

FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated April 21, 2021 ("Letter of Offer") which is available on the websites of the Registrar, the Company, the Lead Manager and the Stock Exchange. You are encouraged to read further details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

**THIS ABRIDGED LETTER OF OFFER CONTAINS 10 PAGES.
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**

Our Company has made available on the Registrar's website at <https://rights.cameoindia.com/sfhl>, the Letter of Offer, Abridged Letter of Offer along with the Rights Entitlement Letter and Application Form and other applicable Issue materials to the Eligible Equity Shareholders who have provided their Indian addresses to our Company. You may also download the Letter of Offer from the websites of our Company, the Securities and Exchange Board of India ("SEBI"), the stock exchange where our Equity Shares are listed, i.e., NSE, the Lead Manager and the Registrar, i.e., at www.sundaramholdings.in, www.sebi.gov.in, www.nseindia.com, www.jmfl.com and <https://rights.cameoindia.com/sfhl>, respectively.



SUNDARAM FINANCE HOLDINGS

SUNDARAM FINANCE HOLDINGS LIMITED

Corporate Identity Number: L65100TN1993PLC025996

Registered and Corporate Office: 21, Patullos road, Chennai 600 002, Tamil Nadu, India | **Tel:** +91 44 2852 1181

Website: www.sundaramholdings.in | **Contact Person:** P.N. Srikant, Secretary and Compliance Officer

E-mail: investorservices@sundaramholdings.in

PROMOTER OF OUR COMPANY: SUNDARAM FINANCE LIMITED

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF UP TO 7,10,00,000 EQUITY SHARES OF OUR COMPANY OF FACE VALUE OF ₹ 5 EACH ("RIGHTS EQUITY SHARES") AGGREGATING UP TO ₹ 35,500 LAKHS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 50 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 45 PER RIGHTS EQUITY SHARE) ON A RIGHTS BASIS IN THE RATIO OF 23 RIGHTS EQUITY SHARES FOR EVERY 49 EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS, ON APRIL 27, 2021 ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO THE SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 113 OF THE LETTER OF OFFER.

The existing Equity Shares of our Company are listed on NSE. For the purposes of the Issue, the Designated Stock Exchange is NSE. Our Company has received "in-principle" approval from the NSE for listing the Rights Equity Shares vide its letter dated April 9, 2021. Our Company will also submit an application to NSE to obtain trading approval for the Rights Entitlements as required under the SEBI Circular bearing reference number SEBI/ HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.

Procedure: If you wish to know about processes and procedures applicable to the Issue, you may refer to the section titled "Terms of the Issue" on page 113 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of the Company, SEBI, BSE, NSE, Registrar and the Lead Manager as stated above.

ELIGIBILITY FOR THE ISSUE

Our Company satisfies the conditions specified in Regulation 99 of SEBI ICDR Regulations and accordingly, our Company is eligible to make the Issue by way of a fast track issue. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Whether the Company is compulsorily required to allot at least 75% of the net offer to public, to qualified institutional buyers: Not Applicable, the Issue being a rights issue.

Minimum Subscription: Not Applicable

INDICATIVE TIMETABLE*

Issue Opening Date	Thursday, May 6, 2021	Date of Allotment / Initiation of Refunds (on or about)	Thursday, June 10, 2021
Last Date for On Market Renunciation**	Friday, May 28, 2021	Date of credit of Rights Equity Shares to demat account of Allottees (on or about)	Friday, June 11, 2021
Issue Closing Date***	Wednesday, June 2, 2021	Date of listing / Commencement of trading of Rights Equity Shares on the Stock Exchanges (on or about)	Tuesday, June 15, 2021
Finalisation of Basis of Allotment (on or about)	Wednesday, June 9, 2021		

* The above time table is indicative and does not constitute any obligation on our Company or the Lead Manager.

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

*** Our Board will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

NOTICE TO INVESTORS

The distribution of the Letter of Offer, this Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the letter of Offer, this Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come, are required to inform themselves about and observe such restrictions.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer was filed with SEBI and the Stock Exchange. Accordingly, the Letter of Offer, this Abridged Letter of Offer, the Application Form (including by way of electronic means) or the Rights Entitlement Letter or any offering materials or advertisements in connection with the Issue may not be distributed or received in any jurisdiction outside India and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**US SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE “**UNITED STATES**” OR “**U.S.**”), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE US SECURITIES ACT (“**REGULATION S**”) TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THE LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME. THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS AND THE RIGHTS ENTITLEMENTS ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN THE SECTION ENTITLED “**RESTRICTIONS ON PURCHASES AND RESALES**” ON PAGE 150 OF THE LETTER OF OFFER.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not, and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors shall rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. Specific attention of the Investors is invited to the section “Risk Factors” on page 18 of the Letter of Offer and on page 5 of this Abridged Letter of Offer before making an investment in the Issue.

Name of the Lead Manager and contact details	JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030, +91 22 6630 3262 E-mail: sfhl.rights@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361
Name of Registrar to the Issue and contact details	Cameo Corporate Services Limited Subramanian Building, No.1, Club House Road, Chennai 600 002 Tamil Nadu, India Tel: +91 44 2846 0390 E-mail: priya@cameoindia.com Investor Grievance E-mail: investor@cameoindia.com Contact Person: Ms. Sreepriya K Website: www.cameoindia.com SEBI Registration No.: INR000003753

Name of Statutory Auditors	M/s. R.G.N. Price & Co., Chartered Accountants
Self-Certified Syndicate Banks (“SCSBs”)	The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.
Banker to the Issue	ICICI Bank Limited Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020, Maharashtra, India Telephone No.: +91 22 66818932 / 23 / 24; Email: shweta.surana@icicibank.com; Website: www.icicibank.com; Contact Person: Shweta Surana

BOARD OF DIRECTORS			
Sr. No.	Name	Designation	Other directorships
1.	Mr. T.T. Srinivasaraghavan	Chairman and Non-Executive Director	- Sundaram Finance Limited - Royal Sundaram General Insurance Co. Limited - Sundaram Business Services Limited - Brakes India Private Limited - Turbo Energy Private Limited - Sundaram Home Finance Limited - Sundaram Asset Management Company Limited - Finance Industry Development Council
2.	Mr. R. Venkatraman	Independent Director	- Sundaram Trustee Company Limited - Goodricke Group Limited - Sundaram Business Services Limited - National Commodity Clearing Limited
3.	Mr. S. Prasad	Independent Director	- Sundaram Finance Limited - Wheels India Limited - India Motor Parts & Accessories Limited - Royal Sundaram General Insurance Co. Limited - WIL Car Wheels Limited
4.	Ms. Shobhana Ramachandran	Independent Director	- Sundaram Finance Limited - Sundaram Brake Linings Limited - TVS Srichakra Limited - TVS Srichakra Investments Limited - TVS Automobile Solutions Private Limited - TVS Argomm Private Limited - TVS Supply Chain Solutions Limited - Pusam Rubber Products Private Limited - SI AIR Springs Private Limited - Sundaram Industries Private Limited
5.	Mr. Srivats Ram	Non-Executive Director	- Wheels India Limited - Axles India Limited - Maham Holdings Private Limited - T.V. Sundram Iyengar & Sons Private Limited - WIL Car Wheels Limited - Revathi Holdings Private Limited - Padmalakshmi Holdings Private Limited - Sundaram Hydraulics Limited - India Motor Parts & Accessories Limited - Enfluence Technologies Private Limited
6.	Mr. Harsha Viji	Non-Executive Director	- Sundaram Asset Management Company Limited - Sundaram Finance Limited - Flometallic India Private Limited - Royal Sundaram General Insurance Co. Limited - Sundaram Home Finance Limited - Azorius Holdings Private Limited - Trichur Sundaram Santhanam & Family Private Limited - Sundaram Alternate Assets Limited
SUMMARY OF BUSINESS			

We are an automotive sector focused investment company with investments in 20 portfolio companies of which 15 companies are involved across the automotive manufacturing value chain. Our investments are focused in the automotive space, with current investments in portfolio companies engaged in various aspects of automotive manufacturing.

OBJECTS OF THE ISSUE

Our Company intends to utilise the proceeds from the Issue towards the following objects:

- Financing of acquisition of additional shareholding in Brakes India Private Limited (“BIPL”) from ZF International UK Limited (“ZF”); and
- General corporate purposes.

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake the activities for which the funds are being raised through the Issue.

The proposed utilisation of the proceeds from the Issue is set forth in the table below:

(In ₹ lakhs)

S. No	Particulars	Amount
1	Financing of acquisition of additional shareholding in BIPL from ZF	34,999.97
2	General corporate purposes (inclusive of issue related expenses)	500.03
	Net Proceeds*	35,500.00

* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment

There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, Directors or key managerial personnel.

Deployment of funds

(In ₹ lakhs)

S. No.	Particulars of Objects of Issue	Amount to be utilised in Fiscal 2022
1	Financing of acquisition of additional shareholding in BIPL from ZF	34,999.97
2	General corporate purposes (inclusive of Issue related expenses)	500.03
	Total	35,500.00

* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment

Means of Finance

The funding requirement mentioned above is based on the purchase consideration as agreed upon in the Share Purchase Agreement dated March 24, 2021 entered into by our Company for the acquisition of BIPL from ZF. Since our Company is not proposing to fund any specific project from the Net Proceeds, the requirement to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance for such project proposed to be funded from the Net Proceeds does not arise.

Monitoring Agency: ICICI Bank Limited

Terms of Issuance of Convertible Security, if any: Not Applicable, the Issue being an issue of Rights Equity Shares.

EQUITY SHAREHOLDING PATTERN OF THE COMPANY AS ON MARCH 31, 2021		
Category of shareholder	Pre Issue number of equity shares held	% of total voting rights
(A) Promoter & Promoter Group	7,99,63,119	52.92
(B) Public	7,01,79,781	46.44
(C) Non-Promoter Non-Public	9,60,960	0.64
Total	15,11,03,860	100.00

Number/amount of Equity Shares proposed to be sold by selling shareholders, if any: Not Applicable, the Issue being an issue of Rights Equity Shares.

Details of the Issuer or any of its Promoters or Directors being a wilful defaulter: None of the Issuer, Promoter or Directors is a wilful defaulter.

FINANCIAL INFORMATION

A summary of consolidated financial information of our Company as of and for the nine-month period ended December 31, 2020 and Fiscal 2020:

(₹ in lakhs, unless otherwise specified)

Particulars	As at and for the half year ended 31 December 2020 ⁽¹⁾	As at and for the financial year ended 31 March 2020 ⁽²⁾
Equity Share Capital	7,555.19	7,555.19
Other equity	1,81,337.27	1,78,171.08
Net Worth	1,88,892.46	1,85,726.27
Revenue from Operations	4,098.34	9,255.61
Profit before tax	751.97	3,477.44
Profit / (Loss) for the period/year	583.98	2,929.25
Basic EPS (in ₹)	2.45*	5.17
Diluted EPS (in ₹)	2.45*	5.17
Net assets value per Equity Shares (in ₹)	125.01	122.91
Return on net worth (in %)	1.96%*	4.21%

* not annualised

(1) Derived from the Unaudited Condensed Consolidated Interim Financial Statements.

(2) Derived from the Audited Consolidated Financial Statements.

RISK FACTORS

The below mentioned risks are the top 5 risk factors as per the Letter of Offer:

1. Our investments are focused on the automotive sector and any adverse developments in the automotive and transportation industry would adversely affect our results of operations.
2. We depend on a limited number of portfolio companies for a significant portion of our revenues. Any significant reduction in production and sales of, or demand for the products of such portfolio companies may adversely affect our business, results of operations and financial condition.
3. The acquisition of additional shareholding in Brakes India Private Limited from the Issue Proceeds is subject to completion of conditions precedent under the Share Purchase Agreement. However, we may not be able to complete such acquisition in a timely manner and such acquisition may not prove to be profitable or achieve the profitability that justifies our investment, which may adversely impact our prospects, growth and results of operations.
4. The acquisition of additional shareholding in BIPL from ZF by us is one among several transactions for acquisition of up to 49.00% of BIPL held by ZF. In the event of non-completion of the remaining acquisitions by other purchasing parties, our acquisition of 7.71% of BIPL may be rendered infructuous.
5. Differing interests of our partners or the management of our portfolio companies or the management of our Promoter may result in unfavourable outcomes for us, which could have an adverse effect on our business and results of operations.

For further details, see the section “Risk Factors” on page 18 of the Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A summary of material outstanding legal proceedings involving our Company and our Subsidiary, identified in accordance with the SEBI ICDR Regulations as on the date of the Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is provided below:

Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

Tax Proceeding

1. The Income Tax Department issued an assessment order dated December 29, 2019 (the “Assessment Order”) under Section 143(3) of the Income-tax Act, 1961 indicating that the return of income was incorrectly filed by our Company for the assessment year 2017-2018, and pursuant to a demand notice dated December 29, 2019, directed our Company to make a payment of ₹557.33 lakhs within 30 days. Our Company filed an appeal dated January 28, 2020 against the Assessment Order with the Commissioner of Income-tax (Appeals). The matter is currently pending.
2. The Income Tax Department has issued an assessment order dated April 6, 2021 (the “Assessment Order”) under Section 143(3) of the Income-tax Act, 1961 indicating that the return of income was incorrectly filed by our Company for the assessment year 2018-2019, and pursuant to a demand notice dated April 6, 2021, directed our Company to make a payment of ₹ 418.90 lakhs within 30 days. The matter is currently pending.

Litigations involving our Subsidiary

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations, economic offences or material pending matters involving our Subsidiary.

For further details, please see “Outstanding Litigation and Defaults” on page 100 of the Letter of Offer.

TERMS OF THE ISSUE

In accordance with the R-WAP Circulars issued by SEBI, frequently asked questions and an online/ electronic dedicated investor helpdesk, for guidance on the Application process and resolution of difficulties faced by the Investors, will be available on the website of the Registrar (<https://rights.cameoindia.com/sfhl>). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are +91 73388 08559 and +91 44 4002 0710.

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP.

Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see “Terms of the Issue” on page 113 of the Letter of Offer.

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. For details, see “Terms of the Issue” on page 113 of the Letter of Offer.

Further, SEBI has, pursuant to the SEBI Rights Issue Circulars, stated that in the event that there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or

the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, see “Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 116 of the Letter of Offer.

Investors are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility, in addition to ASBA and the relaxation on applications to be made by physical shareholders, shall not be a replacement of the existing process under the SEBI ICDR Regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at <https://rights.cameoindia.com/sfhl>.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, amongst others, who hold Equity Shares in physical form and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Terms of the Issue - Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Terms of the Issue - Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 132 and 142, respectively, of the Letter of Offer.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/sfhl>.

Procedure for Application

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter and/or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlements Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/sfhl>. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- (i) our Company at www.sundaramholdings.in;
- (ii) the Registrar at <https://rights.cameoindia.com/sfhl>;
- (iii) the Lead Manager at www.jmfl.com;
- (iv) the Stock Exchange, i.e., NSE, at www.nseindia.com; and
- (v) the R-WAP at <https://rights.cameoindia.com/sfhl>.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/sfhl>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.sundaramholdings.in).

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, see “Terms of the Issue – Procedure for Application” on page 127 of the Letter of Offer. Further, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, **may also apply** in this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

- i. apply for its Rights Equity Shares to the full extent of the Rights Entitlements;
- ii. apply for its Rights Equity Shares to the extent of part of the Rights Entitlements (without renouncing the other part); and
- iii. apply for its Rights Equity Shares to the full extent of the Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING

DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on page 142 of the Letter of Offer.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange, the Lead Manager or the R-WAP to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with the bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Sundaram Finance Holdings Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹50 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy and of such approval from any regulatory authority, as may be required, shall be sent to the Registrars at priya@cameoindia.com;
17. Additionally, all such Applicants are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares and the Rights Entitlements referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering

of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy or transfer any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of my/our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Restrictions on Purchases and Resales" on page 150 of the Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/sfhl>.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 23 Rights Equity Share for every 49 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 23 Rights Equity Shares for every 49 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 49 Equity Shares or is not in the multiple of 49 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 51 Equity Shares, such Equity Shareholder will be entitled to 23 Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than three Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Options available to the Eligible Equity Shareholders

The Rights Entitlements Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Rights Entitlements Letter and the Application Form is sent to the Eligible Equity Shareholder, then such Eligible Equity Shareholder can:

- (i) apply for the Rights Equity Shares to the full extent of the Rights Entitlements; or
- (ii) apply for the Rights Equity Shares to the extent of part of the Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of the Rights Entitlement and renounce the other part of the Rights Entitlements; or
- (iv) apply for the Rights Equity Shares to the full extent of the Rights Entitlements and apply for additional Rights Equity Shares; or
- (v) renounce the Rights Entitlements in full.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat accounts either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of the FEMA Rules and other circulars, directions, or guidelines issued by the RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholder being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circulars, directions, or guidelines issued by the RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited to the demat account can be made either by way of On Market Renunciation or Off Market Renunciation. For details, see "Terms of the Issue - Procedure for Renunciation of Rights Entitlements" on page 128 of the Letter of Offer.

In accordance with R-WAP Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on the Record Date and who have not been able to open a demat account and furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "SFHL Rights Entitlement Suspense Escrow Demat Account") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE202Z20011. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by May 28, 2021, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be

made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “Terms of the Issue - Basis of Allotment” on page 140 of the Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP facility.

Subscription to the Issue by our Promoter and Promoter Group

Our Promoter and Promoter Group have confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoter or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoter or any other member(s) of the Promoter Group, each as may be applicable. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Rights Equity Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Any such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4) (a) and 10(4)(b) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (“**SEBI SAST Regulations**”). The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Availability of offer document of the immediately preceding public issue or rights issue for inspection:

Not applicable under Part B of Schedule VI of the SEBI ICDR Regulations.

DECLARATION BY OUR COMPANY

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in the behalf, have been duly complied with. We further certify that all disclosures made in the Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

Mr. T.T. Srinivasaraghavan

Chairman and Non-Executive Director

Place: Chennai

Mr. R. Venkatraman

Independent Director

Place: Chennai

Mr. S. Prasad

Independent Director

Place: Chennai

Ms. Shobhana Ramachandhran

Independent Director

Place: Madurai

Mr. Srivats Ram

Non-Executive Director

Place: Chennai

Mr. Harsha Viji

Non-Executive Director

Place: Chennai

Mr. S. Ravi

Manager and Chief Executive Officer

Place: Chennai

Mr. V. Vaasen

Chief Financial Officer

Place: Chennai

Date: April 21, 2021