



SEC:242:2023-24/SK  
January 17, 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,

**Re: Disclosure under Reg. 30(4)(i)(c) of SEBI (LODR) Regulations, 2015**

The Reserve Bank of India had, vide Circular dated 19<sup>th</sup> December 2023, directed that Regulated Entities (REs) shall not make investments in any scheme of AIFs which has downstream investments either directly or indirectly in a debtor company of the RE. Further, RBI had stipulated that if an AIF scheme, in which the RE is already an investor, makes a downstream investment in any such debtor company, then the RE shall liquidate its investment in the scheme within 30 days from the date of such downstream investment by the AIF.

The Circular also states that if REs have already invested into such schemes having downstream investment in their debtor companies as on date, the 30-day period for liquidation shall be counted from date of issuance of the Circular, i.e., on or before 17<sup>th</sup> January 2024. If REs are not able to liquidate their investments within the said period, they are required to make 100% provision on such investments.

As on the date of the Circular, our Company has an exposure to the tune of ₹270.28 cr., in the form of investments in the AIF schemes launched by Sundaram Alternate Assets Limited (SAAL) and Lok Capital Growth Fund which is covered under the Circular issued by the RBI. Investment in SAAL includes Sponsor's minimum contribution of ₹10 cr. in debt funds and ₹26 cr., in equity funds (fair valued at ₹36.08 cr.,) as required by SEBI (Alternative Investment Funds) Regulations, 2012.

Investment in debt scheme of AIF to the tune of ₹205 cr., has a downstream investment to the debtors of our company where our exposure was ₹2.23 cr. The remaining exposure of ₹65.28 cr., is relating to the equity scheme of AIF.

Sundaram Finance Limited

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

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In order to comply with the RBI directions, our Company has taken suitable steps to liquidate the investments, as appropriate, by transferring the same to identified prospective investors and make suitable provisions pending transfer of those investments to the acquirers. The transfers and the provisioning will be completed in compliance with the applicable regulatory provisions, including suitable approvals from the Audit Committee and Board of Directors of our Company, as well as the transferee companies.

Further, we wish to clarify that the Sponsor's minimum contribution in the AIF schemes launched by SAAL cannot be liquidated, since it has to be maintained by us to comply with the SEBI (Alternative Investment Funds) Regulations, 2012.

We request you to kindly take this on record.

Thanking you,

Yours truly,

for Sundaram Finance Limited

P.N. Srikant

CCO & Company Secretary

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

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