SUNDARAM FINANCE
Enduring values. New age thinking.

SEC:141:20-21/GN
January 28, 2021

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

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

Company Symbol: SUNDARMFIN

Company Code No: 590071

Reg: Execution of binding transaction documents by Sundaram Asset Management Company Ltd

Dear Sir/Madam,

Please find enclosed a proposed press release in relation to an agreement executed by Sundaram Asset Management Company Limited. ("**SAMC**"), a 100% subsidiary of Sundaram Finance Ltd (**SFL**) to acquire 100% of the share capital of Principal Asset Management Pvt. Ltd., Principal Trustee Company Pvt. Ltd, and Principal Retirement Advisors Pvt. Ltd.

At present SAMC is in the business of administrating and managing or advising mutual fund schemes of the Sundaram Mutual Fund, whereas Principal AMC is in the business of administrating and managing or advising mutual fund schemes of the Principal Mutual Fund.

The said press release will also be available on the website of the Company i.e. www.sundaramfinance.in

Further, the details as required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are given in Annexure A.

We request you to take the aforesaid on your record.

Yours faithfully,
For Sundaram Finance Limited

SUNDARAM FINANCE LTD., 21, PATULLOS ROAD, CHENNAI-600 002.

P. Viswanathan
Secretary & Compliance Officer

Encl.: Proposed Press Release and Annexure A

SUNDARAM MUTUAL
UNEARTHING OPPORTUNITIES

PROPOSED PRESS RELEASE

Sundaram Asset Management Announces Purchase of Principal® AMC in India

January 28, 2021, Chennai: Sundaram Asset Management Company Limited. ("Sundaram"), a 100% subsidiary of Sundaram Finance Ltd., has announced the purchase of the asset management businesses of Principal Asset Management Pvt. Ltd ("Principal"). Sundaram will acquire the schemes managed by Principal Asset Management Pvt. Ltd and acquire 100% of the share capital of Principal Asset Management Pvt. Ltd., Principal Trustee Company Pvt. Limited, and Principal Retirement Advisors Pvt. Ltd. The transaction is subject to the receipt of necessary regulatory approvals and SEBI prescribed processes, and Principal® will continue to operate the businesses until the deal is closed.

Sundaram is a significant player in the fund management space with a 25-year track record. Sundaram has over Rs. 40,000 crores in assets under management, the majority of which is in equity oriented schemes. Principal Asset Management has assets under management of INR 7,447 crores as on December 31, 2020 with about 90% of this in equity-oriented schemes.

Commenting on the acquisition, **Mr. Sunil Subramaniam, Managing Director, Sundaram Asset Management Company** said, "*This transaction will strengthen our presence in the marketplace with the addition of a range of schemes with a good long term performance track record across the large and mid-cap segments. This will complement our business which has traditionally been weighted towards the mid- and small-cap segment.*"

Mr. Pedro Borda, chief operating officer, Principal International said, *"As part of a systematic review of the company's portfolio of businesses and global market dynamics, we've made the decision to exit the asset management business in India. As we transition the business, customers and distributors will remain our top priority. We believe they will benefit from Sundaram Asset Management's larger mutual fund platform in this market."*

Mr. T.T. Srinivasaraghavan, Managing Director of Sundaram Finance added, "*this acquisition is a natural step in our aspiration to become a sizeable player in the asset management industry. We will be able to leverage the combined platform to derive significant synergies. The focus for us will be on delivering a better experience to our investors and distribution partners.*"

The transaction is subject to approval from SEBI and other regulators, and both Sundaram and Principal will work to ensure that there will be no disruption of service to their partners and investors in the interim, and a seamless transfer once approval is obtained.

Principal said it is committed to the continued operation of Principal Global Services in Pune and Hyderabad to provide critical technical support and services to its offices around the globe.

JM Financial Limited acted as the exclusive financial advisor and J. Sagar Associates acted as the legal advisors to Sundaram Asset Management Company.

Barclays acted as the exclusive financial advisor and Cyril Amarchand Mangaldas as the legal advisors to Principal.

Classification: Company Confidential

SUNDARAM MUTUAL
UNEARTHING OPPORTUNITIES

About Sundaram Asset Management Company:

Sundaram Asset Management Company, established in 1996, is a subsidiary of Sundaram Finance Ltd., one of the most respected financial services players in India. Directly and through its subsidiaries, it manages assets across mutual funds, portfolio management services, alternate investment funds and global funds and advisory mandates. Along with its subsidiaries, it has assets under management of about INR 40,000 crores. The mutual fund operations has a bouquet of seventeen equity and eleven fixed-income funds catering to diverse investor preferences. The brand has a strong retail focus with over 1.1 million active investors and 93 branches across the country.

For more information on Sundaram Mutual Fund and its products, please visit www.sundarammutual.com

About Sundaram Finance Ltd.

Sundaram Finance Ltd (www.sundaramfinance.in) is one of the most respected financial services players in India with assets under management exceeding Rs 30,000 Cr. Incorporated in 1954, Sundaram Finance has an all India presence with 588 branches. The fixed deposits and long term borrowings of SFL are rated AAA by CRISIL and ICRA. In addition to financing of Commercial vehicles, Cars, Construction Equipment and Tractors, it offers innovative solutions to its customers including Diesel Finance, other working capital finance for commercial vehicle operators and operating leases to corporates. Sundaram Direct, its distribution brand offers a suite of financial products from its various partners including loans, savings and insurance (both non-life and Life) products to its customers and has an over 2000 strong sales force. SFL through Sundaram Asset Management Ltd. offers various mutual funds, through Sundaram Home Finance Ltd., offers home loans and through Royal Sundaram it offers various non-life insurance products.

About Principal®

Principal helps people and companies around the world build, protect and advance their financial well-being through retirement, insurance and asset management solutions that fit their lives. Our employees are passionate about helping clients of all income and portfolio sizes achieve their goals—offering innovative ideas, investment expertise and real-life solutions to make financial progress possible. To find out more, visit us at principal.com.

Insurance products issued by Principal National Life Insurance Co (except in NY) and Principal Life Insurance Co. Plan administrative services offered by Principal Life. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., 888-774-6267, member SPIC and/or independent broker/-dealers. Referenced companies are members of the Principal Financial Group®, Des Moines, IA 50392. Principal Global Investors leads global asset management and is a member of the Principal Financial Group®.

Principal, Principal and symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group.

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SUNDARAM MUTUAL
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Annexure A
Letter no.: SEC:141:20-21/GN

Items to be disclosed	Details
Name of the target entity, details in brief such as size, turnover etc.	**Name of the Target Entity:** Principal Asset Management. Pvt. Ltd., Principal Trustee Company Pvt. Ltd., and Principal Retirement Advisors Pvt. Ltd Principal Asset Management has assets under management of INR 7,447 crores as on December 31, 2020 with about 90% of this in equity-oriented schemes.
Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?	The Transaction is not a related party transaction
Industry to which the entity being acquired belongs	Asset Management
Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	▪ Strengthening SAMC's presence in the marketplace with the addition of a range of schemes with a good long term performance track record across the large and mid-cap segments ▪ Complementing SAMC's business focused on mid and small cap curve stocks ▪ Ability to leverage the Principal AMC's platform to achieve significant growth ▪ Ability to offer more products across investor categories ▪ Distribution relationships with different types of intermediaries to widen the coverage and outreach to customers
Brief details of any governmental or regulatory approvals required for the acquisition	The Transaction is subject to satisfaction of customary conditions, including receipt of applicable regulatory approvals
Indicative time period for completion of the acquisition	The integration is expected to take 6 to 7 months subject to receiving all regulatory approvals
Nature of consideration - whether cash consideration or share swap and details of the same	Cash
Cost of acquisition or the price at which the shares are acquired	INR 338.53 Cr (Indian Rupees Three Hundred and Thirty Eight Crores and Fifty Nine Lakhs) Subject to further adjustments at closing
Percentage of shareholding / control acquired and / or number of shares acquired	100% shareholding acquired
Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Principal Asset Management Pvt. Ltd is investment manager of Principal Mutual Fund which offers financial solutions for short term to mid-term to long-term financial goals. It is part of the Principal Financial Group, a global investment management leader headquartered in Des Moines, Iowa, US. It follows a focused fund management and disciplined risk management strategy that is ably supported by a thorough credit and economic research. Principal Mutual Fund started operations in India in 2000 and currently serves over 5.5 lakh customers. AAUM for quarter ended March 31, 2020 for Principal AMC was Rs. 6854.9 crore. Income reported for FY18, FY19 and FY20 are Rs.48.2 crore, Rs.49.6 crore Rs.47.9 crore respectively

SUNDARAM FINANCE LTD., 21, PATULLOS ROAD, CHENNAI-600 002.