



SUNDARAM FINANCE HOLDINGS

SEC:063:21-22/GN
August 5, 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

Dear Sir,

Sub: Submission of Press Release

We have pleasure in enclosing the press release relating to standalone and consolidated financial results for the quarter ended 30th June 2021.

Thanking you,

Yours truly,
For Sundaram Finance Holdings Limited

P.N. Srikant
Secretary & Compliance Officer

Encl:

Sundaram Finance Holdings Limited

Sundaram Finance Holdings Invests Rs. 480 crores: Consolidates holdings in portfolio companies

Chennai August 5, 2021: Sundaram Finance Holdings Ltd., (“SF Holdings”) has registered a Net Profit of Rs. 5.13 crores for the Q1 ended 30th June 2021, an increase of 80% over the Rs. 2.85 crores net profit for the corresponding quarter of the previous year. Revenue increased to Rs. 10.50 crores for the Q1 ended 30th June 2021, up from Rs. 9.30 crores in the corresponding quarter of the previous year. **Consolidated profit, including share of associate’s profit, was Rs. 31.58 crores for the Q1 ended 30th June 2021, as against a loss of Rs. 9.89 crores for the corresponding period last year.**

SF Holdings primarily operates as a holding company owning a portfolio of businesses engaged in various aspects of automotive manufacturing including brakes, turbo chargers, ferrous castings, axles, wheels, fuel injection, precision aluminum cast products, as well as distribution of automotive spare parts. Significant investments include Sundaram Clayton, Wheels India, IMPAL (all listed) and Brakes India, and Turbo Energy (both unlisted) – most of them leaders in their respective markets.

While performance of portfolio companies is improving, they are still below their results in FY19-20 due to the downturn in the automotive industry driven by cyclical factors as well as the impact of the pandemic. Looking forward, Harsha Viji, Director, said **“We remain optimistic on the recovery and growth of the automotive sector in the medium term and consequently we expect a recovery in the future results of the company”**

Consolidation of investments in Portfolio companies

On its investment strategy, T T Srinivasaraghavan, Chairman, Sundaram Finance Holdings Ltd., said, **“The down-turn has given us an opportunity to further consolidate our long-term holdings in our portfolio. We have bought out foreign partners in Wheels India and Brakes India with an investment of Rs. 450 crores”**

The company increased its stake in Wheels India Limited from 13.58% to 23.28%, through an acquisition of an additional 9.70% stake from the foreign partner (Titan Europe) for a total consideration of ₹100 cr. The combined holding of the Indian promoters in Wheels India now stands at 57.53%. Founded in 1960, Wheels India is the leading manufacturer of wheels for cars and commercial vehicles in India, with growing operations in the earth moving and wind industries.

In Q1 this year, SF Holdings completed the acquisition of an additional 7.71% stake in Brakes India Private Limited for a total consideration of ₹350 cr, from the foreign partner ZF International, taking its stake from 6.67% to 14.38%. The Indian promoters now own 100% of the company. Founded in 1962, Brakes India is the leading producer of brakes and brakes systems for cars and commercial vehicles in India. This investment was funded through a rights issue, completed on 11th June 2021.

The company also consolidated its shareholding in its foundry portfolio by acquiring a 6.84% stake in Flometallic India Private Limited and consequently the stake in Flometallic has increased from 40% to 46.84%. Flometallic operates ferrous metal foundries situated in Gujarat, primarily to supply export and domestic markets for automotive components



Entry into carbon fiber market

Pursuing further opportunities in the automotive investment space, in October 2020, SF Holdings made an investment of ₹23.71 cr. into the carbon fiber business of Mind S.r.l., Italy for a stake of 40.6%.

On the potential of the Carbon Fibre market, Srivats Ram, Director SF Holdings said **“The carbon fibre market, though nascent in India now, has solid potential to grow in the long term, and the technology and expertise from Mind S.r.l will help position SF Holdings well in the market. In the long term, the carbon fiber operations could get partially shifted to India, which is expected to decrease manpower cost and expand margins.”**

About SF Holdings

Sundaram Finance Holdings Ltd., originated as the demerged investment arm of Sundaram Finance Ltd and is listed on the National Stock Exchange of India Ltd. SF Holdings is an exempted Core Investment Company. Through its 100% subsidiary, Sundaram Business Ltd., and its own operations, SF Holdings is in the business of outsourced business processing & support services.

Media Contact: S Prabhu@ 94440 40748 or sprabhu@proPR.in

