



SUNDARAM FINANCE

Enduring values. New age thinking.

SEC:142:20-21/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 400001

Company Symbol: SUNDARMFN

Company Code No: 590071

Reg: Execution of binding transaction documents by Sundaram Trustee Company Limited

Dear Sir/Madam,

Please find enclosed a proposed press release in relation to an agreement executed by Sundaram Trustee Company Limited and Sundaram Asset Management Company Limited ("SAMC"), both 100% subsidiaries of Sundaram Finance Ltd (SFL). SAMC proposes to acquire 100% of the share capital of Principal Asset Management Pvt. Ltd., Principal Trustee Company Pvt. Ltd, and Principal Retirement Advisors Pvt. Ltd. Further, the schemes of Principal mutual fund in India are proposed to be acquired and merged with the schemes of Sundaram mutual fund, subject to regulatory approvals.

At present, SAMC is in the business of administrating and managing or advising mutual fund schemes of the Sundaram Mutual Fund (of which Sundaram Trustee Company Limited is the trustee). 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 below.

We request you to take the aforesaid on your record.

Yours faithfully,

For Sundaram Finance Limited

P. Viswanathan
Company Secretary

Encl.: as above



Sundaram Finance Limited



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.



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®.

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SUNDARAM MUTUAL
UNEARTHING OPPORTUNITIES

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**Annexure A****Letter no.: SEC:142:20-21/GN**

Items to be disclosed	Details
Name(s) of parties with whom the agreement is entered	Principal Asset Management. Private Limited., Principal Trustee Company Private Limited, Principal Retirement Advisors Private Limited, Principal Financial Group (Mauritius) Limited, Principal International India (UK) Limited, Sundaram Asset Management Company Limited ("SAMC"), and Sundaram Trustee Company Limited.
Purpose of entering into the agreement	▪ 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
Shareholding, if any, in the entity with whom the agreement is executed	Not applicable.
Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	SAMC proposes to acquire 100% of the share capital of Principal Asset Management Private Limited, Principal Trustee Company Private Limited, and Principal Retirement Advisors Private Limited, subject to regulatory approvals. Further, the schemes of Principal mutual fund in India are proposed to be acquired and merged with the schemes of Sundaram mutual fund, subject to regulatory approvals.
Whether the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	Not applicable.
Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length".	Not applicable.
In case of issuance of shares to the parties, details of issue price, class of shares issued	Not applicable.
Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	Not applicable.
In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof	Not applicable.

**Sundaram Finance Limited**