

May 24, 2022

Sundaram Finance Limited: Ratings reaffirmed, and rated amount enhanced; rating outstanding moved to long-term scale from medium-term scale

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper (CP)	7,000.00	7,000.00	[ICRA]A1+; reaffirmed
Non-convertible Debentures (NCD)	-	2,500.00	[ICRA]AAA(Stable); assigned
	5,155.00	5,155.00	[ICRA]AAA(Stable); reaffirmed
	359.10	-	[ICRA]AAA(Stable); reaffirmed and withdrawn
Subordinated Debentures	2,415.00	2,415.00	[ICRA]AAA(Stable); reaffirmed
	30.00	-	[ICRA]AAA(Stable); reaffirmed and withdrawn
Fixed Deposits	-	-	[ICRA]AAA(Stable); migrated from MAAA(Stable)
Fund-based Limits from Banks	3,000.00	3,000.00	[ICRA]AAA(Stable); reaffirmed
Long-term Loans from Banks	3,125.00	3,125.00	[ICRA]AAA(Stable); reaffirmed
Non-fund Based Limits from Banks	8.08	8.08	[ICRA]AAA(Stable); reaffirmed
Short-term Loans from Banks	1,000.00	1,000.00	[ICRA]A1+; reaffirmed
Total	22,092.18	24,203.08	

*Instrument details are provided in Annexure-1

Rationale

The ratings consider Sundaram Finance Limited's (SFL) demonstrated track record of steady and profitable growth across business cycles, its experienced senior management team and established franchise. The ratings also factor in the company's comfortable funding and strong liquidity profile, given its ability to raise funds from diverse sources at competitive rates.

SFL's gross stage 3 (GS 3) increased to 3.4% in December 2021 (2.5% in December 2020) and it had an outstanding restructured book accounting for 6.4% (standard restructured is 5.5%) of the assets under management (AUM) as of December 2021. ICRA notes SFL's track record of keeping its asset quality under control across business cycles; however, the performance, considering the prolonged stress faced by its borrowers, especially in the commercial vehicle (CV) segment, and the sizeable restructured book, would be a near-term monitorable from a rating perspective.

ICRA notes that the collections, were picked up from July 2021 vis-à-vis Q1 FY2022, however, the average collections % for Q4 FY2022 are 4% lower than that of Q4 FY2021 (pre-second wave). The company has augmented its provisions since Q4 FY2020, resulting in provision/AUM of 2.3% as of December 2021 (1.7% as of March 2021) vis a vis 1.2% as of March 2020 (0.6% as of March 2019). SFL's capitalisation profile is comfortable with tier-I at 16.6% as December 2021.

At the consolidated level, the SFL Group has a presence in the vehicle and mortgage (housing and non-housing) finance segments and offers various financial products, including insurance and asset management services. The Group's growth has been driven with an eye on maintaining good asset quality while generating stable business returns.

In compliance with the circular [SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/594] issued by the Securities and Exchange Board of India (SEBI) on July 16, 2021 and the subsequent circular SEBI/HO/MIRSD/MIRSD_CRADT /P/CIR/2022/43 of April 1, 2022, for standardising the rating scales used by the Credit Rating Agencies, ICRA has discontinued the medium-term rating scale which was being used to assign ratings to the fixed deposit programmes of entities.

Accordingly, ICRA has migrated the rating currently outstanding for the fixed deposits programme of SFL from the medium-term rating scale to the long-term rating scale. The medium-term rating scale of ICRA was a 14-point scale, while the long-term rating scale is a 20-point one. The migration of the rating has resulted in a change in the rating symbol; however, this is to be construed only as a recalibration of the rating from one scale to another, and not as a reflection of a change in the credit risk of the fixed deposit programme.

ICRA has also reaffirmed and withdrawn the long-term rating on the Rs. 359.10 crore non-convertible debentures (NCDs) and Rs. 30.00 crore subordinated debt in accordance with ICRA's policy on the withdrawal of credit ratings as the instruments have matured and have been fully repaid.

Key rating drivers and their description

Credit strengths

Presence in diverse segments; established track record in vehicle finance business – The SFL Group provides a range of financial services including vehicle finance, housing finance, asset management and insurance among others. At the standalone level, SFL's portfolio mix broadly remains range-bound with CVs accounting for 45.7% of the AUM as of December 2021, followed by cars (25.8%), construction equipment (11.1%), tractors (8.1%) and others (9.3%). SFL's AUM stood at Rs. 29,796 crore as of December 2021, registering a YoY fall of 4.6%.

SFL's wholly-owned subsidiary, Sundaram Home Finance Limited (SHFL; rated [ICRA]AA+(Stable)/MAAA(Stable)/[ICRA]A1+), involved in housing finance, reported a decline in its AUM by 1.3% in Q3 FY2022 (YoY) vis-à-vis a decline of 4.8% in FY2021 (growth of 4.3% in FY2020). SHFL's AUM stood at Rs. 9,152 crore as of December 2021. Sundaram Asset Management Company Limited (SAMCL; rated [ICRA]AA(Stable)) reported a growth of 16.5% (YoY) in its AUM in Q3 FY2022 vis-à-vis 36.0% in FY2021. Considering the Group's conservative growth policy, ICRA expects business growth and lending portfolio diversification to be more measured over the near to medium term.

SFL is an established player in the vehicle finance business with an operational history of more than six decades. The company has a demonstrated track record of operating across business cycles without a significant deterioration in its overall risk profile, supported by its good understanding of the target segments and an experienced management team. SFL has established relationships with its customers (a sizeable share of the CV borrowers comprises repeat customers), which, along with the conservative underwriting norms and robust collection and recovery mechanism, have supported its business risk profile across business cycles over the past six decades.

Stable profitability indicators – On a standalone basis, SFL's net profitability has remained range-bound with profit after tax (PAT)/average managed assets (AMA) of 2.3% in 9M FY2022 and 2.3% in FY2021 compared to 2.0% in FY2020 {as per Ind-AS; adjusted for Rs. 53 crore profit on sale of shares in Sundaram Finance Holdings Limited (net of tax)}. The company incurred a higher credit cost of 1.3% in 9M FY2022 and 0.9% in FY2021 because of the increase in provisions on account of higher overdues and restructuring. However, the improvement in the pre-provision operating profitability (PPOP) on the back of margin expansion supported the earnings performance. The PPOP improved to 4.3% in 9M FY2022 and 3.9% in FY2021 vis-à-vis 3.5% in FY2020. SFL's return on average net worth stood at 12.5% (annualised) in 9M FY2022 and 13.8% in FY2021. The consolidated PAT¹/AMA stood at 2.0% in 9M FY2022 and 2.1% in FY2021.

Comfortable capital profile – SFL's (standalone) managed gearing and capital adequacy ratio stood at 4.1x and 23.6% (Tier-I of 16.6%), respectively, as of December 2021 vis-à-vis 4.7x and 22.1% (Tier-I of 15.2%), respectively, as of March 2021. The consolidated managed gearing stood at 4.1x as of December 2021 and 4.7x as of March 2021 vis-à-vis 5.4x in March 2020. Healthy internal generation would support the company's capital structure, notwithstanding the growth expectations.

¹ Before adjustment for non-controlling interest in Associates and Joint Ventures

Credit challenges

Asset quality remains a monitorable notwithstanding the improvement since the lows witnessed in FY2022 – SFL's GS 3 improved to 3.4% as of December 2021 from 4.2% as of June 2021. However, it remains higher vis-à-vis 2.5% as of December 2020 (1.8% as of March 2021 and 2.5% in March 2020), on the back of the delinquencies in the CV and passenger vehicle (PV) segments. The outstanding restructured book was 6.4% (standard restructured is 5.5%) of the AUM as of December 2021. ICRA notes SFL's track record of keeping its asset quality under control across business cycles; however, the performance of the restructured book, considering the relatively subdued operating environment would be a monitorable. SFL has augmented its provisions since Q4 FY2020, resulting in the provision/AUM of 2.3% as of December 2021, 1.7% as of March 2021 and 1.2% as of March 2020 vis-à-vis 0.6% in March 2019, which provides some cushion for the incremental expected stress.

SHFL's gross stage 3 (on EAD basis) decreased to 3.0% in March 2022 compared to 5.1% in December 2021 (4.7% in December 2020) and 7.6% in June 2021 (4.5% in March 2021). SHFL's standard restructured book stood at 5.0% of the loan book as of December 2021, with most of the accounts being restructured in Q2 FY2022. Further, ~22% of the 90+dpd was in the form of repossessed assets (including accounts for which repossession order was received) as of December 2021. The overall provisions carried (3.3% of the loan portfolio as of December 2021) and the expected recoveries from the repossessed book provide some comfort from an asset quality perspective. ICRA expects the asset quality metrics to improve going forward and remain below the stipulated negative triggers.

Asset quality profile of SFL is expected to improve in Q4 FY2022, however, the performance would remain a monitorable in the near term as stress remains elevated vis-à-vis the pre-Covid levels. ICRA takes note of the adverse business environment for its key borrower segments (CV and PV), characterised by the increased cost of operations and the expected demand-related impact on account of high inflation, which could have a bearing on the asset quality. ICRA, however, draws comfort from SFL's track record in the business, along with its prudent underwriting norms and robust collection and recovery systems

Competitive business environment; regionally concentrated portfolio – SFL has a concentrated portfolio with the southern region accounting for about 59% of the portfolio as of December 2021. The company faces competition from banks and other non-banking financial companies (NBFCs) in its key target asset segments, namely CV and PV, as sales volumes have moderated, which could impact growth. While SFL's earnings profile has remained stable on account of its healthy margins and operating efficiency, its ability to maintain profitability indicators in a competitive business environment while keeping the asset quality under control would be critical from a rating perspective.

Liquidity position: Strong

SFL had cash and liquid investments of Rs. 2,363 crore and undrawn bank lines of Rs. 2,217 crore as on March 31, 2022, with repayment obligations of Rs. 4,196 crore (including Rs. 493 crore of securitisation payments) during April 2022- June 2022. ICRA draws comfort from SFL's fairly diverse funding profile including NCDs and subordinated debt (56% of borrowings as of December 2021), commercial paper (CP; 3%), bank loans (16%), fixed deposits (16%) and portfolio sell-down (10%).

ICRA notes that the collections were picked up from July 2021 vis-à-vis Q1 FY2022, however, the average collections % for Q4 FY2022 is 4% lower than the Q4 FY2021 (pre-second wave). While a sustained improvement in collections remains a monitorable, access to funds from diverse sources and the ability to secure funding at competitive rates provide good financial flexibility to SFL.

Rating sensitivities

Positive factors – Not applicable

Negative factors – ICRA could revise the outlook to Negative or downgrade the ratings if there is a deterioration in the asset quality or profitability, with rise in gross stage 3 beyond 3.5% or PAT/ AMA declining below 1.7%, on a sustained basis. A

significant weakening in tier-1 capital adequacy below 12%, on a sustained basis, could also exert negative pressure on the company's rating.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Policy on withdrawal of credit ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financial statements of SFL

About the company

SFL is the flagship company of the T. S. Santhanam arm of the TVS Group. SFL is one of the large NBFCs in the country with an AUM of Rs. 29,796 crore as of December 2021. Its primary focus is on the financing of CVs and cars. SFL has invested in various entities to provide a gamut of financial services like housing finance (SHFL), insurance (Royal Sundaram) and mutual funds (SAMCL).

SFL reported a standalone net profit of Rs. 809 crore in FY2021 on a managed asset base of Rs. 35,784 crore compared with a net profit of Rs. 724 crore {includes Rs. 53 crore towards profit on sale of shares in Sundaram Finance Holdings Limited (net of tax)} on a managed asset base of Rs. 34,804 crore in FY2020. It reported a net profit of Rs. 605 crore in 9M FY2022 on a managed asset base of Rs. 34,779 crore.

Key financial indicators (audited)

SFL - Standalone	FY2020	FY2021	9M FY2022*
Total income (Rs. crore)	3,927	4,014	2,942
Profit after tax (Rs. crore)	724	809	605
Net worth (Rs. crore)	5,547	6,179	6,709
Total managed portfolio (Rs. crore)	29,936	30,882	29,796
Total managed assets (Rs. crore)	34,804	35,784	34,779
Return on managed assets (%)	2.0% ^{&}	2.3%	2.3%
Return on net worth (%)	12.7% ^{&}	13.8%	12.5%
Gearing (times)	4.9	4.6	4.0
Gross stage 3 (%)	2.5%	1.8%	3.4%
Net stage 3 (%)	1.7%	1.0%	2.1%
Solvency (Net stage 3/Net worth)	8.4%	4.8%	9.0%
CRAR (%)	18.4%	22.1%	23.6%

Source: Company, ICRA Research; *Provisional; & Adjusted for exceptional item

SFL - Consolidated	FY2020	FY2021	9M FY2022*
Total income (Rs. crore)	4,723	5,317	3,851
Profit after tax (owners' interest; Rs. crore)	792	1,165	833
Net worth (owners' interest; Rs. crore)	6,677	7,730	8,574
Total assets (Rs. crore)	44,721	46,593	46,787
Gross stage 3 (%) [^]	3.1%	2.5%	3.8%
Net stage 3 (%) [^]	1.6%	1.0%	2.3%

Source: Company, ICRA Research; *Provisional; [^]Combined gross and net stage 3 for SFL and SHFL

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the Past 3 Years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	
					May 24, 2022	Sep 24, 2021/ Jun 03, 2021	Mar 19, 2021/ Sep 14, 2020/ Jul 17, 2020	Feb 10, 2020/ Dec 23, 2019/ Jul 16, 2019/ Jun 14, 2019	
1	Commercial Paper	Short Term	7,000.00	7,000.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	
2	Fund-based Limits	Long Term	3,000.00	3,000.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	
3	Term Loans	Long Term	3,125.00	3,125.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	
4	Subordinated Debt	Long Term	2,415.00	2,415.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	
			30.00	-	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	
5	NCD	Long Term	5,155.00	5,155.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	
			359.10	-	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	
6	NCD - Fresh	Long Term	2,500.00	-	[ICRA]AAA (Stable)	-	-	-	
7	Fixed Deposits	Long Term	-	-	[ICRA]AAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	
8	Non-fund Based Limits	Long Term	8.08	8.08	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	
9	Fund-based Short-term Loan	Short Term	1,000.00	1,000.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Commercial Paper	Very Simple
NCD	Very simple
Subordinated Debt	Very Simple
Fixed Deposits	Very Simple
Fund-based limits from Banks	Simple
Long-term Loans from Banks	Simple
Non-Fund Based Limits from Banks	Simple
Short-term Loans from Banks	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

Annexure-I: Instrument details

ISIN	Instrument	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loans	31-Aug-20 to 04-Aug-21	NA	04-Aug-23 to 29-Mar-24	1,575	[ICRA]AAA(Stable)
Unallocated NA	Term Loans	-	-	-	1,550	[ICRA]AAA(Stable)
NA	Fund-based Limits	-	-	-	3,000	[ICRA]AAA(Stable)
NA	Non-fund Based Limits	-	-	-	8.08	[ICRA]AAA(Stable)
Unutilised INE660A14WP8	Fund Based – Short Term Commercial Paper	- 22-Apr-22	- 5.25%	- 23-Mar-23	1,000 500	[ICRA]A1+ [ICRA] A1+
INE660A14WJ1	Commercial Paper	16-Jul-21	4.50%	15-Jul-22	300	[ICRA] A1+
INE660A14WM5	Commercial Paper	03-Nov-21	4.69%	03-Nov-22	500	[ICRA] A1+
INE660A14WN3	Commercial Paper	08-Dec-21	4.72%	08-Dec-22	200	[ICRA] A1+
Unutilised INE660A07PR2	Commercial Paper NCD	- 21-Aug-18	- Zero Coupon (YTM - 8.75%)	- 10-Jun-22	5,500 69	[ICRA]A1+ [ICRA]AAA(Stable)
INE660A07PR2	NCD	26-Apr-19	Zero coupon (YTM - 8.40%)	10-Jun-22	129.5	[ICRA]AAA(Stable)
INE660A07PR2	NCD	11-Jul-19	Zero coupon (YTM - 8.25%)	10-Jun-22	83.6	[ICRA]AAA(Stable)
INE660A07QE8	NCD	11-Nov-19	7.50%	7-Nov-22	170	[ICRA]AAA(Stable)
INE660A07QL3	NCD	28-Aug-20	5.18%	26-Aug-22	300	[ICRA]AAA(Stable)
INE660A07QM1	NCD	28-Aug-20	5.72%	28-Aug-23	600	[ICRA]AAA(Stable)
INE660A07QN9	NCD	16-Oct-20	5.3978%	28-Sep-23	200	[ICRA]AAA(Stable)
INE660A07QO7	NCD	29-Oct-20	Zero coupon (YTM – 5.97%)	29-Oct-25	75	[ICRA]AAA(Stable)
INE660A07QP4	NCD	27-Nov-20	6.03%	27-Nov-25	130	[ICRA]AAA(Stable)
INE660A07QP4	NCD	21-Jan-21	6.03%	27-Nov-25	55	[ICRA]AAA(Stable)
INE660A07QU4	NCD	07-May-21	5.75%	07-May-24	300	[ICRA]AAA(Stable)
INE660A07QV2	NCD	17-May-21	6.48%	15-May-26	500	[ICRA]AAA(Stable)
INE660A07QX8	NCD	22-Jun-21	5.39%	21-Jun-24	250	[ICRA]AAA(Stable)
INE660A07QV2	NCD	22-Jun-21	6.48%	15-May-26	250	[ICRA]AAA(Stable)
INE660A07QY6	NCD	20-Jul-21	5.75%	19-Jul-24	300	[ICRA]AAA(Stable)
INE660A07QZ3	NCD	20-Jul-21	Zero coupon (YTM – 5.15%)	20-Oct-23	200	[ICRA]AAA(Stable)
INE660A07RB2	NCD	24-Sep-21	4.85%	22-Sep-23	500	[ICRA]AAA(Stable)
INE660A07RC0	NCD	25-Nov-21	5.77%	25-Nov-24	500	[ICRA]AAA(Stable)
INE660A07RD8	NCD	25-Nov-21	5.27%	24-Nov-23	500	[ICRA]AAA(Stable)
Unutilised	NCD	-	-	-	42.9	[ICRA]AAA(Stable)
Unutilised	NCD-Fresh	-	-	-	2,500	[ICRA]AAA(Stable)
INE660A08BN9	Subordinated Debt	27-Jul-12	10.30%	27-Jul-22	50	[ICRA]AAA(Stable)
INE660A08BO7	Subordinated Debt	28-Sep-12	10.30%	28-Sep-22	140	[ICRA]AAA(Stable)
INE660A08BP4	Subordinated Debt	31-Jan-13	9.75%	31-Jan-23	60	[ICRA]AAA(Stable)
INE660A08BQ2	Subordinated Debt	10-Nov-14	9.80%	10-Nov-24	25	[ICRA]AAA(Stable)
INE660A08BR0	Subordinated Debt	12-Nov-14	9.80%	12-Nov-24	100	[ICRA]AAA(Stable)
INE660A08BS8	Subordinated Debt	27-Nov-14	9.60%	27-Nov-24	50	[ICRA]AAA(Stable)

INE660A08BT6	Subordinated Debt	22-May-15	9.25%	22-May-25	40	[ICRA]AAA(Stable)
INE660A08BU4	Subordinated Debt	03-Aug-16	8.80%	3-Aug-26	150	[ICRA]AAA(Stable)
INE660A08BV2	Subordinated Debt	05-May-17	8.48%	5-May-27	150	[ICRA]AAA(Stable)
INE660A08BW0	Subordinated Debt	07-Jun-17	8.45%	7-Jun-27	150	[ICRA]AAA(Stable)
INE660A08BX8	Subordinated Debt	19-Jan-18	8.45%	19-Jan-28	250	[ICRA]AAA(Stable)
INE660A08BY6	Subordinated Debt	21-Feb-18	8.45%	21-Feb-28	125	[ICRA]AAA(Stable)
INE660A08BZ3	Subordinated Debt	26-Nov-18	9.75%	24-Nov-28	125	[ICRA]AAA(Stable)
INE660A08CA4	Subordinated Debt	13-Jun-19	8.90%	13-Jun-29	150	[ICRA]AAA(Stable)
INE660A08CB2	Subordinated Debt	25-Sep-19	8.60%	25-Sep-29	100	[ICRA]AAA(Stable)
INE660A08CC0	Subordinated Debt	29-Jan-20	8.37%	29-Jan-30	150	[ICRA]AAA(Stable)
INE660A08CD8	Subordinated Debt	13-Jul-20	7.65%	12-Jul-30	100	[ICRA]AAA(Stable)
INE660A08CE6	Subordinated Debt	20-Jul-20	7.65%	19-Jul-30	100	[ICRA]AAA(Stable)
INE660A08CF3	Subordinated Debt	16-Dec-20	7.37%	16-Dec-30	100	[ICRA]AAA(Stable)
INE660A08CG1	Subordinated Debt	26-Mar-21	7.78%	26-Mar-31	200	[ICRA]AAA(Stable)
INE660A08CG1	Subordinated Debt	20-Apr-21	7.78%	26-Mar-31	100	[ICRA]AAA(Stable)
INE660A07PV4	NCD	10-May-19	Zero coupon (YTM - 8.60%)	5-Apr-22	134.1	[ICRA]AAA(Stable); reaffirmed and withdrawn
INE660A07QJ7	NCD	13-Jul-20	7.33%	22-Apr-22	225	[ICRA]AAA(Stable); reaffirmed and withdrawn
INE660A08BM1	Subordinated Debt	30-Mar-12	9.90%	30-Mar-22	30	[ICRA]AAA(Stable); reaffirmed and withdrawn

Source: Company

Annexure-II: List of entities considered for consolidated analysis as on March 31, 2021

◆ Company Name	◆ Ownership	◆ Consolidation Approach
◆ SHFL	◆ 100.0%	◆ Full consolidation
◆ SAMCL	◆ 100.0%	◆ Full consolidation
◆ Sundaram Alternate Assets Limited [@]	◆ 100.0%	◆ Full consolidation
◆ Sundaram Asset Management Singapore Pte Limited [@]	◆ 100.0%	◆ Full consolidation
◆ Sundaram Trustee Company Limited	◆ 100.0%	◆ Full consolidation
◆ LGF Services Limited	◆ 100.0%	◆ Full consolidation
◆ Sundaram Fund Services Limited (SFSL)	◆ 100.0%	◆ Full consolidation
◆ Sundaram Business Services Limited	◆ 100.0%	◆ Full consolidation
◆ Sundaram Finance Holdings Limited	◆ 21.6%	◆ Full consolidation
◆ Royal Sundaram	◆ 50.0%	◆ Equity method
◆ Flometallic India Private Limited	◆	◆ **Equity method
◆ The Dunes Oman LLC (FZC)		
◆ Sundaram Hydraulics Limited		
◆ Axles India Limited		
◆ Turbo Energy Private Limited		
◆ Transenergy Limited		
◆ Sundaram Dynacast Private Limited		
◆ Wheels India Limited	◆	

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[@] SFL has ownership in these entities through SAMCL

^{**} SFL has ownership in these entities through Sundaram Finance Holdings Limited

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