So, larger, secured loans of a borrower can also face delinquency risks due to defaults in smaller personal loans. Crisil Intelligence expects retail NPAs to witness some rise, primarily due to increasing NPAs under unsecured segments.

SIGNIFICANT SHIFT

AARCI’s Mishra underscored that in the last five years, the composition of bank loans has undergone significant change, with personal loans growing over three times as compared to growth in industry loans. Now, personal loans constitute the largest segment of loans.

“Acquisition of stressed retail loans last year was only 15 per cent of the security receipts (SRs) issued by ARCs. This proportion is likely to go up as corporate loans shrink and retail stressed loan acquisition grow,” he said. Unlike stressed corporate loans, where cashflows on account of recovery action are back-ended, Mishra opined that recovery from stressed retail loans such as housing will result in greater certainty and regularity in terms of cash flows for ARCs.

Sanjiv Goenka to head Telangana Sports Hub

Our Bureau
Hyderabad

The Telangana government has appointed Sanjiv Goenka, Chairman of the RP Sanjiv Goenka Group, as the Chairman of the Sports Hub to promote the sports ecosystem in the State.

Upasana Kamineni, founder of URLife and granddaughter of Apollo Hospitals founder Prathap Reddy, will be the Co-Chairwoman of the Hub. Former India Cricket captain Kapil Dev and former badminton player Pullela Gopichand are among the other members in the Hub.

POLICY GUIDANCE

“The Sports Hub will act as an umbrella organisation, providing strategic leadership and policy guidance in key areas such as infrastructure development, training and sports education.

The Hub will manage the Telangana Sports Development Fund (TSDF).

Chief Minister A Revanth Reddy recently launched a ‘Sports Policy’ to make the State compete with world in sports and win medals in the Olympics and promote public-private partnership in sports to avoid political interference. He said the policy would be included as one chapter in TelanganaRising 2047 vision document.

Ghose panel indicts KCR, contractors for Kaleshwaram lift irrigation project failure

Our Bureau
Hyderabad

Justice P C Ghose Commission has held former Telangana Chief Minister K Chandrashekar Rao (KCR) responsible for the failure of the Kaleshwaram lift irrigation project (KLIP), which left the State in a huge financial burden of over ₹1 lakh crore.

The Commission also found infrastructure companies L&T, Afcons, Navayuga were “hand in glove with project authorities”.

“They acted with malicious intention for undue benefit. They are responsible for rectifying defects at their cost,” the Commission said in its 665-page report submitted to the State government recently.

The Commission rejected the claim made by L&T (that it merely executed the works as per the design given to it is therefore) as unacceptable citing e-mail correspondence that showed the agency was involved in finalising the design.

“There was rampant and brazen procedural and financial irregularities. The project, supposed to be a lifeline of the State, became a colossal waste of public money due to a profound failure of governance planning, technical oversight, and financial discipline, driven by the indi-



Former Telangana CM K Chandrashekar Rao

vidual decisions and undue influence of political leadership,” it said.

Presenting the highlights of the report to media after the State Cabinet studied the report on Monday, Irrigation Minister Uttam Kumar Reddy has said that KCR was singularly blamed for the collapse of the project.

HUGE BURDEN

What started as a ₹38,500 crore project escalated to ₹71,436 crore, and then to ₹1.10 lakh crore by March 2022. The Government went for off Budget borrowings to the tune of ₹87,449, resulting in a huge burden of debt servicing.

As of September 2024, the government repaid ₹29,737 crore towards principal and interest. This leaves the outstanding principal of ₹64,212

UNDER THE LENS

- The project left Telangana with a debt of over ₹1 lakh crore
- Infrastructure firms L&T, Afcons, and Navayuga were found to be “hand in glove” with project authorities

crore with an interest burden of ₹41,638 crore, the commission noted.

Chief Minister A Revanth Reddy said that the report will be discussed in the Assembly and Legislative Council and will take a decision on further course of action. The project was aimed at lifting water from the river Godavari and diverting it to a network of reservoirs, providing irrigation and drinking water to different parts of the State.

The Congress Government appointed the Commission led by Ghose, a former Supreme Court judge and Lok Pal Chairman, to investigate negligence, irregularities, and deficiencies in the planning, design, construction, and operation and maintenance of the project.

It was also asked to identify and fix responsibility for any undue favours extended to agencies or contractors.

IRDAI slaps ₹5 cr penalty on Policybazaar for violation of various norms

Our Bureau
Hyderabad



The Insurance Regulatory and Development Authority of India (IRDAI) has imposed a penalty of ₹5 crore on Policybazaar web aggregator, now known as Policybazaar Insurance Brokers.

The penalty was imposed “along with direction, advisory and caution for various violations established under Insurance Act, 1938 and Rules and Regulations,” the insurance regulator said on Monday.

Some of the violations of the norms by company, according to the IRDAI included ranking the ULIP plans of only five insurance companies as ‘top products’ while having agreements

with other than these five companies for distribution/solicitation of insurance business, designating 24 plans of some insurers as ‘Best Life Insurance Plans in India 2020’ and mention of ‘Top plans – Health Insurance’ from 12 which is not permitted.

Violation or norms were also seen in key managerial personnel and employees of the web aggregator having directorships in other companies in addition to the same in Policybazaar and non-disclosures to the regulator.

Rupee falls amid dollar demand from oil firms

Our Bureau
Mumbai

The rupee could not hold on to early gains on Monday arising from dollar’s weakness, with persistent demand for the greenback from oil companies and foreign fund outflows weighing it down.

This came amid continuing uncertainty relating to the impact of US’ 25 per cent tariffs on Indian exports.

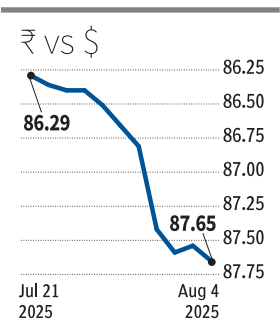
Market players say the RBI allowed the six-month \$5 billion USD/INR buy/sell swap it conducted on January 31, 2025, to mature. This is likely to boost dollar liquidity to that extent and support the rupee.

The Indian currency closed at 87.6550 per dollar, down about 12 paise against Friday’s close of 87.54.

In the last 10 days, the rupee has weakened about 114 paise from the 86.52 closing level on July 25 so far.

The Reserve Bank of India had conducted a \$5 billion USD/INR buy/sell swap auction on January 31, 2025, as part of its efforts to infuse durable rupee liquidity in the banking system, which was then reeling under a deficit. Once the swap matures, the reverse happens – RBI sells dollars and sucks out rupee liquidity.

V Rama Chandra Reddy, Head – Treasury, Karur Vysya Bank, observed that with abundant rupee liquid-



ity (of about ₹4 lakh crore), allowing the swap to mature will not make much of a dent on the overall banking system liquidity. The swap will bolster dollar liquidity with banks to the tune of \$5 billion.

Some banks, which deployed funds from FCNR(B)

deposits in the USD/INR buy/sell swap with RBI, may choose to go for a USD/INR sell/buy swap with counterparty banks if they want to boost rupee funds, he said.

KEY FACTORS

Dilip Parmar, Senior Research Analyst, HDFC Securities, said the rupee has weakened in six of the past seven days, primarily due to foreign fund outflows and liquidity adjustments by the RBI following the maturity of a \$5 billion USD/INR swap.

The forward premium also jumped to reflect the potential interest rate differential between the US and India after Friday’s job data from US.

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NOTICE OF 63rd ANNUAL GENERAL MEETING
Dear Member(s),
1. Notice is hereby given that the Sixty Third Annual General Meeting of the Company ("63rd AGM") will be convened on Friday, the 29th August 2025 at 3.30 P.M. through Video Conference / Other Audio Visual Means ("VC") facility, in compliance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder read with Circulars of Ministry of Corporate Affairs issued pursuant to conducting of Annual General Meeting.
2. The Notice of the 63rd AGM and the Annual Report for the year 2024-25 including the financial statements for the year ended 31st March, 2025 ("Annual Report") will be sent only by email to all those Members, whose email addresses are registered with the Company / RTA or with their respective Depository Participants ("Depository").
3. The instructions for e-voting and for participating in the AGM are provided in the Notice of the AGM. The Notice of the AGM and the Annual Report will also be available on the website of the Company i.e. www.thanjavurspinningmill.co.in and CDLS's e-voting portal at https://www.evotingindia.com.
4. Members holding shares in physical mode and have not registered their E-Mail ID may update the same by submitting form ISR – 1 to M/s. Cameo Corporate Service Limited, our Registrar to an Issue and Share Transfer Agent. Members holding shares in demat mode may contact their respective depository participant for the same.
5. The Cut-Off Date is 22-08-2025, for determining the eligibility of the shareholders to vote by remote e-voting or in the AGM.
6. Members holding shares in physical mode and members who have not registered their E-Mail ID with the Company / RTA and Depository Participant and the members who have acquired shares after the dispatch of the notice and holding shares as of Cut-Off Date, may cast their vote through remote e-voting or through the e-voting during the meeting, by following the procedures mentioned in Point No: 7(iv) or (vi) of the Notice convening the AGM.
Members may also note:
a) Voting Rights shall be in proportion to the Equity Shares held by the Members as on the Cut-Off Date.
b) Remote e-voting will commence at 9:00 A.M. on Tuesday, the 26th August, 2025 and end at 5:00 P.M. on Thursday, the 28th August, 2025. During this period, Members holding shares as on the Cut-Off Date, may cast their votes electronically.
c) Those Members, who will be present in the AGM through VC and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through remote e-voting system during the AGM.
d) Members who have cast their votes by remote e-voting prior to the AGM may also attend and participate in the AGM through VC but shall not be entitled to cast their votes again.
e) If you have any queries or issues regarding attending AGM & e-voting from the CDLS e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or call Toll Free no 1800 210 99 11.
Contact details of M/s. Cameo Corporate Service Limited (RTA): No.1, Club House Road, Chennai-600 002, Ph: 044-28460390, email: priya@cameoindia.com, www.cameoindia.com.

For THANJAVUR SPINNING MILL LIMITED
P.J. RAMKUMAR RAJHA
DIRECTOR
Place: RAJAPALAYAM
Date: 04-08-2025

SUNDARAM FINANCE
Enduring values. New age thinking.

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2025
(₹ in crores)

Particulars	Standalone				Consolidated			
	Quarter Ended 30.06.2025	Quarter Ended 31.03.2025	Quarter Ended 30.06.2024	Year Ended 31.03.2025	Quarter Ended 30.06.2025	Quarter Ended 31.03.2025	Quarter Ended 30.06.2024	Year Ended 31.03.2025
Total income from Operations (net)	1,883.23	1,803.39	1,467.82	6,520.44	2,348.93	2,259.05	1,951.60	8,485.63
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	559.69	726.92	402.16	2,061.68	575.32	764.78	524.55	2,447.39
Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	559.69	726.92	402.16	2,061.68	575.32	764.78	524.55	2,447.39
Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	428.72	545.85	307.65	1,542.65	475.21	552.98	434.85	1,879.44
Owners of the Company	428.72	545.85	307.65	1,542.65	475.21	552.98	434.85	1,879.44
Non-controlling Interest	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	1,272.80	551.46	541.68	1,994.12	1,364.54	592.68	678.61	2,442.88
Owners of the Company	1,272.80	551.46	541.68	1,994.12	1,364.54	592.68	678.61	2,442.88
Non-controlling Interest	-	-	-	-	-	-	-	-
Paid up Equity Share Capital	111.10	111.10	111.10	111.10	110.21	110.21	110.21	110.21
Reserves (excluding Revaluation Reserve)	12,302.01	11,028.00	9,903.90	11,028.00	14,452.38	13,086.62	11,648.20	13,086.62
Securities Premium Account	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net worth	12,413.11	11,139.10	10,015.00	11,139.10	14,562.59	13,196.83	11,758.41	13,196.83
Paid up Debt Capital / Outstanding Debt	48,807.07	47,359.12	43,698.38	47,359.12	63,241.98	61,149.70	55,731.36	61,149.70
Outstanding Redeemable Preference Shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Debt Equity Ratio	3.93	4.25	4.36	4.25	4.34	4.63	4.74	4.63
Earnings Per Share (Basic & Diluted) (Face Value of ₹10/- each) (not annualised for Quarters) (on PAT)	38.59	49.13	27.69	138.85	43.12	50.17	39.46	170.53
Capital Redemption Reserve	Nil	Nil	Nil	Nil	15.00	15.00	15.00	15.00
Debt Redemption Reserve								
Debt Service Coverage Ratio								
Interest Service Coverage Ratio								
Not Applicable								

Notes:

- The above is an extract of the detailed format of Quarterly / Year ended Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly / Year ended Financial Results is available on the National Stock Exchange website (URL: www.nseindia.com) and on the Company's website (www.sundaramfinance.in).
- The above financial results for the quarter ended 30th June 2025 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held in Chennai on 1st and 4th August 2025.
- The figures for the quarter ended March 31, 2025 are the balancing figures between audited figures for the previous financial year and the published year to date figures upto the end of third quarter, which were subjected to limited review.
- Previous period's figures have been regrouped wherever necessary to conform to current period's classification.
- The Joint Statutory Auditors have carried out a Limited Review of the financial results for the quarter ended 30th June 2025.

Chennai
04.08.2025

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By Order of the Board
RAJIV C LOCHAN
Managing Director