

Sundaram Finance Limited

57th Annual Report

2009-10



SUNDARAM FINANCE
Enduring values. New age thinking.

Board of Directors

S Viji	Chairman
S Ram	
S Narayanan	
T R Seshadri	
S Ravindran	
S Prasad	
Aroon Raman	
Srinivas Acharya	
T T Srinivasaraghavan	Managing Director

Audit Committee

S Prasad	Chairman
S. Ravindran	
S Viji	

Share Transfer & Investor Relations Committee

S Prasad	Chairman
T T Srinivasaraghavan	
Srinivas Acharya	

Asset Liability Management Committee

T T Srinivasaraghavan	Chairman
Srinivas Acharya	
S Venkatesan	
A N Raju	
M Ramaswamy	

Risk Management Committee

T T Srinivasaraghavan	Chairman
Srinivas Acharya	
S Venkatesan	
A N Raju	
M Ramaswamy	
Harsha Viji	

Compensation Committee

S Ravindran	Chairman
Aroon Raman	
T T Srinivasaraghavan	

CFO & Secretary

S Venkatesan

Auditors

M/s. Brahmaya & Co., Chartered Accountants
48, Masilamani Road, Balaji Nagar, Royapettah, Chennai 600 014

Information Security Assurance Services

M/s. Tejas Brainware Systems (P) Ltd.,
'Lakshmi Bagh', New No.28 Old No.19, Second Main Road
C.I.T. Colony, Mylapore, Chennai 600 004

Registered Office

21, Patullos Road, Chennai - 600 002
Tel: 044 2852 1181, Fax: 044 2858 6641
Website : www.sundaramfinance.in

Senior Management

S Venkatesan	CFO & Secretary
P S Raghavan	Executive Director & Head – Sundaram Business Services
A N Raju	Executive Director
Paramesh Krishnaier	Executive Director
K Swaminathan	Executive Director (Sundaram Infotech Solutions)
M Ramaswamy	Executive Director & Head – Treasury
Harsha Viji	Head – Strategy & Planning
Malli J. Sivakumar	Senior Vice President (Sundaram Infotech Solutions)
V K Raman	Senior Vice President (Sundaram Business Services)
P Viswanathan	Deputy Secretary & Compliance Officer
S Ravindran	Vice President & Head – Northern Region
S Srinivasan	Vice President & Head – Leasing
S Sivakumar	Vice President (Operations)
Shridhar Iyer	Vice President
M J Kulkarni	Vice President & Head – Western Region
K Sankarakumar	General Manager & Head – Distribution
Rajesh Venkat	General Manager & Head (Projects)
V P R V P Varma	General Manager & Head – Karnataka Region
H Venkatesan	General Manager (Audit)
Balachander Gopinath	General Manager & Head – Kerala Region
S Krishnamurthy	General Manager & Head – Tamil Nadu (South)
C Balasubramanian	General Manager & Head – Tamil Nadu (West)
S Mahadevan	General Manager & Head – Personnel and Administration
G Vaikuntam	General Manager & Head – Quality & Process Improvement

Subsidiaries

Sundaram BNP Paribas Home Finance Limited	Sundaram Finance Distribution Limited
Sundaram BNP Paribas Asset Management Company Limited	LGF Services Limited
Sundaram BNP Paribas Trustee Company Limited	Sundaram Infotech Solutions Limited
Infreight Logistics Solutions Limited	Sundaram Business Services Limited
Sundaram BNP Paribas Fund Services Limited	Professional Management Consultants Limited

Bankers

State Bank of India	United Bank of India
State Bank of Travancore	Syndicate Bank
State Bank of Patiala	HDFC Bank Ltd.
State Bank of Hyderabad	The Hongkong and Shanghai Banking Corporation Ltd.
Bank of India	Standard Chartered Bank
IDBI Bank Ltd.	Citibank N. A
Indian Overseas Bank	The Royal Bank of Scotland N.V
Canara Bank	Bank of America

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate, Mumbai 400 001

CURRENCY EQUIVALENTS

Rs. One Million	=	Rs. 10 Lakhs	US\$ 1 = Indian Rs.45.14*
Rs. One Billion	=	Rs. 100 Crores or Rs. 10,000 Lakhs	*RBI Reference Rate as on 31.03.2010

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SUNDARAM FINANCE
Enduring values. New age thinking.

A member of the



International Finance & Leasing Association

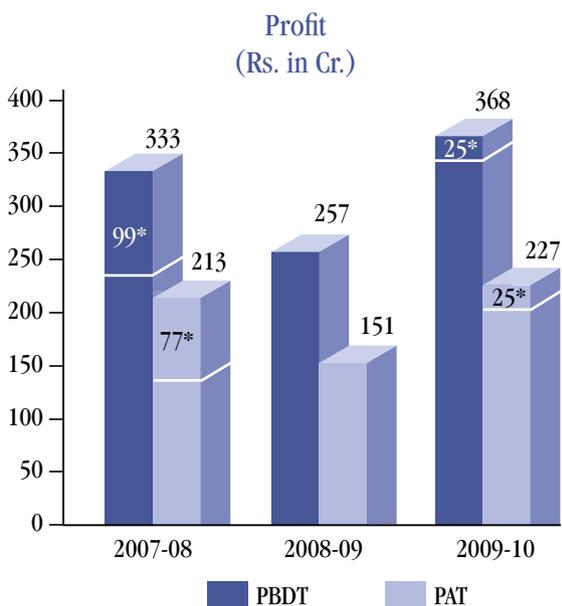
Directors' Report

Your directors have pleasure in presenting the 57th Annual Report with audited accounts for the year ended 31st March 2010. The summarised financial results of the Company are given hereunder:

FINANCIAL RESULTS:

(Rs. in Cr.)

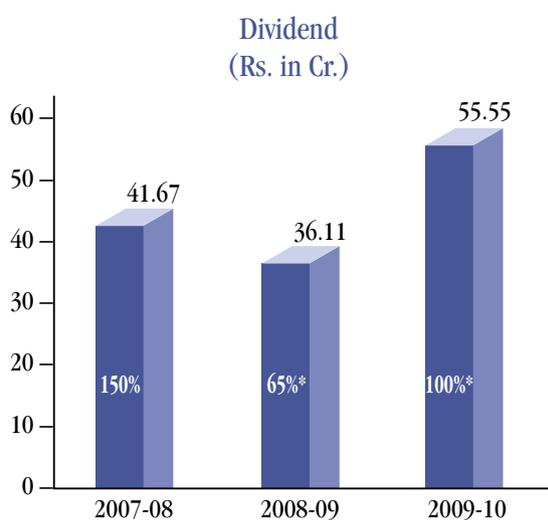
Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Income from Operations	1181.89	1082.78
Profit on Sale of Shares in WABCO-TVS (INDIA) Limited	25.39	–
Other Income	41.43	31.99
Total Income	1248.71	1114.77
Less: Total Expenditure	925.23	895.06
Profit before Tax	323.48	219.71
Profit after Tax	226.75	150.73
Surplus brought forward	41.96	47.14
Transfer from Special Reserve	76.00	–
Amount available for appropriation	344.71	197.87
Appropriations have been made as under:		
Transfers to:		
– Statutory Reserve	45.40	30.20
– Special Reserve	–	2.00
– General Reserve	175.00	82.72
Dividend – Interim	33.33	22.22
Final (Proposed)	22.22	13.89
Dividend Tax	7.74	4.87
Surplus carried to balance sheet	61.02	41.97
	344.71	197.87



* Profit on sale of shares

DIVIDEND

Your Company paid a tax-free interim dividend of Rs.6/- per share (60% on the face value of Rs.10/-). Your directors are now pleased to recommend a final dividend of Rs.4/- per share (40% on the face value of Rs.10/-). This, together with the interim dividend, aggregates to a total dividend of Rs.10/- per share (100% on the face value of Rs.10/-) for the financial year ended 31st March 2010, on the paid-up capital of Rs.55.55 cr.



* On the capital expanded by 1:1 bonus issue

CORPORATE GOVERNANCE

- A detailed report on corporate governance together with a certificate from the Statutory Auditors, in compliance with Clause 49 of the Listing Agreement, is attached as part of this report.
- Compliance reports in respect of all laws applicable to the Company have been reviewed by the Board of Directors.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Uncertainty continues to cloud the shape and pace of global economic recovery. Just as the US seemed to be emerging from its worst recession since the Great Depression, Europe finds itself in the midst of a major crisis. Private spending in advanced economies continues to be constrained and inflation remains generally subdued, making it likely, that fiscal and monetary stimuli in these economies will continue for an extended period. Emerging market economies, on the other hand, seem to be significantly ahead on the recovery path, but some of them are also facing inflationary pressures. This has prompted central banks in some of these countries to begin phasing out their accommodative monetary policies.

INDIAN ECONOMY

The monetary policy response in India, in the wake of the global economic crisis, was aimed at instilling confidence in market participants, mitigating the adverse impact of the global financial crisis on the economy and ensuring an early return to the path of recovery. However, in view of the rising food inflation and the risk of broader inflationary expectations, the Reserve Bank began the process of exit from the expansionary monetary policy, beginning October 2009. SLR and CRR were hiked by 100 basis points each, between October 2009 and April 2010, while repo and reverse repo rates were raised by 50 basis points each during the same period.

In India, the economic recovery, which began around the second quarter of 2009-10, has since shown sustained improvement. Industrial recovery has become more broad-based and is expected to continue in the wake of rising domestic and external demand. Reversing a nearly yearlong decline, exports and imports have both grown since October/ November 2009. Flow of credit from both bank and non-bank sources has picked up and overall business sentiment has turned distinctively positive. India's GDP growth in

2009-10 has been estimated at 7.4%, driven by 9.3% growth in the industrial sector and 8.5% in the services sector. The abundance of liquidity in the system ensured that interest rates remained reasonable for most part.

The developments on the inflation front are, however, far from encouraging. The wholesale price index (WPI) inflation climbed steeply from 1.5 per cent in October 2009 to 9.9 per cent by March 2010. What was initially a problem driven by food prices has now become more generalised. This is reflected in non-food manufactured products inflation rising from (-) 0.4 per cent in November 2009 to 4.7 per cent in March 2010. The Reserve Bank in its Annual policy statement 2010-11, has warned that the current episode of inflation, which was triggered by supply side factors, could develop into a wider inflationary process, with demand side pressures becoming clearly discernible.

The fiscal deficit as of February 2010 had been estimated at 6.5% of GDP on a rolling basis, slightly below the full year's estimate of 6.7%. In the Budget for 2010-11, the fiscal deficit for FY 2011 has been estimated at 5.5% of GDP, a reduction of 1.2% from last year's estimate. However, the windfall mobilisation through the recent 3G auction is expected to further reduce the deficit.

The outlook for the Indian economy remains broadly positive, with GDP projected to grow at 8.5% in 2010-11, subject to the assumption of a normal monsoon and continued robustness in the growth of the manufacturing and service sectors. On the downside, global commodity and energy prices remain volatile and could adversely impact growth. RBI in its Annual Policy has stated that the monetary policy stance for 2010-11 is intended to:

- Anchor inflation expectations, while being prepared to respond appropriately, swiftly and effectively to further build-up of inflationary pressures.
- Actively manage liquidity to ensure that the growth in demand for credit by both the private and public sectors is satisfied in a non-disruptive way.
- Maintain an interest rate regime consistent with price, output and financial stability.

The policy stance is clearly aimed at promoting growth and ensuring that there is sufficient liquidity at reasonable rates of interest. The major challenge, however, will be to achieve these while keeping inflation within check.

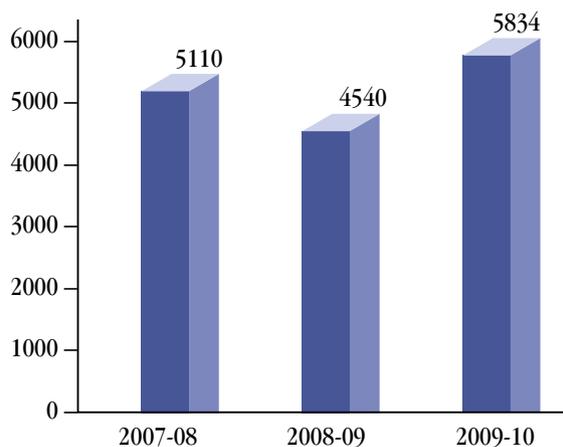
AUTOMOTIVE SECTOR

Aided initially, by the Government of India's stimulus packages, most notably, the 4% reduction in excise duties, across the board and the thrust provided through the JnNURM, the Indian automotive industry has bounced back from the depressing lows of the previous year. Sales of medium and heavy commercial vehicles registered a smart increase of 33% during 2009-10 as against a fall of 33% during 2008-09, while sales of light commercial vehicles were up by 43% as against a fall of 7% during 2008-09. Cars and multi utility vehicles recorded an impressive 25% growth in 2009-10 as against a growth of 12% in 2008-09. While the first half of the year was fairly subdued, sales of commercial vehicles witnessed significant growth from September 2009 onwards, driven primarily by a strong revival in the manufacturing sector. With freight availability improving and much of the excess capacity in the industry being absorbed, freight rates have also moved up to reasonable levels, thereby rendering trucking operations more viable. Ample liquidity and benign interest rates also contributed to the growth story. However, part of the spurt in sales in the last quarter of the year is attributable to 'advance buying', prompted by the expected price increases due to commodity inflation and compliance with the new emission norms that are due to take effect from October 2010.

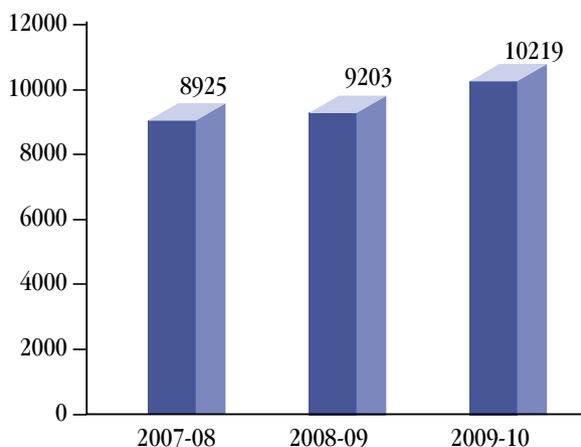
OPERATING & FINANCIAL PERFORMANCE

Your Company's hire purchase and loan disbursements at Rs.5834 cr. during the year, registered a significant growth of 29%, over the previous year's figure of Rs.4540 cr., led by a 51% growth, in unit

Hire Purchase and
Hypothecation Loan Disbursements
(Rs. in Cr.)



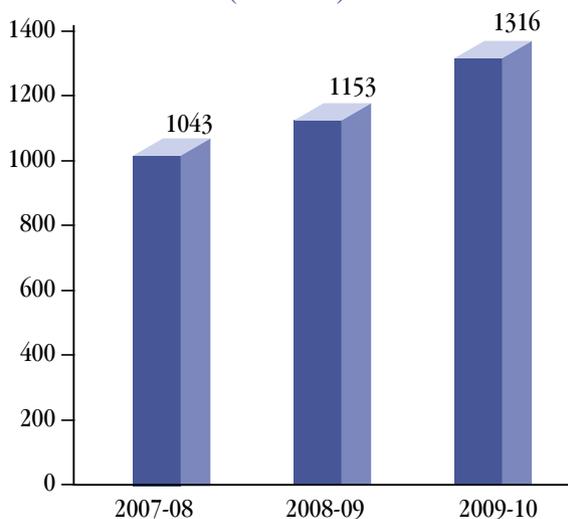
Receivables Under Management (Rs. in Cr.)



terms, in the Medium & Heavy Commercial Vehicle (M & HCV) segment, against the industry growth of 33%, resulting in significant market share gains during the year. Your Company also achieved a strong 25% year on year growth, in unit terms, in the Car Finance segment. The company's continuing focus on asset quality and its finely honed credit appraisal and collection skills have ensured that the portfolio is possibly 'Best in Class'. Gross NPAs as at 31st March, 2010 stood at 1.26% as against 1.64% in the previous year and Net NPAs at 0.45% as against 0.75% in the previous year.

The gross receivables being managed by the Company, including assets sold or securitised stood at Rs.10219 cr. as at 31st March 2010, as against Rs.9203 cr. in the previous year.

Own Funds (Rs. in Cr.)



The net profit for the year from continuing operations was Rs.201.36 cr. (excluding the one-time profit of Rs.25.39 cr. on sale of shares in WABCO-TVS (INDIA) Limited) as against Rs.150.73 cr. in the previous year, registering a growth of 34%. The company's Net-Worth stood at Rs.1316.36 cr. as on 31.3.2010, while Capital Adequacy (CRAR) at 16.93% was comfortably higher than the statutory requirement of 12%. As a measure of prudence and with a view to strengthen the balance sheet, a general provision at 0.4% of Standard assets, amounting to Rs. 31.62 cr. has been made during the year.

RESOURCE MOBILISATION

a) Deposits

During 2009-10, your Company mobilised fresh deposits aggregating to Rs.242.40 cr. Renewal of deposits matured during the year amounted to Rs.257.04 cr. representing 78% of the matured deposits. Deposits outstanding at the year-end were at Rs.1094.91 cr. as against Rs.940.06 cr. in the previous year.

As at 31st March 2010, 3,096 deposits amounting to Rs.9.01 cr., had matured for payment and were due to be claimed or renewed. After close follow-up, the figures are currently down to 1886 and Rs.4.92 cr. respectively. Steps are continuously being taken to arrange for repayment or renewal of these deposits. Investor Relation Services - Deposits continue to enjoy the ISO 9001:2000 certification by Bureau Veritas Certification (India) Private Limited.

b) Term Funding

During the year, your Company raised term funding in the form of non-convertible debentures and term loans to the tune of Rs.4141.24 cr., across various tenors.

c) Bank Finance

Your Company's bankers continue to extend their support, providing loans at competitive rates. Your Company issued several tranches of commercial paper aggregating to Rs.2765 cr., during the year. The maximum amount outstanding at any time was Rs.1500 cr., and the amount outstanding at the end of the year was Rs.635 cr. As part of its overall funding plan, your Company reduced its working capital credit limits with banks from Rs.1800 cr. to Rs.1650 cr.

d) Sell-down of Receivables

During the year, your Company sold hire purchase and hypothecation loan receivables to the extent of Rs. 303.29 cr.

CREDIT RATINGS

All the borrowings of the Company are rated. The short term borrowings (including commercial papers) are rated “A1+ / P1+ / F1+” (highest safety). Fixed Deposits are rated “AAA” (highest safety). The long term borrowings are rated “AA+” (high safety). The long term ratings have a “Stable outlook” from ICRA and FITCH and “Negative outlook” from CRISIL.

OUTLOOK FOR THE YEAR

The current year has begun on an encouraging note. The auto sector appears to be maintaining the growth trajectory that was witnessed in the second half of last year, amidst optimistic growth projections from automotive manufacturers, for the current year. The general tone for the industry is one of optimism and most indicators appear positive. On the Commercial vehicle front, the implementation of the new emission norms, that will become applicable from October 1, 2010 and the resultant increase in truck prices, could impact off take of trucks in the latter part of the year. The strong growth in the car segment and the momentum that was witnessed in the previous year is expected to be maintained during the current year, aided partly by the launch of several new models in recent months, with a few more to follow. A revival in infrastructure projects across the country also bodes well, not only for the road transport and construction equipment sectors, but for the economy as a whole.

However, it is to be hoped that the irrational exuberance of a few years ago, which led to excess capacity creation in the CV segment, is not repeated. While the infrastructure sector presents great opportunities, it is ironically one of the key concern areas as well, with the power situation, in particular, threatening to spoil the growth story. Uncertainties in terms of global events and volatility in commodity and oil prices could pose problems for the Indian economy, while inflation continues to be a worry, domestically. As always, the behaviour of the south-west monsoon will have an important bearing on the fortunes of the country.

INTERNAL AUDIT

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal audit department is manned by highly qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the

adequacy and effectiveness of the internal control measures. Additionally, an Information Security Assurance Service is also provided by independent external professionals. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

RISK MANAGEMENT

Your Company, being in the business of financing of commercial vehicles, cars, other vehicles and equipment in the retail segment, has to manage various risks. These risks include credit risk, liquidity risk and interest rate risk. The Risk Management Committee and the Asset Liability Management Committee periodically review and monitor these risks.

The Company manages credit risk through stringent credit norms established through several years of experience in this line of business and continues to follow the time tested practice of personally assessing every borrower, before committing to a credit exposure. This process ensures that the expertise in lending operations acquired by the Company over decades is put to best use and acts to mitigate credit risks. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Company monitors ALM periodically to mitigate the liquidity risk. The Company also measures the interest rate risk by the duration gap method.

HUMAN RESOURCES

Your Company believes that its greatest assets are its people and Training is an investment in long term people development, for organisational excellence. During the year under review, your Company has taken several new initiatives to ensure that the knowledge and wisdom gained over decades is handed down to the next generation of employees. A well balanced mix of domain knowledge and behavioural training was taken up towards talent transformation. These initiatives have paid good dividends in the form of a strong group of in-house facilitators of domain knowledge and an inspired team of employees geared to serving the needs of your company's valued customers.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report.

In view of this and in accordance with the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of the Subsidiary Companies, have not been attached to the Balance Sheet of your Company. The financial information relating to all the Subsidiary Companies, in the aggregate, has been disclosed in the consolidated financial statements, as required by the Central Government as part of its approval. Further,

- The annual accounts of all the Subsidiary Companies have been posted by your Company on its website – www.sundaramfinance.in.
- Annual accounts of the Subsidiary Companies and related detailed information will be available for inspection by the members, at the head offices of the Company and the Subsidiary Companies concerned and also will be made available to the members upon request.

SUBSIDIARIES

- **Sundaram BNP Paribas Home Finance Limited**

The company, in its eleventh year of operation, approved loans aggregating Rs.915 cr. as against Rs.600 cr. in the previous year; disbursements amounted to Rs. 743 cr. as against Rs.532 cr. in the previous year. The company earned a gross income of Rs.236 cr. as against Rs.213 cr. in the previous year and reported a profit after tax of Rs.27.72 cr. as against Rs.26.81 cr. in the previous year. The loan portfolio as at 31st March 2010 stood at Rs.1981 cr. as against Rs.1592 cr. in the previous year. The gross and net NPA stood at 0.34% and 0.11% respectively as of 31.03.10, clearly the best in the industry. The company declared an interim dividend of Re.1/- per share (10% on the face value of Rs.10/-) for the financial year ended 31st March 2010.

- **Sundaram BNP Paribas Asset Management Company Limited**

The Average Assets under Management (AUM) of Sundaram BNP Paribas Asset Management Company Ltd. was Rs.13878 cr. for the year 2009-10, registering a growth of 49.76% as compared to Rs.9267 cr. in the previous year. The investor base of Sundaram BNP Paribas Asset Management Company Limited stands at 2.34 million, indicating rising retail participation and confidence. In recognition of their status as one of the best fund houses in the country, the schemes of Sundaram

BNP Paribas Mutual Fund received several prestigious awards during the year.

Sundaram BNP Paribas Asset Management Company Limited earned a gross income of Rs.111.71 cr. as against Rs.86.05 cr. in the previous year. After providing for depreciation and tax, the company reported a profit of Rs. 20.84 cr. as against Rs. 10.68 cr. in the previous year. The company recommended a higher dividend of Rs.4/- per share (40% on the face value of Rs.10/-) for the financial year ended 31st March 2010.

- **Sundaram BNP Paribas Trustee Company Limited**

Sundaram BNP Paribas Trustee Company Limited earned a gross income of Rs. 124.10 lakhs as against Rs. 105.39 lakhs in the previous year and reported a profit after tax of Rs. 42.15 lakhs for the year, as against Rs.36.44 lakhs in the previous year. The company recommended a higher dividend of Rs.60/- per share (600% on the face value of Rs.10/-) for the financial year ended 31st March 2010.

- **Sundaram Finance Distribution Limited (SFDL)**

In spite of significant changes in the regulatory guidelines and decline in the number of New Fund Offers by mutual funds, the income from mutual fund distribution has gone up to Rs.1.58 crores during 2009-10 from Rs.1.05 cr. during 2008-09. Despite reduction in insurance premium levels consequent to de-tariffing, SFDL earned a higher commission of Rs.4.01 cr. through stepped-up efforts in distribution of insurance products during the year as against Rs.2.28 cr. in the previous year. The profit after tax for the year amounted to Rs.1.97 cr. as against Rs.1.37 cr. in the previous year. The company recommended a higher dividend of Rs.22.50 per share (225% on the face value of Rs.10/-) for the financial year ended 31st March 2010.

- **LGF Services Limited**

LGF Services Limited, in its sixth year of operation, earned a higher commission of Rs.5.59 cr. through stepped-up efforts in the distribution of insurance products as against Rs.4.38 cr. in the previous year. The profit after tax for the year was higher at Rs.1.83 cr. as against Rs.1.77 cr. in the previous year. The company recommended a higher dividend of Rs.50/- per share (500% on the face value of Rs.10/-) for the financial year ended 31st March 2010.

- **Sundaram Infotech Solutions Limited (SISL)**
The company earned a gross income of Rs.18.82 cr., as against Rs.9.06 cr. in the previous year, registering an increase of 108%. The profit after tax for the year was at Rs.1.31 cr. as against loss of Rs.4.43 cr. in the previous year.
- **Sundaram Business Services Limited (SBSL)**
During the year, SBSL earned a gross income of Rs.19.91 cr., as against Rs.16.49 cr. in the previous year. The reduction in the revenue is attributable to low business volumes owing to recessionary conditions. The company reported a loss of Rs.3.11 cr. as against profit after tax of Rs.38.58 lakhs earned in the previous year. The company remains focused on the Banking, Financial Services and Insurance segments and the Accounting and Payroll horizontal.
- **Professional Management Consultants Limited (PMC)**
During the year, PMC earned a gross income of Rs.4.86 cr. as against Rs.8.86 cr. in the previous year due to low business volumes. The company reported a loss of Rs.68.98 lakhs as against profit after tax of Rs.68.92 lakhs earned in the previous year.
- **Infreight Logistics Solutions Limited (Infreight)**
During the year, Infreight earned a gross income of Rs.17.26 cr. as against Rs.30.63 cr. in the previous year. After a trying year during the Global recession in 2008-09, the company took some very tough steps to improve its margins. These included shedding loss making customers, cutting overheads, increasing productivity of the people and infrastructure and strengthening recovery of receivables. Overall, the operating loss has reduced considerably.
- **Sundaram BNP Paribas Fund Services Limited**
Sundaram BNP Paribas Fund Services Limited earned an income of Rs.131.29 lakhs during the period June 2008 to March 2010 and reported a loss of Rs.689.69 lakhs. Apart from carrying on the Fund Accounting business, the company is hopeful of receiving the Registrar & Share Transfer Agency business of some of the existing asset management companies in India.

JOINT VENTURES

- **Royal Sundaram Alliance Insurance Company Ltd (Royal Sundaram)**
Royal Sundaram registered a growth of 13.6% in Gross Written Premium at Rs.913.11 cr. as against Rs. 803.36 cr. in the previous year and earned an investment income of Rs.92.74 cr. as against Rs.75.56 cr. in the previous year. The company reported a higher net profit of Rs.30.97 cr. for the year as against Rs. 5.66 cr. in the previous year, making for its best ever performance in the decade since its inception.
- **BNP Paribas Sundaram Global Securities Operations Private Limited**
For the period September 2008 to March 2010, BNP Paribas Sundaram Global Securities Operations Private Limited, which acts as the business process Off-shoring centre of BNP Paribas Securities Services in Asia, earned gross income of Rs.40.91 cr. and reported a profit after tax of Rs.4.44 cr. The company paid a dividend of Re.1/- per share (pro-rata) for the period ended 30th September 2009 and recommended a dividend of Rs.4.40 per share (44% on the face value of Rs.10/-) for the six months ended 31st March 2010.

DIRECTORS

The term of office of Sri Srinivas Acharya as Deputy Managing Director expired on 31st March 2010. Your Directors wish to place on record the valuable contribution made by him for the growth and development of your Company during his tenure as Deputy Managing Director. Sri Acharya continues as a Director on the Board.

Sri A. Rangaswami, a Director of your Company since 1995, resigned his directorship effective 1st April 2010. He was the Chairman of the Audit Committee and Share Transfer & Investor Relations Committee. Your directors place on record the significant contribution made by him to the deliberations of the Board and Audit Committee for over a decade. His association with the Sundaram Finance group spanned over five decades and his invaluable wisdom and guidance will be missed.

Consequent to the resignation of Sri A. Rangaswami, Sri S Prasad, an independent director of your Company, was appointed as Chairman of the Audit Committee and Share Transfer & Investor Relations

Committee and Sri Srinivas Acharya was appointed as a member of the Share Transfer & Investor Relations Committee effective 1st April 2010.

Sri S. Viji, Sri S. Ram and Sri T. T. Srinivasaraghavan retire by rotation and, being eligible, offer themselves for re-election. Necessary resolutions are submitted for your approval.

AUDITORS

M/s Brahmayya & Co., Chartered Accountants, Chennai, retire and are eligible for re-appointment. A certificate under Section 224(1B) of the Companies Act, 1956 has been received from them.

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

Your Company has no activity relating to conservation of energy or technology absorption. During 2009-10, expenditure in foreign currencies amounted to Rs.145.04 lakhs, on account of interest and other charges. Foreign Currency earnings amounted to Rs. 94.78 lakhs.

PERSONNEL

In accordance with the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the annexure prescribed under Section 217(2A) of the Companies Act. The said annexure, setting out the names and other particulars of employees, is available for inspection by the Members at the Registered Office of the Company during office hours till the date of the Annual General Meeting.

SUNDARAM FINANCE EMPLOYEE STOCK OPTION SCHEME

Your Board of Directors, based on the recommendations of the Compensation Committee, granted 17,250 stock options to its eligible employees, on 28.05.2010. The disclosure required under SEBI Guidelines, in this regard, is furnished in the Annexure.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. They have prepared the annual accounts on a going-concern basis.

ACKNOWLEDGEMENT

Your directors gratefully acknowledge the support and co-operation extended to your company by all the customers, depositors, shareholders, bankers, mutual funds, automotive manufacturers and vehicle dealers.

For over five and a half decades, your company has been built on the strong foundation of a set of values that we call the 'Sundaram Way'. It is these values that have been our anchor in difficult times and our beacon when we have forged ahead on the path to growth. This would not have been possible without the dedication and unswerving commitment displayed by the employees of the Company, thus enabling it to report a strong performance during the year.

For and on behalf of the Board

Chennai 600 002
28th May 2010

S VIJI
Chairman

Annexure

Disclosure under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

S.No	Particulars	Sundaram Finance Employee Stock Option Scheme - 2008 - Grant 1	Sundaram Finance Employee Stock Option Scheme - 2008 - Grant 2
(a)	Options Granted	10,500	17,250
(b)	The pricing formula	Rs.10/- per share (at par)	Rs.10/- per share (at par)
(c)	Options vested	The above Options would vest on 31st May 2010.	The above Options would vest on 31st May 2011.
(d)	Options exercised	Can be exercised between 1st June 2010 to 31st August 2010	Can be exercised between 1st June 2011 to 31st August 2011
(e)	The total number of shares arising as a result of exercise of Option	Not Applicable now	Not Applicable now
(f)	Options lapsed	Not Applicable	Not Applicable
(g)	Variation of terms of Options	Not Applicable	Not Applicable
(h)	Money realized by exercise of Option	Not Applicable now	Not Applicable now
(i)	Total number of Options in force	10,500	17,250
(j)	Employee-wise details of Options granted to:		
i)	Senior Managerial Personnel:	10,500	15,750
1	Sri. Srinivas Acharya	1,500	2,000
2	Sri. S Venkatesan	1,000	1,250
3	Sri. P S Raghavan	1,000	1,000
4	Sri. A N Raju	1,000	2,000
5	Sri. Paramesh Krishnaier	1,000	1,500
6	Sri. K Swaminathan	1,000	1,000
7	Sri. M Ramaswamy	1,000	1,750
8	Sri. S Ravindran	750	750
9	Sri. P Viswanathan	750	1,250
10	Sri. S Srinivasan	750	750
11	Sri. S Sivakumar	750	750
12	Sri. Shridhar Iyer	-	1,000
13	Sri. M J Kulkarni	-	750

S.No	Particulars	Sundaram Finance Employee Stock Option Scheme - 2008 - Grant 1	Sundaram Finance Employee Stock Option Scheme - 2008 - Grant 2
	ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Option granted during that year: Sri T P Raman, Managing Director, Sundaram BNP Paribas Asset Management Company Limited	Nil –	1,500 1,500
	iii) Identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil
(k)	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Not applicable - On exercise of the Options, shares will be transferred from Sundaram Finance Employees Welfare Trust's holdings	Not applicable - On exercise of the Options, shares will be transferred from Sundaram Finance Employees Welfare Trust's holdings
(l)	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Cost based on Fair Value is more by Rs.0.04 lakhs Profit would be less by Rs.0.04 lakhs and EPS less by Re.0.0001 per share	Not Applicable now Not Applicable now
(m)	Weighted average exercise prices and weighted average fair values of Options shall be disclosed separately for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable	Not Applicable
(n)	A description of the method and significant assumptions used during the year to estimate fair values of Options, including following weighted average information: i) risk free interest rate, ii) expected life, iii) expected volatility, iv) expected dividends, and v) the price of the underlying share in market at the time of Option grant.	Black Scholes Model 4.13% 368 days 55.92% No dividend rights during the vesting period. Rs. 276.10	Does not arise

Financial Highlights

(Rs. in Cr.)

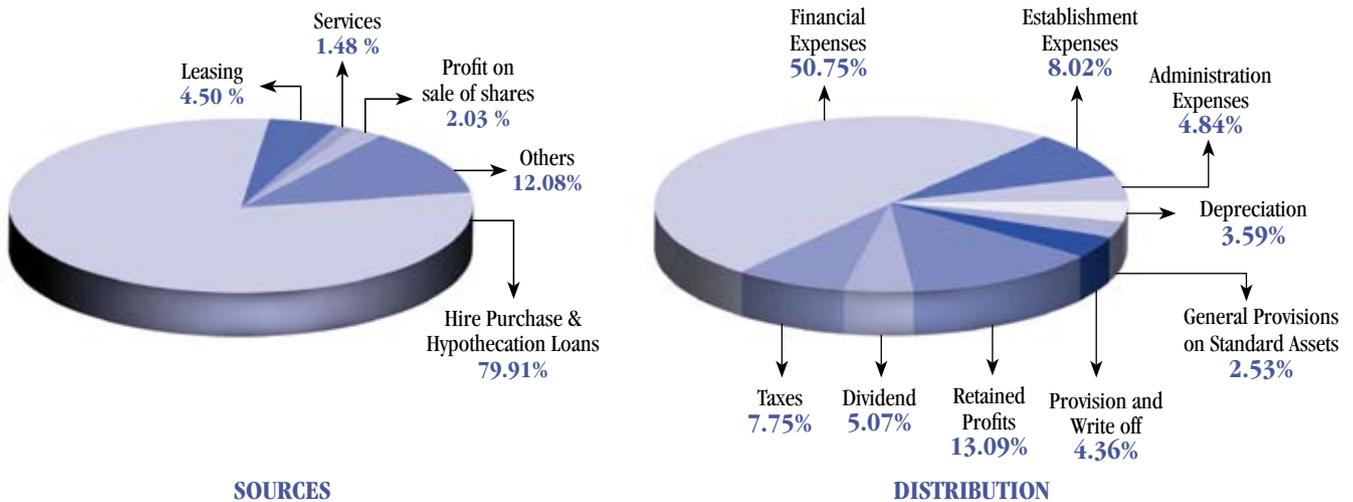
Year	Paid-up Capital	Reserves	Deposits	Total Receivables	PBDT	PAT	Dividend	
							%	Amount
1954	0.02		0.10	0.10				
1972	1.00	0.58	8.35	9.86	0.73	0.30	16.00	0.16
1976	1.50	0.99	13.57	19.87	1.78	0.67	16.00	0.24
1978	2.00	1.37	14.65	27.18	2.01	0.77	18.00	0.36
1982	3.00	3.00	45.20	76.60	4.28	1.58	20.00	0.60
1986	6.00	6.59	104.10	184.66	10.35	2.67	16.00	0.96
1990-91	12.00	30.24	201.02	483.21	34.69	12.01	25.00	3.00
1995-96	24.00	204.31	550.44	1637.05	127.50	64.92	35.00	8.40
2004-05	27.78	655.22	740.25	4488.30	144.55	75.99	75.00	21.87
2005-06	27.78	783.06	627.98	5452.18	227.21	170.59 [@]	135.00 [#]	37.50
2006-07	27.78	850.10	658.47	7327.02	165.01	100.47	105.00	29.17
2007-08	27.78	1015.15	756.62	8925.05	333.02	212.54 [@]	150.00	41.67
2008-09	55.55	1097.12	940.06	9203.53	257.47	150.73	65.00	36.11
2009-10	55.55	1260.57	1094.91	10218.80	368.29	226.75 [@]	100.00	55.55

includes 50% Special Dividend

@ includes profit on sale of shares - Rs.88.13 cr., Rs.76.82 cr. and Rs.25.39 cr. respectively.

Sources and Distribution of Income (2009-10)

Rs. 1248.71 cr.



Auditors' Report

To The Members of M/s. Sundaram Finance Limited

1. We have audited the attached Balance Sheet of Sundaram Finance Limited, Chennai (the Company) as at 31st March 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the Act), and based on the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable.
 - v. On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act, and
 - vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

For BRAHMAYYA & CO.,
Chartered Accountants
Registration No.000511S

L.RAVI SANKAR

Partner

Membership No. 25929

Place: Chennai

Date: 28th May, 2010

Annexure To The Auditors’ Report Referred to in Paragraph 3 of our Report of Even Date

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The Company has a phased programme of physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and nature of fixed assets. In accordance with the programme, the fixed assets have been physically verified by the management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the Company during the year.
2. a) i) The Company has granted unsecured loans to seven companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs. 109,24.37 lakhs. The balance outstanding at the end of the year was Rs. 86,57.61 lakhs.
ii) The rate of interest and other terms and conditions of the loan are, prima facie, not prejudicial to the interest of the Company.
iii) The payment of interest and the repayment of principal are regular.
iv) There is no amount overdue on the loans.
v) Apart from the above, the Company has not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
b) i) The Company has taken secured loans comprising of debentures from one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.30,00.00 lakhs. The balance outstanding at the end of the year was Rs.30,00.00 lakhs.
ii) The rate of interest and other terms and conditions of the loan are, prima facie, not prejudicial to the interest of the Company.
iii) The payment of interest is regular.
iv) There is no amount overdue on the loans.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and sale of goods and services. During the course of our audit, no major weakness has been noticed in the above controls and therefore the reporting of the same does not arise.
4. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under that Section have been so entered.
b) In our opinion, according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year, prima facie, have been made at prices which are reasonable having regard to the nature of the service and the prevailing market prices at the relevant time.
5. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by Reserve Bank of India and the provisions of Section 58A, Section 58AA or any other relevant provisions of the Act, and the rules framed thereunder with regard to deposits accepted from the public.
6. The Company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.

7. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Act.
8. a) According to the records of the Company and the information and explanations given to us, undisputed statutory dues including provident fund, employee state insurance, income tax, wealth tax, service tax, sales tax, value added tax, customs duty and excise duty were regularly deposited during the year with the appropriate authorities.
- b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, excise duty and cess which are outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
9. According to the records of the Company and the information and explanations given to us, there are no dues of wealth tax, customs duty, excise duty and cess which have not been deposited on account of dispute. Details of disputed sales tax and service tax not deposited are as follows:
- | Nature of dues | Amount (Rs. in lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|----------------|-----------------------|---------------------------------------|---|
| Sales Tax | 914.22 | Assessment years 1993-94 to 2004-2005 | Various appellate authorities |
| Service Tax | 867.93 | 2003-2004 to June 2009 | Commissioner (Appeals) (Large Tax Payer Unit) |
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit societies are not applicable to the Company.
14. Based on our examination of records and the information and explanations given to us, the Company does not deal/trade in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company, prima facie, were applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment, pending application.
17. According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall examination of the Balance Sheet of the Company, funds raised on short term basis, prima facie, have not been used during the year for long term investment.
18. According to the information and explanations given to us, the Company has created securities in respect of secured debentures issued, except one series of secured debentures of face value of Rs.95,00.00 lakhs issued in March 2010 in respect of which we have been informed that the security would be created within the stipulated time.
19. The Company has not raised money by public issues during the year.
20. To the best of our knowledge and according to the information and explanations given to us, during the year no fraud on or by the Company was noticed or reported during the course of our audit.
21. In our opinion and according to the information and explanations given to us, the nature of the company's business / activities during the year have been such that clauses ii, xiii and xviii of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company for the year.

For BRAHMAYYA & CO.,
Chartered Accountants
Registration No.000511S

L. RAVI SANKAR
Partner

Place: Chennai
Date: 28th May, 2010

Membership No. 25929

Balance Sheet

as at 31st March, 2010

(Rs. in Lakhs)

		31.03.2010		31.03.2009	
I SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	55,55.19		55,55.19	
b) Stock Option Outstanding Account	2	23.28		-	
c) Reserves and Surplus	3	1260,57.18	1316,35.65	1097,11.81	1152,67.00
2. Loan Funds					
a) Secured Loans	4	5884,17.27		4177,28.12	
b) Unsecured Loans	5	2609,60.87	8493,78.14	2084,79.20	6262,07.32
Total		<u>9810,13.79</u>		<u>7414,74.32</u>	
II APPLICATION OF FUNDS					
1. Fixed Assets	6				
a) Gross Block		466,28.07		507,88.66	
b) Less: Depreciation		231,93.45		301,82.89	
c) Net Book Value		234,34.62		206,05.77	
d) Add: Lease Adjustment Account		(1,96.82)		(3,64.72)	
e) Net Block			232,37.80		202,41.05
2. Investments	7		537,44.80		511,88.87
3. Deferred Tax Asset (Net)	8				
Deferred Tax Asset		61,24.40		56,91.36	
Less: Deferred Tax Liability		5,90.75	55,33.65	5,96.62	50,94.74
4. Current Assets, Loans and Advances					
a) Current Assets	9	1664,89.36		688,76.04	
b) Loans and Advances	10	7993,63.96		6539,55.77	
(A)		<u>9658,53.32</u>		<u>7228,31.81</u>	
Less: Current Liabilities and Provisions					
a) Current Liabilities	11	550,84.13		503,60.94	
b) Provisions	12	122,71.65		75,21.21	
(B)		<u>673,55.78</u>		<u>578,82.15</u>	
Net Current Assets (A-B)	(A-B)		8984,97.54		6649,49.66
Total		<u>9810,13.79</u>		<u>7414,74.32</u>	
Notes to the Accounts	19				

As per our report of even date attached

For Brahmaya & Co.,
Chartered Accountants

L. Ravi Sankar
Partner

Chennai,
28th May, 2010

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
Srinivas Acharya
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

Profit and Loss Account for the Year Ended 31st March, 2010

	Schedule	2009-10	2008-09
(Rs. in Lakhs)			
INCOME			
Income from Operations	13	1181,89.37	1082,77.62
Profit on Sale of Shares		25,38.90	-
Other Income	14	41,42.57	31,99.28
TOTAL	(A)	<u>1248,70.84</u>	<u>1114,76.90</u>
EXPENDITURE			
Financial Expenses	15	633,79.55	645,44.09
Establishment Expenses	16	100,11.23	94,07.97
Administrative and Other Expenses	17	60,42.27	71,60.91
General Provision on Standard Assets		31,61.69	-
Provisions and Write Off	18	54,46.90	46,16.80
Depreciation		44,81.57	37,76.10
TOTAL	(B)	<u>925,23.21</u>	<u>895,05.87</u>
Profit before Tax	(A) - (B)	<u>323,47.63</u>	<u>219,71.03</u>
Taxation			
- Current (Including Wealth Tax)		101,11.69	80,96.70
- Deferred		(4,38.92)	(13,48.81)
- Fringe Benefit Tax		-	1,50.00
Profit after Tax		<u>226,74.86</u>	<u>150,73.14</u>
Add: Balance brought forward from Previous Year		41,96.67	47,14.63
Transfer from Special Reserve		76,00.00	-
Amount available for Appropriation		<u>344,71.53</u>	<u>197,87.77</u>
APPROPRIATIONS			
Dividend			
- Interim		33,33.12	22,22.08
- Final (proposed)		22,22.07	13,88.80
- Dividend Tax		7,74.30	4,87.60
Special Reserve		-	2,00.00
Statutory Reserve		45,40.00	30,20.00
General Reserve		175,00.00	82,72.62
Surplus - Balance carried to Balance Sheet		<u>61,02.04</u>	<u>41,96.67</u>
		<u>344,71.53</u>	<u>197,87.77</u>
Notes to the Accounts	19		
Earnings per Equity Share (Refer Note 4.4 Schedule 19)			
Number of Shares considered (Face Value Rs.10/- per share)		5,55,51,930	5,55,51,930
Basic and Diluted earnings per share (in Rupees)		40.82	27.13

As per our report of even date attached

For Brahmayya & Co.,

Chartered Accountants

L. Ravi Sankar

Partner

Chennai,

28th May, 2010

S. Viji

Chairman

T. T. Srinivasaraghavan

Managing Director

S. Venkatesan

CFO & Secretary

S. Ram

S. Narayanan

Srinivas Acharya

T. R. Seshadri

S. Ravindran

S. Prasad

Aroon Raman

Directors

SCHEDULES

	31.03.2010		(Rs. in Lakhs) 31.03.2009	
1 Capital				
Authorised				
10,00,00,000 Equity Shares of Rs.10/- each		100,00.00		100,00.00
Issued, Subscribed and fully paid-up				
5,55,51,930 Equity Shares of Rs.10/- each (includes 5,09,75,545 Equity Shares allotted as fully paid-up by way of bonus shares by Capitalisation of Reserves and Securities Premium and 37,75,965 Equity Shares of Rs.10/- each allotted for consideration other than cash pursuant to a Scheme of Amalgamation)		55,55.19		55,55.19
2 Stock Option Outstanding Account	27.94		-	
Less: Deferred Employee Compensation Cost	4.66	23.28	-	-
3 Reserves and Surplus				
Capital Reserve		50,79.64		50,79.64
Securities Premium Account				
Per Last Balance Sheet	-		15,04.97	
Less: Issue of bonus shares	-	-	15,04.97	-
General Reserve				
Per Last Balance Sheet	670,00.00		600,00.00	
Less: Issue of bonus shares	-		12,72.62	
Add: Transfer from Profit and Loss account	175,00.00	845,00.00	82,72.62	670,00.00
Statutory Reserve				
Per last Balance Sheet	258,35.50		228,15.50	
Add: Transfer from Profit and Loss account	45,40.00	303,75.50	30,20.00	258,35.50
Special Reserve				
Per Last Balance Sheet	76,00.00		74,00.00	
Less: Transfer to Profit and Loss account	76,00.00		-	
Add: Transfer from Profit and Loss account	-	-	2,00.00	76,00.00
Surplus - Balance in Profit and Loss account		61,02.04		41,96.67
		1260,57.18		1097,11.81
4 Secured Loans				
Non - Convertible Debentures		3176,82.03		2339,06.86
From Scheduled Banks		2707,35.24		1738,21.26
From International Finance Corporation		-		100,00.00
		5884,17.27		4177,28.12
5 Unsecured Loans				
Fixed Deposits				
From Public	1088,49.35		933,72.97	
From Directors	6,41.54	1094,90.89	6,33.08	940,06.05
Non - Convertible Debentures		335,00.00		503,00.00
Subordinated Non Convertible Debentures		245,00.00		50,00.00
Debenture Application Money		-		75,00.00
Short Term Loans and advances				
From Scheduled Banks		302,37.82		35,99.53
From Others		11,04.00		1,50.00
Commercial Paper		621,28.16		479,23.62
		2609,60.87		2084,79.20

SCHEDULES

(Rs. in Lakhs)												
DESCRIPTION	GROSS BLOCK AT COST			DEPRECIATION				Net Book Value	Balance in Lease Adjustment Account as at 31.03.2010	NET BLOCK		
	As at 31.03.2009	Additions	Deductions	As at 31.03.2010	Upto 31.03.2009	Additions*	Deductions			Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1 Freehold land and Buildings	70,73.00	3,14.71	-	73,87.71	11,67.95	1,39.63	-	13,07.58	60,80.13	-	60,80.13	59,05.05
2 Leasehold office / Residential Premises	15,54.94	1.02	-	15,55.96	6,93.14	43.14	-	7,36.28	8,19.68	-	8,19.68	8,61.80
3 Plant and Machinery and Computers	62,35.01	9,74.85	3,62.05	68,47.81	36,62.99	7,54.74	3,12.72	41,05.01	27,42.80	-	27,42.80	25,72.02
4 Vehicles	143,13.73	65,30.32	21,07.84	187,36.21	49,38.46	31,68.37	11,83.27	69,23.56	118,12.65	-	118,12.65	93,75.27
5 Furniture / Office Equipment	31,24.09	2,04.10	24.76	33,03.43	20,30.58	2,21.33	21.67	22,30.24	10,73.19	-	10,73.19	10,93.51
6 Intangible Assets												
Computer Software	6,33.05	4,47.66	-	10,80.71	3,18.89	1,64.89	-	4,83.78	5,96.93	-	5,96.93	3,14.16
7 Assets on Finance Lease												
a) Plant and Machinery and Computers	47,32.15	-	2,89.07	44,43.08	44,01.50	46.89	2,62.04	41,86.35	2,56.73	(2,07.68)	49.05	55.95
b) Vehicles	130,34.92	-	98,49.53	31,85.39	128,89.98	50.60	98,00.50	31,40.08	45.31	16.87	62.18	61.90
c) Furniture / Office Equipment	87.77	-	-	87.77	79.40	1.17	-	80.57	7.20	(6.01)	1.19	1.39
Total	507,88.66	84,72.66	126,33.25	466,28.07	301,82.89	45,90.76	115,80.20	231,93.45	234,34.62	(1,96.82)	232,37.80	202,41.05
Previous Year	480,88.75	76,36.89	4936.98	507,88.66	303,00.36	39,45.12	40,62.59	301,82.89	206,05.77	(3,64.72)	202,41.05	172,64.30

* Finance Lease Depreciation of Rs.98.66 Lakhs (Previous Year - Rs.160.10 Lakhs) has been netted off against Lease Income Depreciation on assets used for development of Computer Software amounting to Rs.10.53 Lakhs (Previous Year - Rs.8.92 Lakhs) taken to Advance for Purchase of Assets

SCHEDULES

(Rs. in Lakhs)

	Face Value (FV)	31.03.2010	31.03.2009
7 Investments			
Long Term - At Cost			
I In Government / Trust Securities			
Non Trade			
A Quoted:			
Government Securities			
Central Government Loans (Face Value of Rs.789.30 lakhs purchased during the year and Face Value of Rs.1000 lakhs matured during the year)	98,39.30	98,78.16	99,81.68
State Government Loans (Face Value of Rs.2348 lakhs purchased during the year)	23,48.00	23,71.54	–
	<u>121,87.30</u>	<u>122,49.70</u>	<u>99,81.68</u>
B Unquoted:			
Trust Securities			
Investment in Mutual Funds			
Pru ICICI FMP Series 41 - 17 Months Plan - Cumulative (35,00,000 units of Rs.10/- each redeemed during the year)		–	3,50.00
Birla MF - FTP - Series AE - Growth (35,00,000 units of Rs.10/- each redeemed during the year)		–	3,50.00
Reliance Fixed Horizon Fund IV Series 6 - Growth (35,00,000 units of Rs.10/- each redeemed during the year)		–	3,50.00
Reliance Fixed Horizon Fund IV-Series 7 - Growth (25,00,000 units of Rs.10/- each redeemed during the year)		–	2,50.00
Sundaram BNP Paribas MF Fixed Term Plan C - Growth (50,00,000 units of Rs.10/- each redeemed during the year)		–	5,00.00
HSBC Fixed Term Series 41 - Growth (40,00,000 units of Rs.10/- each redeemed during the year)		–	4,00.00
Sundaram BNP Paribas Energy Opportunities - Growth @ (20,00,000 units of Rs.10/- each)		1,66.60	92.13
		<u>1,66.60</u>	<u>22,92.13</u>
II In Equity Shares - Fully paid			
Quoted			
Sundaram Clayton Limited 45,46,170 Equity Shares of Rs.5/- each (11,13,019 Equity Shares of Rs.5/- each purchased during the year and 22,73,085 Equity Shares of Rs.5/- each allotted as bonus shares during the year)		17,19.14	5.87
Wheels India Ltd. 13,33,741 Equity Shares of Rs.10/- each		8,38.14	8,38.14
Reliance Industries Ltd. @ 40,850 Equity Shares of Rs.10/- each (20,425 Equity Shares of Rs.10/- each allotted as bonus shares during the year)		3,47.22	3,11.11
		<u>29,04.50</u>	<u>11,55.12</u>
Carried forward			

SCHEDULES
7 Investments (contd.)

(Rs. in Lakhs)

	31.03.2010	31.03.2009
Brought forward	29,04.50	11,55.12
India Motor Parts & Accessories Ltd. 7,35,392 Equity Shares of Rs.10/- each	2,79.26	2,79.26
Techtran Polylenses Ltd. @ 2,50,000 Equity Shares of Rs.10/- each	32.13	16.90
IDBI Ltd. @ 14,240 Equity Shares of Rs.10/- each	11.40	6.46
WABCO - TVS (India) Limited (11,60,066 Equity Shares of Rs.5/- each sold during the year)	–	3.16
	32,27.29	14,60.90
Unquoted:		
i) In Subsidiary Companies:		
Sundaram BNP Paribas Home Finance Ltd. * 4,01,56,296 Equity Shares of Rs.10/- each	61,39.10	61,39.10
Sundaram BNP Paribas Fund Services Ltd. * 1,51,50,000 Equity Shares of Rs.10/- each (1,51,50,000 Equity Shares of Rs.10/- each subscribed at par during the year)	15,15.00	–
Sundaram Business Services Ltd. 1,50,00,000 Equity Shares of Rs.10/- each	15,00.00	15,00.00
Sundaram BNP Paribas Asset Management Co. Ltd.* 76,81,948 Equity Shares of Rs.10/- each	12,09.86	12,09.86
Infreight Logistics Solutions Ltd. \$ 44,10,000 Equity Shares of Rs.10/- each	4,41.00	4,41.00
Sundaram Infotech Solutions Ltd. 40,00,000 Equity Shares of Rs.10/- each	4,00.00	4,00.00
Sundaram Finance Distribution Ltd. 5,00,000 Equity Shares of Rs.10/- each	65.18	65.18
LGF Services Ltd. 2,50,000 Equity Shares of Rs.10/- each	5.00	5.00
Sundaram BNP Paribas Trustee Company Ltd.* 25,050 Equity Shares of Rs.10/- each	2.51	2.51
Carried forward	112,77.65	97,62.65

SCHEDULES

(Rs. in Lakhs)

7 Investments (contd.)

	31.03.2010	31.03.2009
Brought forward	112,77.65	97,62.65
ii) In Joint Venture Companies		
Royal Sundaram Alliance Insurance Company Ltd. 10,47,90,000 Equity Shares of Rs.10/- each	105,24.33	105,24.33
BNP Paribas Sundaram Global Securities Operations Pvt. Ltd. * 31,85,000 Equity Shares of Rs.10/- each (31,85,000 Equity Shares of Rs.10/- each subscribed at par during the year)	3,18.50	—
iii) In Associate Companies		
The Dunes Oman LLC (FZC) 19,28,700 Equity Shares of value 1 Omani Riyal each (3,65,200 Equity Shares of value 1 Omani Riyal subscribed at par during the year)	22,64.33	18,32.15
Axles India Ltd. 98,91,754 Equity Shares of Rs.10/- each	10,15.70	10,15.70
Sundaram Hydraulics Ltd. 73,50,000 Equity Shares of Rs.10/- each	7,35.00	7,35.00
Turbo Energy Ltd. 19,20,000 Equity Shares of Rs.10/- each	1,88.41	1,88.41
Sundaram Dynacast Private Ltd. 11,70,000 Equity Shares of Rs.10/- each	1,17.00	1,17.00
Transenergy Ltd. 30,000 Equity Shares of Rs.100/- each	30.00	30.00
iv) In Other Companies		
Equifax Credit Information Services Pvt. Ltd. * 50,00,000 Equity Shares of Rs.10/- each (50,00,000 Equity Shares of Rs.10/- each subscribed at par during the year)	5,00.00	—
Experian Credit Information Company of India Pvt. Ltd. 42,00,000 Equity Shares of Rs.10/- each (42,00,000 Equity Shares of Rs.10/- each subscribed at par during the year)	4,20.00	—
Carried forward	<u>273,90.92</u>	<u>242,05.24</u>

* These shares are subject to a lock in period

SCHEDULES
7 Investments (contd.)

	(Rs. in Lakhs)	
	31.03.2010	31.03.2009
Brought forward	273,90.92	242,05.24
Credit Information Bureau (India) Ltd. 6,25,000 Equity Shares of Rs.10/- each	1,25.01	1,25.01
Vishnu Forge Industries Ltd. 2,97,110 Equity Shares of Rs.10/- each	45.93	45.93
Lucas-TVS Ltd. 63,224 Equity Shares of Rs.100/- each	27.22	27.22
Delphi TVS Diesel Systems Ltd. 2,52,896 Equity Shares of Rs.10/- each	18.15	18.15
Brakes India Ltd. 1,59,460 Equity Shares of Rs.100/- each	15.33	15.33
NTTF Industries Ltd. 75,000 Equity Shares of Rs.10/- each	15.00	15.00
	<u>276,37.56</u>	<u>244,51.88</u>
\$ Less: Provision for diminution in the value of investments	4,41.00	—
	<u>271,96.56</u>	<u>244,51.88</u>
III In Preference Shares		
Unquoted:		
Axles India Ltd. 12%, 6,00,000 Redeemable Cumulative Non-Convertible Preference Shares of Rs.100/- each	6,00.00	6,00.00
	<u>6,00.00</u>	<u>6,00.00</u>
A) Non Trade - Quoted		
Reliance Industries Ltd. 1,29,880 Zero Coupon Secured Redeemable Non-Convertible Debentures of Rs.100/- each	1,30.05	1,30.05
	<u>1,30.05</u>	<u>1,30.05</u>
B) Non Trade - Unquoted		
Rural Electrification Corporation Limited 5.50%, 500 Non-Convertible Redeemable Taxable Bonds Series VII of Rs.10000/- each	50.00	50.00
	<u>50.00</u>	<u>50.00</u>

SCHEDULES

(Rs. in Lakhs)

7 Investments (contd.)

	31.03.2010	31.03.2009
Current Investments		
a) In Trust Securities (Unquoted)		
Sundaram BNP Paribas Capex Opportunities Fund - Growth (12,37,742.09 units of Rs.10/- each)	1,23.77	1,23.77
Sundaram BNP Paribas Rural India Fund - Growth@ (45,17,936.21 units of Rs.10/- each)	5,00.00	3,13.31
Sundaram BNP Paribas Select Focus - Appreciation@ (8,71,148.43 units of Rs.10/- each)	5,00.00	4,16.66
Reliance Quarterly Interval Fund – Series II – Inst. Growth (3,20,39,067.733 units of Rs.10/- each purchased during the year)	40,00.43	–
Birla Sunlife Short Term Opportunities Fund – Inst. – G (96,19,269.32 units of Rs.10/- each purchased during the year)	10,00.00	–
Birla Sunlife FT Fund - Long Term – Inst. – G (3,71,19,182.39 units of Rs.10/- each purchased during the year)	40,00.40	–
Canara Robeco Liquid Super Institutional - Growth (42,23,556.22 units of Rs.10/- each redeemed during the year)	–	4,51.40
Birla Sunlife Cash Manager - Institutional - Growth (68,35,363.35 units of Rs.10/- each redeemed during the year)	–	10,02.98
Birla Sunlife Cash Plus - Institutional - Growth (12,908.22 units of Rs.10/- each redeemed during the year)	–	1.81
Religare Ultra Short Term Fund - Institutional -Growth (62,33,469.60 units of Rs.10/- each redeemed during the year)	–	750.59
ING Liquid Fund - Super Institutional - Growth (38,03,033.30 units of Rs.10/- each redeemed during the year)	–	5,00.00
ICICI Pru Liquid Plan - Super Institutional -Growth (38,50,063.14 units of Rs.10/- each redeemed during the year)	–	5,00.00
Kotak Liquid (Institutional Premium) - Growth (64,50,708.18 units of Rs.10/- each redeemed during the year)	–	11,50.00
Sundaram BNP Paribas Ultra Short Term Fund - Super Inst. -Growth (1,27,71,217.07 units of Rs.10/- each redeemed during the year)	–	15,01.01
SBI Premier Liquid Fund - Super Institutional - Growth (35,99,634.28 units of Rs.10/- each redeemed during the year)	–	5,00.00
Reliance Liquid Fund -Treasury Plan-Institutional-Growth (46,71,208.78 units of Rs.10/- each redeemed during the year)	–	10,00.91
Templeton India Treasury Management - Super Institutional-Growth (57,502.93 units of Rs.1000/- each redeemed during the year)	–	7,50.65
UTI Liquid Cash Plan - Institutional - Growth (51,878.25 units of Rs.1000/- each redeemed during the year)	–	7,50.00
HDFC Liquid Fund - Premium Plan - Growth (28,37,121.89 units of Rs.10/- each redeemed during the year)	–	5,00.00
Fidelity Ultra Short Term Fund - Institutional - Growth (91,26,860.79 units of Rs.10/- each redeemed during the year)	–	10,00.17
Tata Floater Fund - Growth (76,65,960.10 units of Rs.10/- each redeemed during the year)	–	10,00.75
Fortis Money Plus - Institutional - Growth (62,781.92 units of Rs.10/- each redeemed during the year)	–	8.22
	101,24.60	122,22.23

SCHEDULES

(Rs. in Lakhs)

7 Investments (contd.)
SUMMARY OF INVESTMENTS
I In Government / Trust Securities

	31.03.2010	31.03.2009
A Quoted	122,49.70	99,81.68
B Unquoted - Long Term	1,66.60	22,92.13
C Unquoted - Current	101,24.60	122,22.23

II In Equity Shares

A Quoted	32,27.29	14,60.90
B Unquoted	271,96.56	244,51.88

III In Preference Shares - Unquoted

	6,00.00	6,00.00
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IV In Bonds / Debentures / Others

A Quoted	1,30.05	1,30.05
B Unquoted	50.00	50.00

GRAND TOTAL

	537,44.80	511,88.87
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Aggregate of quoted Investments - Long Term

	Cost 31.03.2010	MV#
Government Securities	122,49.70	117,56.95
Equity Shares	32,27.29	118,98.72
Debentures	1,30.05	1,30.05

(A) 156,07.04 237,85.72
Aggregate of unquoted Investments - Long Term

Trust Securities	1,66.60	
Equity Shares	271,96.56	
Preference Shares	6,00.00	
Bonds	50.00	

(B) 280,13.16
Aggregate of unquoted Investments - Current

Trust Securities	101,24.60	
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(C) 101,24.60
GRAND TOTAL [A + B + C]

	537,44.80	
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Cost has been considered wherever market value is not available.

@ These Investments have been restated at their cost

SCHEDULES

Units of Mutual Funds Purchased and Redeemed during the year

Current Investments

Name of the Fund	Face Value (Rs.)	Units (in lakhs)	Amount (Rs in lakhs)
Axis Treasury Advantage Fund - Growth	1,000	1	10,00
Baroda Pioneer Liquid Fund - Institutional Plan - Growth	10	2,39	25,00
Baroda Pioneer Treas. Adv. Fund – Institutional Plan Growth	10	2,43	25,00
Birla Sunlife Cash Manager - Institutional – Growth	10	2,09	31,00
Birla Sunlife Cash Plus - Institutional Premium - Growth	10	38,32	563,45
Birla Sunlife Savings Fund - Institutional Plan - Growth	10	12,34	212,04
Birla Sunlife Short Term Fund - Institutional Plan - Growth	10	17,95	190,11
Canara Robeco Dynamic Bond Fund	10	50	5,00
Canara Robeco Floating Rate Fund-Short Term-Growth	10	11,53	159,13
Canara Robeco Liquid Super Institutional - Growth	10	15,45	169,59
Canara Robeco Treas. Advantage - Super Institutional Plan - Growth	10	12,95	175,20
DBS Chola Freedom Income Short Term - Institutional - Growth	10	71	10,00
DBS Chola Liquid Super Institutional Plan - Cumulative	10	82	10,00
DSP Black Rock Money Manager Fund - Institutional - Growth	1,000	2	20,00
DWS Insta Cash Plus Fund - Institutional Plan - Growth	10	3,19	45,00
DWS Money Plus Fund - Institutional Plan - Growth	10	2,47	25,00
Fidelity Cash Fund Super Institutional - Growth	10	4,03	49,50
Fidelity Ultra Short Term Debt Fund - Super Institutional - Growth	10	5,15	59,55
Fortis Money Plus Fund - Institutional - Growth	10	23,78	322,53
Fortis Overnight Fund - Institutional Plan - Growth	10	33,76	464,72
HDFC Cash Management Fund - Treas. Plan - Wholesale - Growth	10	15,51	303,60
HDFC Cash Management Fund-Savings Plan - Growth	10	3,50	66,00
HDFC Liquid Fund - Premium Plan - Growth	10	10,67	192,00
HDFC Liquid Fund - Premium Plus Plan - Growth	10	6,16	110,50
HSBC Floating Rate Fund - Long Term - Institutional - Growth	10	33	4,57
ICICI Pru Flexible Income Plan Premium - Growth	10	18,20	311,06
ICICI Prudential Institutional Liquid Plan - Super Institutional Plan - Growth	10	28,07	451,95
IDFC Cash Fund - Super Institutional Plan C - Growth	10	22,98	257,01
IDFC Money Manager Fund - Treas. Plan - Super Institutional Plan C - Growth	10	16,33	174,02
IDFC Money Manager Fund- Institutional Plan-B - Growth	10	3,10	43,01
ING Liquid Fund - Super Institutional Plan - Growth	10	4,50	60,00

SCHEDULES

Current Investments (Contd.)

Name of the Fund	Face Value (Rs.)	Units (in lakhs)	Amount (Rs in lakhs)
ING Treasury Advantage Fund - Institutional - Growth	10	2,19	26,01
JP Morgan India Liquid Fund - Super Institutional -Growth	10	20,28	235,21
JP Morgan India Treasury Fund - Super Institutional - Growth	10	18,45	215,02
Kotak Flexi Debt Scheme - Institutional - Growth	10	38,45	424,08
Kotak Liquid (Institutional Premium) - Growth	10	31,28	572,50
LIC Floating Rate Fund - Short Term - Growth	10	10,43	154,55
LIC Liquid Fund - Growth	10	69,04	1145,64
LIC Savings Plus Fund - Growth	10	35,76	511,17
Peerless Liquid Fund Super Inst. Growth	10	50	5,00
Peerless Ultra Short Term Fund Super Inst. Growth	10	50	5,00
Principal Cash Management Fund - Institutional Premium-Growth	10	3,57	49,50
Principal Ultra Short Term Fund - Growth Plan	10	4,34	49,51
Reliance Liquid Fund - Treasury Plan - Institutional Plan - Growth	10	34,12	750,95
Reliance Liquidity Fund - Institutional Plan - Growth	10	1,88	25,00
Reliance Money Manager Fund - Institutional Plan - Growth	1,000	40	486,95
Reliance Medium Term Fund – Retail Plan – Growth	10	1,74	33,00
Religare Liquid Fund - Super Institutional - Growth	10	20,28	250,51
Religare Ultra Short Term Fund - Institutional - Growth	10	15,76	194,05
Religare Credit Opportunities Fund IP Growth	10	3,22	33,00
SBI Premier Liquid Fund - Super Institutional Plan-Growth	10	3,40	48,00
SBI SHF Ultra Short Term Fund - Institutional Plan - Growth	10	4,55	53,01
Sundaram BNP Paribas Money Fund - Super Institutional - Growth	10	24,18	457,50
Sundaram Ultra Short Term Fund - Super Institutional - Growth	10	25,11	303,12
TATA Floater Fund - Growth	10	11,97	159,07
TATA Floating Rate Short Term - Institutional Plan - Growth	10	15,26	216,00
TATA Liquid Super High Inv. Fund - Appreciation	1,000	10	168,00
TATA Treasury Manager - SHIP - Growth	1,000	13	134,15
Templeton India Treasury Management - Super Institutional -Growth	1,000	27	355,00
Templeton India Ultra Short Bond Fund - Super Institutional -Growth	10	27,89	320,57
UTI Liquid Fund - Cash Plan - Institutional - Growth	1,000	23	337,00
UTI Treasury Advantage Fund - Institutional - Growth	1,000	20	238,54
UTI Floating Rate Fund Short Term Plan Institutional Plan Growth	1,000	5	55,01

SCHEDULES

(Rs. in Lakhs)

	31.03.2010	31.03.2009
8 Deferred Tax Asset (Net)		
Deferred Tax Assets		
Provision for Investments, Standard Assets, Non-performing Assets, etc.	46,18.36	37,79.46
Income deferment on Non-performing Assets	3,35.44	5,59.33
Depreciation	8,86.61	11,25.20
Others	2,83.99	2,27.37
	<u>61,24.40</u>	<u>56,91.36</u>
Less: Deferred Tax Liabilities		
Hire Purchase Income	5,68.38	5,76.57
Others	22.37	20.05
	<u>5,90.75</u>	<u>5,96.62</u>
	<u>55,33.65</u>	<u>50,94.74</u>
9 Current Assets		
a) Stock-on-hire and bills purchased		
Net Investment in Stock-on-hire	217,61.96	281,78.48
Repossessed assets	10,76.35	13,42.01
Debtors on Securitisation	19.23	75.88
Trade bills purchased (unsecured, considered good):		
Outstanding for a period exceeding six months	—	1,89.00
Others	5,97.35	5,97.35
	<u>5,97.35</u>	<u>19,52.95</u>
Net Investment in lease	45,16.06	44,83.81
	<u>279,70.95</u>	<u>362,22.13</u>
b) Interest accrued on investments	1,64.94	1,21.60
c) Cash and bank balances		
With scheduled banks in:		
Current Accounts	12,90.86	35,43.11
Unpaid dividend account	59.27	98.11
Deposit accounts	1347,08.36	267,18.55
Cash on hand	12,62.41	11,54.57
Stamps and Stamp Papers on hand	58.16	43.56
	<u>1373,79.06</u>	<u>315,57.90</u>
d) SFL Shares Trust	5,94.30	5,94.30
e) SFL Employees Welfare Trust	3,80.11	3,80.11
	<u>1664,89.36</u>	<u>688,76.04</u>

SCHEDULES

	31.03.2010	31.03.2009
(Rs. in Lakhs)		
10 Loans and Advances		
Unsecured unless otherwise stated:		
Considered good:		
Secured Loans	7599,76.19	6174,95.16
Unsecured Loans		
– Subsidiary Companies	23,50.00	35,59.94
– Others	30,66.78	21,42.05
Advance Income Tax and Tax Deducted at Source (Net of Provision)	67,11.98	64,63.78
Advance Fringe Benefit Tax (Net of Provision)	21.64	23.40
Advances and deposits recoverable in cash or kind or for value to be received		
– Subsidiary Companies	69.65	1,12.91
– Others	23,29.29	44,47.26
Advance for purchase of assets		
– Business Assets	129,32.96	75,40.11
– Others	30,72.86	31,74.83
Income receivable	88,32.61	89,96.33
	<u>7993,63.96</u>	<u>6539,55.77</u>
11 Current Liabilities*		
Sundry Creditors		
– For expenses	48,02.31	39,10.72
– For other finance	234,98.90	210,64.64
Unpaid dividend	59.27	98.11
Interest accrued but not due	267,23.65	252,87.47
	<u>550,84.13</u>	<u>503,60.94</u>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
12 Provisions		
Non-performing assets	64,70.12	59,63.94
Standard Assets	31,61.69	–
Investments	1,41.68	37.27
Dividend	22,22.07	13,88.80
Dividend Tax and Surcharge	2,76.09	1,31.20
	<u>122,71.65</u>	<u>75,21.21</u>

SCHEDULES

(Rs. in Lakhs)

	2009-10	2008-09
13 Income from Operations		
Hire Purchase / Hypothecation Loans (net) (tax deducted at source Rs.174.18 lakhs)	997,84.62	934,96.25
Lease (net) (tax deducted at source Rs.125.32 lakhs)	56,22.08	38,93.72
Investments (tax deducted at source Rs.93.09 lakhs)	62,07.04	42,44.88
Profit on Securitisation / Sell-down of Receivables	29,34.07	28,49.04
Interest on Loans (tax deducted at source Rs.63.96 lakhs)	5,49.34	4,54.34
Bills Purchased	1,84.97	2,00.15
Services (tax deducted at source Rs.190.76 lakhs)	18,47.51	24,14.52
Recovery of Bad debts and Recovery of Loss on Sale of assets	9,66.98	6,31.53
Profit on Sale of Leased Assets	92.76	93.19
	<u>1181,89.37</u>	<u>1082,77.62</u>
14 Other Income		
Interest receipts (tax deducted at source Rs.0.85 lakhs)	5,92.33	1,05.82
Dividend		
– Subsidiary Companies	10,18.38	8,57.75
– Others	11,79.27	7,71.14
Rent receipts (tax deducted at source Rs.157.04 lakhs)	9,09.86	9,71.36
Profit on sale of assets	29.38	33.45
Miscellaneous income	4,13.35	4,59.76
	<u>41,42.57</u>	<u>31,99.28</u>
15 Financial Expenses		
Interest – Fixed loans	226,41.00	245,43.69
– Debentures	339,95.71	310,02.80
– Others	95.58	20,61.72
Other financial expenses	66,47.26	69,35.88
	<u>633,79.55</u>	<u>645,44.09</u>

SCHEDULES

	2009-10	2008-09
		(Rs. in Lakhs)
16 Establishment Expenses		
Salaries, allowances, commission and bonus	92,73.29	86,33.21
Company's contribution to Provident Fund, Gratuity, Superannuation and Employees' State Insurance schemes	4,76.24	5,47.25
Staff welfare expenses	2,61.70	2,27.51
	100,11.23	94,07.97
17 Administrative and other expenses		
Rent	6,99.04	6,82.94
Rates and taxes	3,92.23	3,85.29
Communication expenses	6,87.08	7,42.24
Electricity expenses	3,48.70	3,96.85
Travelling and conveyance (net)	6,84.64	7,36.70
Advertisement charges	2,05.30	2,69.39
Outsourcing cost	10,50.16	13,92.22
Directors' sitting fee	16.10	13.10
Insurance	1,01.21	1,07.78
Repairs		
– Buildings	59.15	59.31
– Others	7,69.43	8,46.99
Donations	2,98.10	2,22.25
Miscellaneous expenses	7,31.13	13,05.85
	60,42.27	71,60.91
18 Provisions and Write off		
Bad Debts	34,54.60	21,38.25
Loss on Assets sold/written off	13,67.68	8,31.80
Provision against non-performing assets (net)	4,79.98	15,46.33
Loss on sale of investments	–	2.15
Provision against Investments	1,44.64	98.27
	54,46.90	46,16.80

SCHEDULES

19. NOTES TO THE ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the provisions of the Companies Act, 1956. Besides, the Company follows the directions prescribed by the Reserve Bank of India (RBI) for Non Banking Financial Companies.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

- 1.2 Income recognition:

- a) Income from Hypothecation Loans and Hire Purchase transactions is accounted on the basis of the Internal Rate of Return method.
- b) Lease income is accounted as per the terms of the lease agreements for contracts entered into upto 31st March 2001. Income from leases entered into on or after 1st April, 2001 is accounted as per Accounting Standard – AS 19 – Leases.
- c) Income from Services is recognised on accrual basis.

- 1.3 Financial Instruments

Financial instruments such as commercial paper, zero coupon non convertible debentures etc., issued at a discount to the face value are accounted at their carrying cost, comprising issue price and accrued finance cost.

- 1.4 Fixed Assets and Depreciation / Amortisation:

Fixed Assets are stated at historical cost less accumulated depreciation.

Depreciation on assets is provided on the Written Down Value method at rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs.5000 or less acquired during the year are fully depreciated.

Cost of assets given on lease is amortised during the lease period for all leased assets acquired prior to 01-04-2001, as recommended in the "Guidance Note on Accounting for Leases (Revised)". Lease Equalisation Account, which represents the excess/shortfall of annual lease charge when compared with statutory depreciation, is recognised. The value of assets on Finance Lease is further adjusted for balance in Lease Adjustment Account.

- 1.5 Valuation of Investments:

Long-term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary.

Current investments are valued at lower of cost and market value/net asset value.

- 1.6 Foreign Currency Transactions:

Transactions in foreign currencies are accounted at the prevailing rates of exchange on the date(s) of the transaction.

Monetary items denominated in foreign currencies are restated at the prevailing rates of exchange at the Balance Sheet date. Gain or loss arising out of fluctuations in exchange rates are accounted for in the Profit and Loss Account.

Exchange differences on forward exchange contracts, entered into for hedging foreign exchange fluctuation risk in respect of asset/liability are recognised in the Profit and Loss Account in the reporting period in which the exchange rate changes. Premium on forward exchange contracts is expensed over the tenure of the contract.

Interest accrued on secured / unsecured foreign currency loans which are covered by forward contracts, has been provided at the forward exchange contract rate and on loans not so covered at the exchange rate prevailing at the year-end.

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

1.7 Employee Benefits:

A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

B) Post employment benefits:

Defined Contribution Plan

i) Provident Fund

Contributions are made to the company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and the notified interest rate.

The Company also contributes to a government administered Employees Pension Scheme under the Employees Provident Fund Act and to Employees' State Insurance Schemes on behalf of its employees.

ii) Superannuation

The Company makes fixed contributions as a percentage on salary to the superannuation fund, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC).

The above contributions are charged to the Profit and Loss Account.

Defined Benefit Plan

i) Gratuity

The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by LIC and SBI Life Insurance Company Limited (SBI Life). The Company accounts its liability based on an actuarial valuation, as at the balance sheet date, determined every year by LIC and SBI Life using the Projected Unit Credit method.

ii) Leave Encashment

The Company contributes to a staff leave encashment scheme managed by SBI Life. The Company accounts its liability based on an actuarial valuation, as at the balance sheet date, determined every year, using the Projected Unit Credit method.

The expenses and actuarial gain/ loss on account of the above benefit plans are recognised in the profit and loss account on the basis of an actuarial valuation.

C) Other Long Term Employee Benefits:

The estimated liability in respect of other long term benefits like Employee Assured Bonus Scheme, reimbursement of medical expenses and entitlement of sick leave has been provided on the basis of actuarial valuation.

D) Employee Stock Options:

The Company determines the compensation cost based on the intrinsic value method. The compensation cost is amortised on a straight line basis over the vesting period.

1.8 Taxation:

Current tax is provided on the taxable income for the year.

Deferred tax liabilities arising from timing differences have been fully provided for. Deferred tax assets are recognised on the consideration of prudence.

1.9 Intangible Assets:

Items of Computer software acquired / developed are recorded as intangible assets and their cost is amortised over their expected useful life.

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

1.10 Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and their value in use.

1.11 Provisions:

Provisions are recognised when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

2. BALANCE SHEET:

2.1 Reserves and Surplus:

A Special Reserve was created in terms of the Rupee Term Loan agreement entered into with International Finance Corporation, Washington. Consequent to the repayment of the term loan, the balance in the Special Reserve has been withdrawn.

2.2 Secured Loans:

a) Non convertible debentures amounting to Rs.317682.03 lakhs (31.03.2009 – Rs.233906.86 lakhs), include zero coupon debentures of Rs.34383.03 lakhs (31.03.2009 – Rs.4306.85 lakhs). The face value of the zero coupon debentures are Rs.38100.00 lakhs (31.03.2009- Rs.4600.00 lakhs). These debentures are redeemable at par between 2010 and 2013.

The above debentures are secured by mortgage of two immovable properties ranking *pari passu* with the charges created / to be created in favour of the trustees in addition to specific assets covered by Hire Purchase / Lease agreements and a charge on Hypothecation Loan Receivables with a security cover of 100%, as per the terms of issue. The charge in respect of Non convertible debentures amounting to Rs.9500.00 lakhs is pending creation.

b) Loans from scheduled banks under “Secured Loans” include

	(Rs in Lakhs)	
	31.03.2010	31.03.2009
Working Capital Demand Loans	986,11.54	888,21.26
Term Loans	1721,23.70	850,00.00
Total	<u>2707,35.24</u>	<u>1738,21.26</u>

i) Rs.98611.54 lakhs availed under working capital facilities are secured by hypothecation of assets covered by Hire Purchase / Lease agreements and a charge on Hypothecation Loan Receivables, ranking *pari passu*, excluding assets which are specifically charged to others. The facilities include foreign currency loans of Rs.Nil as on 31.03.2010 (31.03.2009 - Rs.4588.18 lakhs).

ii) Rs.172123.70 lakhs availed as Term Loans are secured by hypothecation of specific assets covered by Hire Purchase / Lease agreements and a charge on Hypothecation Loan Receivables. The charge in respect of Term Loan amounting to Rs.5000.00 lakhs is pending creation.

2.3 Unsecured Loans:

a) Non convertible debentures amounting to Rs.33500 lakhs (31.03.2009 - Rs.57800 lakhs) are partly secured by mortgage of an immovable property, ranking *pari passu*, with the charge created / to be created in favour of the debenture trustees. These debentures are redeemable at par during 2010.

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

- b) During the year, the Company raised Rs.19500 lakhs (31.03.2009 – Nil) by the issue of long term unsecured redeemable non convertible subordinated debentures. As on 31st March, 2010 the Company's outstanding subordinated debentures were Rs.24500 lakhs (31.03.2009 – Rs.5000 lakhs). These debentures are redeemable at par between 2012 and 2017.

The debentures are subordinated to the existing and future unsecured borrowings of the Company and qualify as Tier II Capital under the Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

- c) Short Term Loans and Advances:

The maximum amount of face value of the commercial paper outstanding at any time during the year was Rs.150000 lakhs (2008-09 – Rs.118500 lakhs). The face value of the commercial paper outstanding as of 31.03.2010 was Rs.63500.00 lakhs (31.03.2009- Rs.49000.00 lakhs)

2.4 Derivative Contracts:

Derivative contracts outstanding as on 31.03.2010 for Interest Rate Swaps is Rs.12500 lakhs (31.03.2009 – Rs.61800 lakhs) for hedging against floating interest rates.

2.5 Fixed Assets:

- a) Buildings on leasehold land include Rs. 1093.97 lakhs (31.03.2009 – Rs.1093.97 lakhs) being the cost of ownership flats in co-operative societies / associations.

- b) Land and Buildings include Rs.1086.80 lakhs representing undivided share of land (31.03.2009-Rs.1086.80 lakhs).

- c) Plant and Machinery and Vehicles include assets costing Rs. 20047.67 lakhs (gross block) on operating lease contracts (31.03.2009 – Rs.15087.71 lakhs).

- d) Intangible Assets:

In accordance with Accounting Standard – AS 26 – Intangible Assets, software purchased / developed amounting to Rs.447.66 lakhs (31.03.2009 – Rs.302.50 lakhs) is amortised based on a technical evaluation.

- e) The details of assets on operating lease after 01.04.2001 are: (Rs in lakhs)

	31.03.2010			31.03.2009		
	Plant and Machinery	Vehicles	Computers	Plant and Machinery	Vehicles	Computers
Gross carrying amount (Cost)	20,35.97	171,61.68	8,26.91	14,49.67	127,60.25	8,47.04
Accumulated Depreciation	5,18.41	61,27.63	5,42.16	3,42.77	42,21.85	4,32.65
Depreciation recognised in Profit and Loss Account for the Year	1,75.63	27,83.00	1,66.75	1,61.16	20,16.52	2,38.92

Maturity Pattern of the future minimum lease payments is given below:

(Rs.in lakhs)

	31.03.2010	31.03.2009
Less than 1 year	39,25.58	39,36.88
Later than 1 year and not later than 5 years	99,04.60	72,64.14
Total	<u>138,30.18</u>	<u>112,01.02</u>

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

2.6 Investments:

In accordance with the Reserve Bank of India directives, the Company has created a floating charge on the statutory liquid assets comprising investment in Government Securities of face value Rs.12187.30 lakhs (Cost Rs.12249.70 lakhs) and bank deposits of Rs.5509.70 lakhs (grouped under Schedule 9, Current Assets – Cash and Bank Balances) in favour of trustees representing the public deposit holders of the Company.

2.7 Current Assets:

a) During the year the Company realised Rs.28304.94 lakhs (31.03.2009 – Rs. 69583.50 lakhs) on sell down of receivables. Bank deposits of Rs.3336.00 lakhs have been given as collateral by way of credit enhancement. (31.03.2009 – Rs.10466.60 lakhs).

Cash and Bank balances - with scheduled banks in deposit accounts includes Rs.14595.20 lakhs provided as collateral for sell down transactions for which the lien has been noted.

b) In accordance with Accounting Standard – AS 19 – Leases, the reconciliation between the total gross investment in the lease and the present value of minimum lease payments (MLP) receivables as on 31.03.2010 and 31.03.2009 is as follows:

	(Rs. in lakhs)	
	31.03.2010	31.03.2009
Gross Investment in lease	302,80.01	382,44.89
Less: Unearned Finance Charges	41,41.63	57,94.74
MLP Receivables	<u>261,38.38</u>	<u>324,50.15</u>

Maturity Pattern of the Gross investment in lease / Present Value of MLP receivables:

	31.03.2010		31.03.2009	
	Gross Investment in Lease	MLP Receivables	Gross Investment in Lease	MLP Receivables
Less than 1 year	163,39.52	137,99.80	193,83.17	157,81.37
Later than 1 year and not later than 5 years	139,40.49	123,38.58	188,61.72	166,68.78
Total	<u>302,80.01</u>	<u>261,38.38</u>	<u>382,44.89</u>	<u>324,50.15</u>

Accumulated provision for un-collectible minimum lease payments receivable: Rs. 657.42 lakhs.

2.8 “Secured Loans” from Scheduled Banks and Current Accounts with Scheduled Banks under “Cash and Bank Balances” are stated after deduction / addition of cheques on hand to the extent of Rs.4480.76 lakhs (31.03.2009 - Rs.4275.95 lakhs).

2.9 Loans and advances:

a) Secured loans include Rs.18.45 lakhs (31.03.2009 - Rs.19.72 lakhs) due from a Director of the Company. Maximum amount due at any time during the year Rs. 19.72 lakhs (2008-09 - Rs.20.89 lakhs).

b) Unsecured loans include Rs.0.18 lakhs (31.03.2009- Rs.0.39 lakhs) due from officer of the Company. Maximum amount due at any time during the year Rs.0.24 lakhs (2008-09 - Rs.0.84 lakhs).

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

c) Advance income tax and tax deducted at source is net of provision for tax of Rs.35489.44 lakhs (31.03.2009 - Rs. 31194.31 lakhs) and includes Rs.2050.77 lakhs (31.03.2009 -Rs.2898.72 lakhs) towards income tax paid under dispute.

Advance Fringe Benefit tax is net of provision for Fringe Benefit tax of Rs.298.52 lakhs (31.03.2009-Rs.404.76 lakhs)

d) Advances and deposits recoverable in cash or kind or for value to be received include Rs. 213.09 lakhs (31.03.2009 - Rs. 186.09 lakhs) towards sales tax paid under dispute in respect of which appeals are pending.

2.10 Current liabilities:

a) Sundry creditors for expenses include Rs.182.00 lakhs (31.03.2009 - Rs. 125.50 lakhs) payable to directors.

b) Interest accrued but not due includes Rs.106.64 lakhs on deposits of Directors (31.03.2009 – Rs.43.63 lakhs).

3. PROFIT AND LOSS ACCOUNT

3.1 Income from operations:

a) Hypothecation Loans / Hire Purchase is net of business origination cost of Rs.2641.09 lakhs (Previous Year – Rs.2047.86 lakhs).

b) Lease is net of depreciation of Rs.98.66 lakhs (Previous Year Rs.160.10 lakhs) and Lease Equalisation Account Rs.(91.85) lakhs (Previous Year – Rs.55.77 lakhs).

3.2 Income from operations - Investments comprise:

	(Rs.in lakhs)	
	2009 - 10	2008 -09
i) Interest	34,08.99	32,69.67
ii) Profit on sale of investments:		
Long Term	3,12.97	24,85.08
Current	1,59.37	8,15.84

3.3 Income from Services includes Trading of Computer Accessories and Software:

The details relating to trading items are as under:

	(Rs.in lakhs)	
	2009-10	2008-09
Sales	9.11	14.03
Purchases	9.02	10.97

The revenue from sale of computer accessories and software and their individual related costs constitute less than 10% of the total turnover of the Company. Therefore, quantitative information relating to this business has not been stated.

3.4 Profit on sale of shares:

Profit on sale of shares is on the sale of 11,60,066 equity shares of face value of Rs.5 each – WABCO - TVS (India) Ltd. pursuant to an agreement.

3.5 Financial Expenses:

Interest – Fixed loans includes interest on fixed/cumulative deposits amounting to Rs.75.98 lakhs (Previous Year - Rs.54.76 lakhs) paid / credited to Directors.

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

3.6 Employee Benefits:

Defined Contribution Plan:

During the year, the Company has recognised the following amounts in the Profit and Loss account, which are included in Establishment Expenses in Schedule 16:

	2009-10	2008-09	2007-08
Contribution to Provident Fund	1,41.89	1,37.50	1,23.63
Contribution to Pension fund	1,53.31	1,60.42	1,54.84
Contribution to Employees' State Insurance	6.13	11.80	25.27
Contribution to Superannuation fund	99.15	1,00.00	87.32

(Rs. in lakhs)

Description of Benefits Plan	(Rs. in lakhs)	
	2009-2010	2008-2009
	Funded Gratuity	
A) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Opening Balance : Present value of obligation	9,02.15	7,77.11
Current service cost	86.95	71.44
Interest cost	70.14	60.70
Benefits paid	(64.56)	(73.06)
Actuarial (gain) / loss on obligations	(11.17)	65.96
Closing Balance: Present value of obligation	9,83.51	9,02.15
B) Reconciliation of opening and closing balances of the fair value of plan assets		
Opening Balance :Fair value of plan assets	9,61.16	8,04.02
Expected return on plan assets	78.27	67.96
Contributions made	70.05	1,64.02
Benefits paid	(64.56)	(73.06)
Actuarial gain / (loss) on plan assets	5.91	(1.78)
Closing Balance : Fair value of plan assets	10,50.83	9,61.16
C) Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liabilities recognised in the Balance sheet		
Closing Balance: Present value of obligation	9,83.51	9,02.15
Closing Balance: Fair value of plan assets	10,50.83	9,61.16
Unrecognised past service cost	—	—
Net Asset / (Liability) recognised in Balance Sheet (included under Loans & Advances in Schedule 10)	67.32	59.01

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

Description of Benefits Plan	2009-2010	2008-2009
	Funded Gratuity	
D) Expenses recognised in the Profit and Loss account		
Current service cost	86.95	71.44
Interest cost	70.14	60.70
Expected return on plan assets	(78.27)	(67.96)
Net actuarial (gain) / loss recognised	(17.08)	67.74
Total Expenses (included under Establishment expenses in Schedule 16)	61.74	1,31.92
E) Actual return on plan assets		
Expected return on plan assets	78.27	67.96
Actuarial gain / (loss) on plan assets	5.91	(1.78)
Actual return on plan assets	84.18	66.18
F) Actuarial assumptions *		
Discount rate	8%	8%
Expected rate of return on plan assets	8%	8%
Rate of increase in compensation levels	6%	6%

* The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors like supply and demand in the employment market.

Amount for the current and previous two years are as follows:

(Rs.In Lakhs)

Particulars	2009-10	2008-09	2007-08
Defined Benefit Obligation	9,83.51	9,02.15	777.11
Plan Assets	10,50.83	9,61.16	804.02
Suprlus / (deficit)	67.32	59.01	26.91
Experience adjustments on plan liabilities	11.17	(65.96)	(133.88)
Experience adjustments on plan Assets	5.91	(1.78)	(3.52)

The present value of obligation towards compensated absences, as per actuarial certificate, as on 31.03.2010 was Rs. 440.97 lakhs (31.03.2009 – Rs. 371.63 lakhs) and is provided for in the books of accounts.

Other Long Term Benefits

The Company's liability towards other long term benefits are given below:

(Rs.in lakhs)

	2009-10	2008-09	2007-08
• Employee assured bonus scheme	12,03.30	6,57.06	1,81.73
• Staff Medical Scheme	78.60	78.98	96.99
• Retired Employee Medical Scheme	1,32.53	1,43.04	1,47.64

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

3.7 Sundaram Finance Employee Stock Option Scheme (SFESOS)

- a) The Directors have approved an issue 10500 Stock Option at an exercise price of Rs.10/- per share in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Particulars

Options Granted	10500
Exercise Price	Rs.10/- Per Share
Grant Date	29/05/2009
Vesting Date	31/05/2010
Vesting Period	12 months
Exercise Period	01/06/2010 –31/08/2010
Market Price on Grant Date	276.10
Intrinsic Value	266.10
Total Expenses recognised for 2009-10 (Rs. In Lakhs) (Included in Establishment Expenses in Schedule 16)	23.28

- b) The Company has followed Intrinsic Value for accounting SFESOS and had compensation cost for the stock options granted under the Scheme been determined based on fair value approach, the Company's Profit after Tax and Earnings Per Share would have been as per the amounts indicated below:

	2009-10
	(Rs. In Lakhs)
Profit after tax (as reported)	226,74.86
Add: SFESOS compensation expense included in net profit	23.28
Less: SFESOS compensation expense determined under fair value based method	23.32
Profit after Tax (adjusted)	226,74.82
Basic Earnings per Share of Rs.10 each (as reported) (Rs.)	40.8174
Basic Earnings per Share of Rs.10 each (adjusted) (Rs.)	40.8173

- c) The key assumptions used for calculating fair value as on the date of the grant are:

	Date of Grant 29/05/2009
Risk Free Interest Rate	4.13%
Exercise Price (Rs.)	10/-
Expected Life of the Option	368 Days
Expected Volatility	55.92%
Dividend Yield	No dividend rights during vesting period.
Price of the underlying share in market at the time of the Option grant (Rs.)	276.10
Fair Value of the Option (Rs.) (Computed using Black Scholes Model)	266.51

SCHEDULES
19. NOTES TO THE ACCOUNTS (Contd.)

3.8 Remuneration to Directors:		(Rs. in lakhs)	
	2009-10	2008-09	
i) Salary	49.80	46.80	
ii) Commission			
– Wholetime Directors	1,50.00	1,00.00	
– Non Wholetime Directors	32.00	25.50	
iii) Sitting fees to Wholetime Directors	2.90	2.60	
iv) Contribution to Provident, Superannuation and Gratuity Funds	16.16	14.80	
v) Other Allowances and Perquisites	39.28	34.42	
Total	2,90.14	2,24.12	

3.9 Computation of net profit for calculation of commission to directors:		(Rs.in lakhs)	
Net Profit		226,74.86	
Add: Directors' Remuneration	2,90.14		
Directors' Sitting Fee (other than Wholetime Directors)	13.20		
Depreciation as per books	45,80.23		
Provision of Taxation (including Wealth Tax)	96,72.77		
Provision for Non Performing Assets	4,79.98		
General Provision on Standard Assets	31,61.69		
Provision for Investments	1,44.64		
		183,42.65	
Less:		410,17.51	
Depreciation as per Sec.350 of the Companies Act, 1956	45,80.23		
Profit on Sale of Investments	53,36.95		
Lease Equalisation Account	91.85		
		100,09.03	
Net profit as per Section 198 of the Companies Act, 1956		310,08.48	
1% thereof		3,10.08	
Commission to Managing Director and Deputy Managing Director		1,50.00	
Commission to Non-Wholetime Directors		32.00	

3.10 Miscellaneous expenses under "Administrative and other expenses" includes remuneration towards:		(Rs. in lakhs)	
	2009-10	2008-09	
Statutory Audit	27.00	22.50	
Tax Audit	9.00	7.50	
Certification	19.59	17.17	
Service Tax	5.73	5.75	
Travelling Expenses	4.32	2.47	

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

3.11 A general provision of Rs.3161.69 lakhs (Previous Year – NIL) has been made during the year @ 0.40% of the standard assets.

3.12 Provisions and Write offs:

Loss on sale of investments comprises Rs.NIL lakhs (Previous Year – Rs.2.15 lakhs) pertaining to current investments.

3.13 Exchange difference amounting to Rs.2.88 lakhs (net loss) (Previous Year - Rs.4.24 lakhs-net gain) arising on account of foreign currency transactions has been accounted in the Profit and Loss account in Accordance with Accounting Standard – AS 11 – Accounting for the effects of changes in foreign exchange rates.

4. GENERAL

4.1 Segment Reporting

Segment information is presented in the Consolidated Financial Statements in terms of the Accounting Standard – AS 17 – Segment Reporting.

4.2 Related Parties Disclosures:

4.2.1 Related party disclosures, as stipulated by Accounting Standard – AS 18 – Related Party Disclosures, are given below:

Related Parties:

Subsidiary Companies:

Sundaram Finance Distribution Ltd.
Sundaram BNP Paribas Home Finance Ltd.
Sundaram BNP Paribas Asset Management Co. Ltd.
Sundaram BNP Paribas Trustee Co. Ltd.
LGF Services Ltd.
Infreight Logistics Solutions Ltd.
Sundaram Infotech Solutions Ltd.
Sundaram Business Services Ltd.
Professional Management Consultants Ltd.
Sundaram BNP Paribas Fund Services Ltd.

Associates:

Axles India Ltd.
Turbo Energy Ltd.
Transenergy Ltd.
Sundaram Dynacast Pvt. Ltd.
Sundaram BNP Paribas Mutual Fund
Sundaram Medical Foundation
Sundaram Hydraulics Ltd.
The Dunes Oman LLC (FZC)

Key Management Personnel:

Mr. T. T. Srinivasaraghavan, Managing Director
Mr. Srinivas Acharya, Deputy Managing Director

Joint Venture:

Royal Sundaram Alliance Insurance Co. Ltd.
Gulf Outsourcing Services Ltd.
BNP Paribas Sundaram Global Securities Operations Pvt. Ltd.

Relatives of Key Management Personnel:

Mr. T. T. Srinivasaraghavan	Mr. T. T. Rangaswamy	Father
	Mrs. Vimala Rangaswamy	Mother
	Mrs. Bagyam Raghavan	Wife
	Miss. Anjana Raghavan	Daughter
	Master T. T. Venkatraghavan	Son
	Mr. T. T. Narendran	Brother
Mr. Srinivas Acharya	Mrs. Revathi Srinivas	Wife
	Mr. Vishal Srinivas	Son
	Mrs. Radha Venkatesh	Sister

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

4.2.2 RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31ST MARCH 2010

The nature and volume of transactions of the Company during the year, with the above related parties are as follows. (Rs in Lakhs)

Nature of Transactions	Subsidiary Companies	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Total April 2009 - March 2010	Previous Year 2008-09
INCOME						
Income from Services rendered						
Sundaram BNP Paribas Home Finance Ltd.	5,48.94				5,48.94	6,00.12
Royal Sundaram Alliance Insurance Co. Ltd.		6,48.04			6,48.04	7,22.26
Sundaram BNP Paribas Mutual Fund		2,25.09			2,25.09	1,75.32
Others	15.34	58.00			73.34	1,32.16
Total	5,64.28	9,31.13			14,95.41	16,29.86
Dividend						
Sundaram BNP Paribas Home Finance Ltd.	8,03.12				8,03.12	
Turbo Energy Ltd.		5,76.00			5,76.00	1,34.40
Others	2,15.26	14.32			2,29.58	8,71.80
Total	10,18.38	5,90.32			16,08.70	10,06.20
Rent Receipts						
Royal Sundaram Alliance Insurance Co. Ltd.		2,23.16			2,23.16	2,92.76
Sundaram Business Services Ltd.	4,25.21				4,25.21	3,20.67
Others	1,48.14	14.05			1,62.19	2,38.75
Total	5,73.35	2,37.21			8,10.56	8,52.18
Interest						
Sundaram Infotech Solutions Ltd.	1,31.13				1,31.13	1,02.47
Sundaram Business Services Ltd.	93.53				93.53	50.60
Infreight Logistics Solutions Ltd.	71.93				71.93	30.88
Others		53.22	1.13		54.35	1.23
Total	2,96.59	53.22	1.13		3,50.94	1,85.18
Income from Lease						
Turbo Energy Ltd.		70.72			70.72	52.47
Others	25.05	9.03			34.08	20.70
Total	25.05	79.75			1,04.80	73.17
Income from Bill Discounting						
Axles India Ltd.		1,12.86			1,12.86	46.52
Other Income	33.10	57.95			91.05	69.16

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

Nature of Transactions	Subsidiary Companies	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Total April 2009 - March 2010	Previous Year 2008-09
EXPENSE						
Interest						
Royal Sundaram Alliance Insurance Co. Ltd.		2,41.30			2,41.30	1,93.32
Sundaram BNP Paribas Mutual Fund		44.73			44.73	
Others	5.03		9.14	16.90	31.07	11.37
Total	5.03	2,86.03	9.14	16.90	3,17.10	2,04.69
Professional Charges						
Sundaram Business Services Ltd.	34.43				34.43	
Professional Management Consultants Ltd.	11.24				11.24	
Others						1,65.45
Total	45.67				45.67	1,65.45
Remuneration						
			2,58.14		2,58.14	1,98.62
Dividend						
			8.99	40.12	49.11	66.26
Donation						
Sundaram Medical Foundation		2,00.00			2,00.00	1,00.00
Insurance Premium						
Royal Sundaram Alliance Insurance Co. Ltd.		54.35			54.35	39.50
Rent Paid						
Sundaram BNP Paribas Home Finance Ltd.	5.70				5.70	5.29
Royal Sundaram Alliance Insurance Co. Ltd.		1.59			1.59	3.14
Total	5.70	1.59			7.29	8.43
Other Expenses						
		2.50			2.50	2.65

SCHEDULES
19. NOTES TO THE ACCOUNTS (Contd.)

(Rs in Lakhs)

Nature of Transactions	Subsidiary Companies	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	31.03.2010	31.03.2009
ASSETS						
Investment in Equity Shares						
Royal Sundaram Alliance Insurance Co. Ltd.						20,64.00
Sundaram Business Services Ltd.						6,50.00
Axles India Ltd.						7,46.71
Sundaram BNP Paribas Fund Services Ltd.	15,15.00				15,15.00	
BNP Paribas Sundaram Global Sec. Op. Pvt. Ltd.		3,18.50			3,18.50	
The Dunes Oman LLC (FZC)		4,32.19			4,32.19	
Total	15,15.00	7,50.69			22,65.69	34,60.71
Intercorporate Loans disbursed to:						
Sundaram Business Services Ltd.	3,50.00				3,50.00	17,50.00
Infreight Logistics Solutions Ltd.	4,00.00				4,00.00	3,50.00
Axles India Ltd.		5,00.00			5,00.00	
BNP Paribas Sundaram Global Sec. Op. Pvt. Ltd.		3,00.00			3,00.00	
Others	15.00				15.00	7,45.00
Total	7,65.00	8,00.00			15,65.00	28,45.00
Repayment of Intercorporate Loan by:						
Sundaram Business Services Ltd.	17,50.00				17,50.00	
BNP Paribas Sundaram Global Sec. Op. Pvt. Ltd.		3,00.00			3,00.00	
Others	2,24.94				2,24.94	2,18.75
Total	19,74.94	3,00.00			22,74.94	2,18.75
Investment in Trust Securities						
Sundaram BNP Paribas Mutual Fund		760,61.70			760,61.70	210,04.77
Disinvestment in Trust Securities						
Sundaram BNP Paribas Mutual Fund		782,20.16			782,20.16	195,51.99
Sale of Fixed Assets						
Infreight Logistics Solutions Ltd.						0.15
Sale of Software Licenses						
Royal Sundaram Alliance Insurance Co. Ltd.		7.50			7.50	12.86
Purchase of Fixed Assets						
Sundaram Infotech Solutions Ltd.	0.09				0.09	
Others						10.85
Total	0.09				0.09	10.85

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

Nature of Transactions	Subsidiary Companies	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	31.03.2010	31.03.2009
Purchase of Software & Licenses						
Sundaram Infotech Solutions Ltd.	67.37				67.37	61.95
Software Development Costs						
Sundaram Infotech Solutions Ltd.	2,58.24				2,58.24	
Advance towards Software & Licenses						
Sundaram Infotech Solutions Ltd.	3,70.05				3,70.05	10.19
Insurance Premium paid in advance						
Royal Sundaram Alliance Insurance Co. Ltd.		25.16			25.16	28.22
Assets-Outstanding						
Balances as on 31.03.2010						
Preference Shares Holdings						
Axles India Ltd.		6,00.00			6,00.00	6,00.00
Equity Holdings						
Sundaram BNP Paribas Home Finance Ltd.	61,39.10				61,39.10	61,39.10
Royal Sundaram Alliance Insurance Co. Ltd.		105,24.33			105,24.33	105,24.33
Others	51,38.55	46,68.94			98,07.49	49,74.66
Total	112,77.65	151,93.27			264,70.92	216,38.09
Intercorporate Loans						
Sundaram Infotech Solutions Ltd.	12,50.00				12,50.00	14,59.94
Sundaram Business Services Ltd.	3,50.00				3,50.00	17,50.00
Infreight Logistics Solutions Ltd.	7,50.00				7,50.00	3,50.00
Axles India Ltd.		5,00.00			5,00.00	
Total	23,50.00	5,00.00			28,50.00	35,59.94
Trust Securities						
Sundaram BNP Paribas Mutual Fund		13,23.77			13,23.77	33,24.79
Future Lease Receivables						
Turbo Energy Ltd.		1,56.46			1,56.46	1,29.61
Sundaram BNP Paribas Asset Management Co. Ltd.	42.31				42.31	51.59
Axles India Ltd.		63.20			63.20	29.53
Others	40.21	3.39			43.60	54.82
Total	82.52	2,23.05			3,05.57	2,65.55
Future Receivables under Hire Purchase						
Infreight Logistics Solutions Ltd.	1.13				1.13	7.80
Fleet Card Balance Receivable		0.02			0.02	38.54
Bills purchased						14,19.99
Other Assets	74.50	1,77.03	18.45		2,69.98	1,91.77

SCHEDULES
19. NOTES TO THE ACCOUNTS (Contd.)

(Rs in Lakhs)

Nature of Transactions	Subsidiary Companies	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	31.03.2010	31.03.2009
LIABILITIES						
Issue of Non Convertible Debentures						
Royal Sundaram Alliance Insurance Co. Ltd.		20,00.00			20,00.00	10,00.00
Redemption of Non Convertible Debentures						
Royal Sundaram Alliance Insurance Co. Ltd.		10,00.00			10,00.00	
Intercorporate deposit						
Sundaram Finance Distribution Ltd.	1,60.00				1,60.00	
LGF Services Ltd.	75.00				75.00	
Total	2,35.00				2,35.00	
Intercorporate deposit redeemed						
Sundaram Finance Distribution Ltd.	55.00				55.00	
Issue of Bonus Shares						
						28.80
Liabilities-Outstanding Balances as on 31.03.2010						
Professional Fees						1,65.45
Equity Holdings			10.57	47.15	57.72	57.88
Deposits			49.72	1,62.14	2,11.86	2,20.33
Interest on Deposits			9.43	14.19	23.62	9.99
Non Convertible Debentures						
Royal Sundaram Alliance Insurance Co. Ltd.		30,00.00			30,00.00	20,00.00
Intercorporate Deposit						
Sundaram Finance Distribution Ltd.	1,05.00				1,05.00	
LGF Services Ltd.	75.00				75.00	
Total	1,80.00				1,80.00	
Other Liabilities	74.58	2,63.75			3,38.33	1,02.01

No amount has been written off/written back during the year

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

- 4.3 In compliance with the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS 27), the Company has interests in the following jointly controlled entities: (Rs.in lakhs)

Name of Companies	Percentage of Share Holding	Amount based on the Audited Accounts for the year ended 31st March 2010				
		Assets	Liabilities	Income	Expenditure	Capital Commitment and Contingent Liability
Royal Sundaram Alliance Insurance Company Limited	49.90 (49.90)	621,64.57 (500,38.94)	495,00.56 (389,20.38)	403,15.59 (336,36.25)	387,70.13 (333,53.66)	42,61.24 (4,37.59)
Gulf Outsourcing Services Limited	40.00 (40.00)	23.84 (23.87)	1.48 (1.36)	Nil (Nil)	0.14 (0.34)	Nil (Nil)
BNP Paribas Sundaram Global Securities Operations Pvt. Ltd. *	49.00	14,99.02	9,22.94	20,04.35	17,86.91	2,46.37

Figures in brackets relates to Previous Year.

- * BNP Paribas Global Securities Operations Private Limited was incorporated on 25th September 2008 and became a Joint Venture on 03rd December 2008. The financial statements have been drawn for the period from 25th September 2008 to 31st March 2010.

4.4 Earnings per Share (Basic and diluted)	2009-10	2008-09
A Profit for the year after taxation (Rs in lakhs)	226,74.86	150,73.14
B Number of equity shares	5,55,51,930	5,55,51,930
C Basic and diluted earnings per share (in Rs.)	40.82	27.13

- 4.5 The Writ Petition challenging the levy of Service Tax on Hire Purchase and Leasing w.e.f. 16.07.2001 filed before Madras High Court by the Trade Associations had been dismissed. S.L.P against the High Court Order filed by the Trade Associations has been admitted and notice ordered without stay. Till date no service tax has been remitted.
- 4.6 The Commissioner of Customs, Tuticorin raised a demand of Rs. 500 lakhs towards penalty on the Company and Rs. 1824 lakhs (towards duty) on the Company jointly and severally with the Lessee, in respect of a Lease transaction. The Appellate Authority admitted the appeal preferred by the Company and granted stay against the recovery proceedings. The Special Director of Enforcement, New Delhi, imposed a penalty of Rs. 10 lakhs on the Company. The Company has preferred an appeal against the penalty with the Appellate Tribunal for Foreign Exchange and obtained a stay after remitting Rs. 2.50 lakhs as directed by the Tribunal. Meanwhile the Company initiated arbitration proceedings against the Lessee and has received an award in its favour.
- 4.7 Securities and Exchange Board of India has alleged violation of Regulation 13(6) of SEBI (Prohibition of Insider Trading) Regulations, 1992 and imposed a penalty of Rs.10 lakhs on the Company vide its Order dated 31st March 2010. The Company has preferred an appeal against the said Order before Securities Appellate Tribunal which has since been admitted.
- 4.8 Estimated amount of contracts remaining to be executed on capital account – Rs.2225.15 lakhs (net of advance of Rs.448.68 lakhs). (31.03.2009 – Rs.1028.07 lakhs - net of advance of Rs.312.48 lakhs).

SCHEDULES

19. NOTES TO THE ACCOUNTS (Contd.)

4.9 There are no amounts due to Small Scale Industries in terms of “The Micro, Small and Medium Enterprises Development Act, 2006”.

4.10 Contingent liabilities in respect of (Rs. in lakhs)

	As at 31.03.2010	As at 31.03.2009
a) Liability:		
To Banks – on Cheques discounted	40,15.98	18,62.19
– on Counter Guarantee	35.37	27.87
– on Letter of Credit	9,12.49	–
To Sales Tax Authorities	10.32	30.97
b) Claims against the Company not acknowledged as Debts:		
Hire Purchase transactions and termination of Lease transactions – Appeals filed by the company	31.07	46.07
Others	19,94.41	13,26.28

4.11 CIF value of imports: (Rs in lakhs)

	2009-10	2008-09
Capital goods (on payment basis)	6,32.47	32.68

4.12 Expenditure in foreign currency (on payment basis): (Rs in lakhs)

	2009-10	2008-09
Interest	1,10.08	5,91.15
On Other Matters	34.96	1,09.85

4.13 Earnings in Foreign Currency (Rs in lakhs)

	2009-10	2008-09
	94.78	3,03.56

4.14 Previous Year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

Signatures to Schedules 1 to 19

As per our report of even date attached

For Brahmayya & Co.,

Chartered Accountants

L. Ravi Sankar

Partner

Chennai,

28th May, 2010

S. Viji

Chairman

T. T. Srinivasaraghavan

Managing Director

S. Venkatesan

CFO & Secretary

S. Ram

S. Narayanan

Srinivas Acharya

T. R. Seshadri

S. Ravindran

S. Prasad

Aroon Raman

Directors

SCHEDULE

(as required in terms of Paragraph 9BB of NBFC Prudential Norms (Reserve Bank) Directions, 1998)

(Rs. in Lakhs)

	Particulars	Amount Outstanding	Amount Overdue
	Liabilities side:		
(1)	Loans and advances availed by the NBFCs @		
a	Debtures : Secured	3176,82.03	–
	: Unsecured	580,00.00	–
	(other than falling within the meaning of public deposits)		
b	Deferred Credits	–	–
c	Term Loans	1721,23.70	–
d	Inter-corporate loans and borrowings	–	–
e	Commercial paper	621,28.15	–
f	Public Deposits	1085,81.16	9,00.93 #
g	Other loans		
	- Bank Borrowing	1288,49.35	–
	- Deposits from Corporates	20,13.75	–
(2)	Break-up of 1 (f) above (Outstanding public deposits) @		
a	In the form of Unsecured debtures	–	–
b	In the form of partly secured debtures i.e. debtures where there is a shortfall in the value of security	–	–
c	Other public deposits	1085,81.16	9,00.93 #

@ Interest accrued but not paid - Nil

Represents unclaimed deposits

(Rs. in Lakhs)

	Particulars	Amount Outstanding
	Assets side:	
(3)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below):	
a	Secured	857,14.22
b	Unsecured (including Advance for Business Assets)	190,63.47
(4)	Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards EL / HP activities :	
(i)	Lease assets including lease rentals under sundry debtors	
a	Financial Lease	1,12.42
b	Operating Lease	123,92.01
(ii)	Net Stock on hire including hire charges under sundry debtors	
a	Assets on hire	252,69.19
b	Repossessed Assets	8.20
(iii)	Hypothecation loans counting towards EL / HP activities	
a	Loans where assets have been repossessed	10,68.15
b	Loans other than (a) above	6695,64.92

(Rs. in Lakhs)

	Particulars	Amount Outstanding	Market Value *
(5)	Break-up of Investments:		
	Current Investments:		
1.	Quoted:	–	–
2.	Unquoted:		
(i)	Units of mutual funds	101,24.60	106,97.86
	Long Term Investments:		
1.	Quoted:		
(i)	Equity Shares	32,27.29	118,98.72
(ii)	Debentures and Bonds	1,30.05	1,30.05
(iii)	Government Securities	122,49.70	117,56.95
2.	Unquoted:		
(i)	Shares		
a	Equity	271,96.56	510,41.59
b	Preference	6,00.00	6,00.00
(ii)	Government Securities	–	–
(iii)	Units of mutual funds	1,66.60	1,66.60
(iv)	Bonds	50.00	50.00
(v)	Others	–	–
	Total	537,44.80	863,41.77

* Unquoted Investments disclosed at break up / fair value / NAV

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:		(Rs. in Lakhs)		
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties**			
a	Subsidiaries	83.65	16,69.65	17,53.30
b	Companies in the same group	–	–	–
c	Other related parties	2,23.05	–	2,23.05
2.	Other than related parties	7882,10.09	165,36.02	8047,46.11
	Total	7885,16.79	182,05.67	8067,22.46

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		(Rs. in Lakhs)	
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties**		
a	Subsidiaries	166,87.65	108,36.65
b	Companies in the same group	–	–
c	Other related parties	294,89.04	170,83.65
2.	Other than related parties	401,65.08	256,82.83
	Total	863,41.77	536,03.13

** As per Accounting Standard

(8) Other Information		(Rs. in Lakhs)
	Particulars	Amount
(i)	Gross Non-Performing Assets	
a	Related Parties	7,50.00
b	Other than related parties	93,03.75
(ii)	Net Non-Performing Assets	
a	Related Parties	–
b	Other than related parties	35,83.63
(iii)	Assets acquired in satisfaction of debt (during the year)	Nil

Statement Pursuant to Section 212 (1) (e) of The Companies Act, 1956, relating to Subsidiary Companies

		(Rs. in Lakhs)									
1 Name of the Subsidiary Company		Sundaram BNP Paribas Home Finance Limited	Sundaram BNP Paribas Asset Management Company Limited	Sundaram BNP Paribas Trustee Company Limited	Sundaram Finance Distribution Limited	LGF Services Limited	Sundaram Infotech Solutions Limited	Sundaram Business Services Limited	Professional Management Consultants Limited	Infreight Logistics Solutions Limited	Sundaram BNP Paribas Fund Services Limited
2 Financial year of the Subsidiary ended on		31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
3 Holding Company's interest in the Subsidiary		4,01,56,296 Equity Shares of Rs.10/- each (50.10%)	76,81,948 Equity Shares of Rs.10/- each (50.10%)	25,050 Equity Shares of Rs.10/- each (50.10%)	5,00,000 Equity Shares of Rs.10/- each (100%)	2,50,000 Equity Shares of Rs.10/- each (100%)	40,00,000 Equity Shares of Rs.10/- each (100%)	1,50,00,000 Equity Shares of Rs.10/- each (100%)	2,20,600 Equity Shares of Rs.10/- each (100%)	44,10,000 Equity Shares of Rs.10/- each (88.02%)	1,53,00,000 Equity Shares of Rs.10/- each (51%)
4 Net aggregate amount of the profits of the subsidiary not dealt with in the the Holding Company's accounts		9,87.00	10,43.97	21.12	1,96.60	1,83.41	1,30.79	(3,10.89)	(68.98)	(1,81.78)	(Rs. in lakhs) (3,51.74)
a) For the financial year of the Subsidiary Company		38,80.29	8,62.18	18.89	2,69.46	1,78.79	(15,10.70)	45.73	2,75.36	(7,86.47)	Nil
b) For the previous financial years since it became a Subsidiary Company											
5 Net aggregate amount of the profits of the subsidiary dealt with in the Holding Company's accounts by way of dividends on the shares held in Subsidiary Company		4,01.56	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) For the financial year of the Subsidiary Company		4,01.56	7,68.19	22.54	282.50	3,42.50	Nil	Nil	Nil	Nil	Nil
b) For the previous financial years since it became a Subsidiary Company											

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
Srinivas Acharya
T. R. Seshadri
S. Ravindran
S. Prasad
Artoon Raman
Directors



Cash Flow Statement

(Rs. in Lakhs)

	2009-10	2008-09
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit	226,74.86	150,73.14
Add: Lease Equalisation Account	(91.85)	55.77
Provision for Taxation (Including Wealth Tax)	96,72.77	68,97.89
	322,55.78	220,26.80
Add: Financial Expenses	633,79.55	645,44.09
Depreciation	45,80.23	39,36.21
Provision against Investments	1,44.64	98.27
Provision against Non - Performing assets	4,79.98	15,46.33
General Provisions on Standard Assets	31,61.69	-
Employee Stock Option Compensation Expenses	23.28	-
(Profit) loss on sale of assets	34.21	(58.16)
(Profit) loss on sale of Investments	(53,36.95)	(9,73.16)
Interest / Dividend Income	(22,00.38)	(20,82.40)
Effect of Foreign Exchange rates on Cash and Cash Equivalents, net	0.18	(0.04)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	965,22.21	890,37.94
(Increase) Decrease in Net Stock on hire	67,08.38	(14,54.42)
(Increase) Decrease in Leased assets - net of sales	(60,87.57)	(51,98.68)
(Increase) Decrease in Trade Bills purchased	15,44.60	(11,31.50)
(Increase) Decrease in Net Investment in Lease	(32.25)	7,53.29
(Increase) Decrease in Loans and Advances	(1465,04.17)	(25,42.26)
(Increase) Decrease in Other Receivables	13.29	(12.73)
(Increase) Decrease in Bank Deposits (net)	(1079,89.81)	(99,36.80)
(Increase) Decrease in SLR Investments - net of sales	(22,40.77)	(17,96.00)
Increase (Decrease) in Current Liabilities	32,87.01	(66,05.83)
Cash generated from Operations	(2513,01.29)	(279,24.93)
Financial Expenses	(1547,79.08)	611,13.01
Direct Taxes Paid	(619,43.37)	(609,56.92)
	(90,05.16)	(70,20.55)
NET CASH FROM OPERATING ACTIVITIES	(A) (2257,27.61)	(68,64.46)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15,38.40)	(18,41.10)
Sale of Fixed Assets	96.09	1,20.30
Purchase of Investments	(12677,85.28)	(4004,14.50)
Purchase of Investments in Subsidiaries/Joint Venture	(18,33.50)	(27,14.00)
Sale of Investments	12746,00.34	3999,20.13
Interest Received	2.75	7,91.02
Dividend Received	21,97.65	16,53.14
NET CASH FROM INVESTING ACTIVITIES	(B) 57,39.65	(24,85.01)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Debentures	3475,75.18	4188,06.86
Debentures Redeemed	(2686,00.00)	(4151,00.00)
Increase (Decrease) in Long Term Borrowings	869,13.98	(307,95.67)
Increase (Decrease) in Fixed Deposits	154,84.84	183,44.21
Increase (Decrease) in Short Term Loans and Advances	417,96.83	268,55.10
Dividend paid (including Corporate Dividend Tax)	(53,51.34)	(73,28.43)
NET CASH FROM FINANCING ACTIVITIES	(C) 2178,19.49	107,82.07
D) Effect of Foreign Exchange rates on Cash and Cash Equivalents, net	(D) (0.18)	0.04
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)	(21,68.65)	14,32.64
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	48,39.35	34,06.71
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26,70.70	48,39.35
COMPONENTS OF CASH AND CASH EQUIVALENTS		
AT THE END OF THE YEAR		
Current Account with Banks	13,50.13	36,41.22
Cash, Stamps and Stamp Papers on Hand	13,20.57	11,98.13
	26,70.70	48,39.35

Note:

- Cash and Cash equivalents includes balance in Unpaid Dividend account of Rs.59.27 lakhs (31.03.2009 Rs.98.11 lakhs)
- Previous Year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification

As per our report of even date attached
For Brahmaya & Co.,
Chartered Accountants
L. Ravi Sankar
Partner

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
Srinivas Acharya
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

Chennai,
28th May, 2010

Report on Corporate Governance

Sundaram Finance Limited has been following good governance practices since inception. The strong edifice of the Company, built in 1954, is supported by the pillars of Customer Faith, Depositor Confidence, Institutional Trust, Investor Steadfastness and Employee Loyalty. The Company has grown over the past five decades on the foundations of dedicated customer service, fair business practices and efficient, safe and trusted financial policies. It continues to maintain the highest standards of integrity and excellence in service to all stakeholders.

The Company follows the “Know Your Customer” (KYC) guidelines and “fair-practices code”, which lay down detailed guidelines for dealing with customers, including an appropriate dispute resolution mechanism, towards improving transparency in operations and strengthening Corporate Governance standards.

The Voluntary Guidelines on Corporate Governance and Corporate Social Responsibility issued by Ministry of Corporate Affairs in 2009 is a step in the right direction to further elevate governance levels across the entire corporate sector. While the Company has already been following most of them in substance, it will take appropriate steps to make it formal in a phased manner.

I. BOARD OF DIRECTORS

All the members of the Board are eminent persons with considerable expertise and experience in the automobile, engineering, banking, finance, insurance, audit, accounts and transport sectors. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board.

The composition of the Board as on 31st March 2010 is as follows:

The Chairman of the Board is Sri S. Viji, a Non Executive Promoter Director. The Executive Directors are Sri T. T. Srinivasaraghavan, Managing Director and Sri Srinivas Acharya, Deputy Managing Director. Sri A. Rangaswami, Sri T. R. Seshadri, Sri S. Ravindran, Sri S. Prasad and Sri Aroon Raman are the Independent Directors. While there are eight non-executive directors, fifty percent of the Board consists of Independent Directors which is in conformity with the listing requirements.

All Directors and Senior Management Personnel have re-affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.

II. BOARD MEETINGS

The Board of Directors formulates the business and operational policies, reviews the performance and decides on strategic issues concerning the Company.

During the year under review, 13 meetings of the Board of Directors were held.

27/04/2009	30/07/2009	30/10/2009	28/01/2010
29/05/2009	31/08/2009	27/11/2009	04/02/2010
26/06/2009	25/09/2009	24/12/2009	01/03/2010
			26/03/2010

The details of directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

Name of the Director	Attendance Particulars		Directorships (other than Sundaram Finance Limited)		Committees in which Chairman/Member (other than Sundaram Finance Limited)	
	Board Meeting	AGM	Chairman	Director	Chairman	Member
Sri S. Viji	13	Yes	1	7	–	3
Sri S. Ram	13	No	2	7	1	3
Sri S. Narayanan	10	Yes	2	1	2	–
Sri A. Rangaswami §	13	Yes	–	1	–	–
Sri T. R. Seshadri	10	Yes	–	–	–	–
Sri S. Ravindran	12	Yes	–	6	–	2
Sri S. Prasad	13	Yes	–	4	3	–
Sri Aroon Raman	11	Yes	–	–	–	–
Sri T. T. Srinivasaraghavan	13	Yes	1	6	3	–
Sri Srinivas Acharya #	13	Yes	–	8	2	5

Note: Other Directorships exclude those in Private Limited Companies and Section 25 Companies.

§ Resigned on 01.04.2010

Deputy Managing Director till 31.03.2010. Non-executive Director from 01.04.2010.

III. AUDIT COMMITTEE

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems and systems audit and interacts with the statutory auditors, internal auditors and systems auditors. Senior Executives and functional heads are invitees to the committee meetings. Besides, the Committee reviews the audit plans, interim and annual financial results, management discussion and analysis of financial condition and results of operations, related party transactions, observations of the management and internal/external auditors on internal control and follow-up reports of the management.

During the year, the Committee met 8 times on 23rd April, 23rd May, 27th July, 21st September, 26th October, 21st December in 2009 and on 25th January and 22nd March in 2010.

Composition of the Committee and attendance of the members are as follows:

Name of the Director		No. of Meetings Attended
Sri A. Rangaswami *	Chairman	8
Sri S. Prasad #	Member / Chairman	8
Sri S. Viji	Member	7
Sri S. Ravindran	Member	8

* Resigned on 01.04.2010.

Appointed as Chairman effective 01.04.2010.

The Company Secretary is the Secretary to the Committee.

IV. REMUNERATION OF DIRECTORS

Directors of the Company are paid a sitting fee of Rs. 10,000/- each for every meeting of the Board, Audit Committee, Share Transfer and Investor Relations Committee and Compensation Committee.

The Non-Executive Directors are remunerated by way of commission for each financial year as decided by the Board of Directors within the ceiling of 1% of the net profits of the Company approved by the shareholders. The details of remuneration paid and number of shares held by the Non-Executive Directors are as follows:

Name of the Director	Sitting Fee (Rs. in lakhs)	Commission (Rs. in lakhs)	Number of Shares held individually (as on 31.03.2010)	Relationship with other Directors
Sri S. Viji	2.00	5.00	6,80,446 ⁽¹⁾ *	Brother of Sri S. Ram
Sri S. Ram	1.30	3.00	2,51,494 *	Brother of Sri S. Viji
Sri S. Narayanan	1.00	3.00	800 ⁽²⁾	—
Sri A. Rangaswami	2.30	5.00	130	—
Sri T. R. Seshadri	1.00	3.00	—	—
Sri S. Ravindran	2.10	5.00	2,12,920 ⁽³⁾	—
Sri S. Prasad	2.30	5.00	—	—
Sri Aroon Raman	1.20	3.00	2,98,948	—

Note: Number of shares held jointly with others: ⁽¹⁾ 4342, ⁽²⁾ 81,712, ⁽³⁾ 71,360.

* 4,80,872 shares held jointly as Trustees of Sri T. S. Santhanam Testamentary Trust.

Amount of deposits placed by the Non-Executive Directors in the Company aggregated to Rs.531.24 lakhs as on March 31, 2010. The interest on these deposits paid / credited during the year 2009-10 amounted to Rs. 60.34 lakhs.

The Executive Directors of the Company are appointed on contractual basis, on terms approved by the shareholders. Their remuneration comprises salary, allowances, commission and perquisites. The quantum of commission payable to them is decided by the Board of Directors. The remuneration is within the limits prescribed under Schedule XIII to the Companies Act, 1956.

The details of remuneration paid to the Executive Directors are as follows:

(Rs. in lakhs)

Nature of Payment	Sri T. T. Srinivasaraghavan Managing Director	Sri Srinivas Acharya Deputy Managing Director
Salary	28.80	21.00
Commission	100.00	50.00
Sitting Fees	1.60	1.30
Contributions to Provident, Superannuation and Gratuity Funds	9.35	6.81
Other allowances and perquisites	22.53	16.75
Stock Options	Nil	1,500 stock options were granted at Rs.10/- per share (at par) on 29th May 2009. The said Options would vest on 31st May 2010 and would be exercisable between 1st June 2010 and 31st August 2010

V. SHARE TRANSFER AND INVESTOR RELATIONS COMMITTEE

The Share Transfer and Investor Relations Committee

- i) approves and monitors transfers, transmission, splits and consolidation of shares of the Company,
- ii) reviews redressal of complaints from shareholders relating to transfer of shares, non-receipt of annual report, dividends etc., and
- iii) reviews the compliances with various statutory and regulatory requirements.

During the year, the Committee met on 13th July and 14th December in 2009. Besides, transfers of shares were approved by resolutions passed in circulation on 11 occasions.

Composition of the Committee and the attendance of the members are as follows:

Name of the Director		No. of Meetings Attended
Sri A. Rangaswami	Chairman	2
Sri S. Prasad	Member / Chairman	2
Sri T. T. Srinivasaraghavan	Member	2

The Share Transfer & Investor Relations Committee was re-constituted on resignation of Sri A. Rangaswami as Director by appointing Sri S. Prasad as Chairman and Sri Srinivas Acharya as Member with effect from 01.04.2010.

Sri P. Viswanathan, Deputy Secretary, is the Compliance Officer. During the year under review, the Company received 5 communications from shareholders, which were attended to. One investor complaint was received and resolved during the year. None was pending unresolved as on 31st March, 2010.

VI. COMPENSATION COMMITTEE

Compensation Committee, a committee of the Board, constituted pursuant to Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, during the year 2008, met in May 2009. Sri S. Ravindran is the Chairman and Sri Aron Raman and Sri T. T. Srinivasaraghavan are Members of the Committee.

VII. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
2009	24/07/2009	10.25 AM	The Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014	Nil
2008	24/07/2008	11.00 AM	The Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014	Three
2007	25/07/2007	11.00 AM	The Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014	One

No special resolution was passed through postal ballot during the year.

In May 2010, a Special Resolution under Section 314(1-B) of the Companies Act, 1956, seeking the consent of the Members for Sri Harsha Viji, S/o. Sri S. Viji, Chairman of the Company, holding office of profit in the Company in the grade of Executive Director with effect from 01.04.2010, was passed through postal ballot, conducted by Sri T T Srinivasaraghavan, Managing Director and Sri S. Venkatesan, CFO & Secretary, under the overall supervision of the Scrutinizer, Sri T K Bhaskar, Partner, HSB Partners, Advocates, Chennai.

Details of the voting pattern:

Date of Special Resolution	Votes cast in favour		Votes cast against		Result
	Nos.	%	Nos.	%	
14.05.2010	2,71,01,571	99.95	13,711	0.05	Passed with requisite majority

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, has been followed for the postal ballot conducted for special resolution mentioned above. The results of the postal ballot was announced by Sri T. T. Srinivasaraghavan, Managing Director, at the Registered Office of the Company, posted on the website and advertised in the newspaper.

No special resolution is proposed to be passed through postal ballot at the ensuing AGM.

VIII. DISCLOSURES

- There were no materially significant related party transactions having potential conflict with the interests of the Company at large.
- All the mandatory requirements specified under Clause 49 have been complied with.
- The Company has a record of unqualified financial statements since inception.
- The Company proposes to adopt other non-mandatory requirements as well as voluntary guidelines as and when considered necessary.
- Securities and Exchange Board of India has alleged violation of Regulation 13(6) of SEBI (Prohibition of Insider Trading) Regulations, 1992 and imposed a penalty of Rs.10 lakhs on the Company vide its Order dated 31st March 2010. The Company has preferred an appeal against the said Order before Securities Appellate Tribunal which has since been admitted.

IX. MEANS OF COMMUNICATION

- Quarterly unaudited and annual audited results of the Company were published in “Business Line” (English) and “Dinamalar” (Tamil).
- The results and official news releases were also displayed on the Company’s website at www.sundaramfinance.in.
- A press meet was organised by the Company on 29th May 2009 for dissemination of audited results.
- Quarterly/annual results, shareholding pattern and other documents have also been published in Electronic Data Information Filing and Retrieval System (EDIFAR) as required under the Stock Exchange Listing Agreement.

X. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	Time	Venue
15/07/2010 (Thu)	11.00 AM	The Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014

- Financial Year – 1st April 2010 to 31st March 2011
- Book Closure dates – 3rd July 2010 to 15th July 2010 (both days inclusive)
- Date of payment of dividends:
Interim – 22nd February 2010 onwards
Final – 16th July 2010 onwards
- The company’s shares are listed on:
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
- The Company has paid the listing fees for the financial year 2009-10 to the above stock exchange.

- NSE Stock Code: SUNDARMFN
- ISIN : INE660A01013
- Following dividends are transferable to the Investor Education and Protection Fund (IEPF) on the respective due dates, as under, in accordance with the provisions of Section 205A (5) of the Companies Act, 1956.

Nature of Dividend	Transferable to IEPF on
Consolidated Dividend 2002-03	10/09/2010
Interim Dividend 2003-04	30/05/2011
Interim Dividend 2004-05	27/02/2012
Final Dividend 2004-05	27/08/2012
Consolidated Dividend 2005-06	02/09/2013
Interim Dividend 2006-07	15/04/2014
Final Dividend 2006-07	24/08/2014
Interim Dividend 2007-08	27/06/2015
Final Dividend 2007-08	23/08/2015
Interim Dividend 2008-09	29/03/2016
Final Dividend 2008-09	23/08/2016

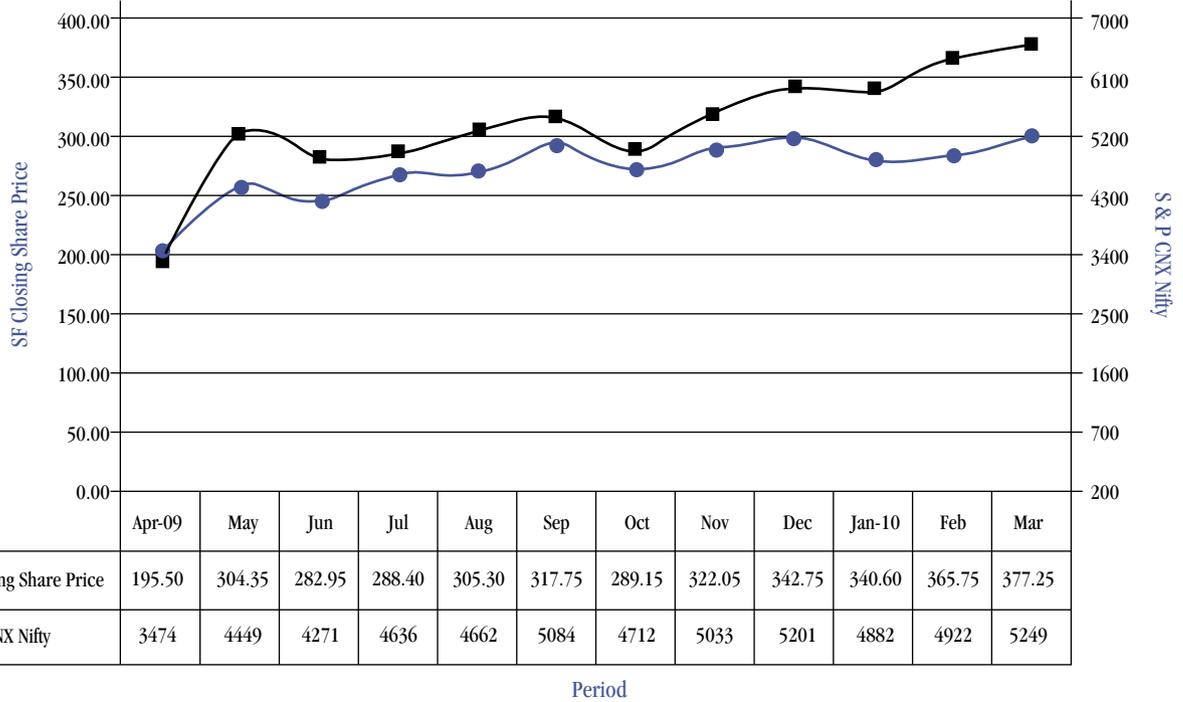
Reminders are sent to members for encashing unclaimed and unpaid dividends, on a regular basis. Members who have not yet preferred a claim are, therefore, requested to contact the Registrar and Share Transfer Agents immediately.

No claim shall lie against the Fund or the Company in respect of unclaimed and unpaid dividends transferred to the IEPF as per Section 205C of the Companies Act, 1956.

MARKET PRICE DATA – AS QUOTED ON THE NATIONAL STOCK EXCHANGE

Month	High	Low	Month	High	Low
Apr – 09	201.70	162.10	Oct	321.00	275.35
May	309.40	193.80	Nov	327.50	273.95
Jun	333.00	251.00	Dec	397.80	316.30
Jul	300.00	255.35	Jan – 10	408.40	333.50
Aug	320.00	280.00	Feb	379.00	332.05
Sep	340.00	296.00	Mar	389.00	350.00

SHARE PRICE PERFORMANCE



- Share transfers were processed and share certificates despatched within one month from lodgement in accordance with the stock exchange listing agreement.
- Dematerialisation requests have been confirmed within 21 days from the date of request.
- Investor Relation Services - Shares continue to enjoy the ISO 9001:2000 Certification by Bureau Veritas Certification (India) Private Limited.
- M/s Cameo Corporate Services Ltd., Registrars and Share Transfer Agents of the Company have attended to the share transfer formalities regularly. The Registrar and Share Transfer Agents can be contacted by the investors at the following address:

M/s Cameo Corporate Services Ltd.

‘Subramanian Building’,

No 1 Club House Road, Chennai 600 002

Ph: 044 2846 0390 Fax: 044 2846 0129

Email: investor@cameoindia.com

Contact Persons: Mr. R. D. Ramasamy, Director

Mr. D. Narasimhan, Senior Executive (Shares)

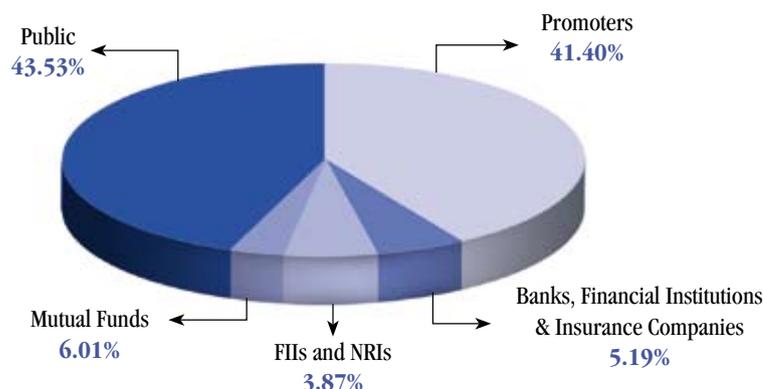
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	8,970	7,93,965	1.43%
251 to 500	1,857	7,20,315	1.30%
501 to 1000	1,303	10,08,115	1.81%
1001 to 5000	1,719	39,66,738	7.14%
5001 to 10000	273	19,84,524	3.57%
10001 to 50000	340	78,18,640	14.07%
50001 to 100000	86	60,07,991	10.82%
100001 and above	104	3,32,51,642	59.86%
Total	14,652	5,55,51,930	100.00%

Total shares held in dematerialised form 56.40%

Public shareholding in dematerialised form 78.80%

SHAREHOLDING PATTERN AS ON 31.03.2010



For your queries / grievances / complaints, please contact:

Sri P. Viswanathan

Deputy Secretary & Compliance Officer

Sundaram Finance Limited

21 Patullos Road, Chennai 600 002

Phone : 044-28558207

Fax : 044-28550290

E mail : investorservices@sundaramfinance.in

T. T. Srinivasaraghavan

Managing Director

Auditor's Certificate on Corporate Governance

We have examined the compliance of the conditions of corporate governance by Sundaram Finance Limited, Chennai for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement entered into by the company with the stock exchange.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai
Date: 28th May, 2010

For BRAHMAYYA & CO.,
Chartered Accountants
Registration No.000511S
L.RAVI SANKAR
Partner
Membership No. 25929

Consolidated

Financial

Statements

Consolidated Balance Sheet

as at 31st March, 2010

(Rs. in Lakhs)

Schedule	31.03.2010	31.03.2009			
I SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	55,55.19	55,55.19		
b) Stock Option Outstanding Account	2	23.28	—		
c) Reserves and Surplus	3	1416,57.04	1472,35.51	1212,49.78	1268,04.97
2. Minority Interest		150,58.26		125,69.52	
3. Loan Funds					
a) Secured Loans	4	7063,82.32	5318,21.95		
b) Unsecured Loans	5	3390,17.33	10453,99.65	2666,69.36	7984,91.31
Total		12076,93.42		9378,65.80	
II APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	6	551,81.12	560,67.57		
b) Less: Depreciation		275,15.99	336,18.24		
c) Net Book Value		276,65.13	224,49.33		
d) Add: Lease Adjustment Account		(1,96.82)	(3,64.72)		
e) Net Block		274,68.31	220,84.61		
2. Investments	7	999,48.06	974,73.87		
3. Deferred Tax Asset (Net)					
Deferred Tax Asset	8	70,12.63	65,17.14		
Less: Deferred Tax Liability		12,75.77	57,36.86	13,27.72	51,89.42
4. Current Assets, Loans and Advances					
a) Current Assets	9	1834,52.27	870,79.98		
b) Loans and Advances	10	10176,64.35	8299,05.05		
(A)		12011,16.62	9169,85.03		
Less: Current Liabilities and Provisions					
a) Current Liabilities	11	1133,00.01	955,42.11		
b) Provisions	12	132,76.42	83,25.02		
(B)		1265,76.43	1038,67.13		
Net Current Assets	(A-B)	10745,40.19	8131,17.90		
Total		12076,93.42	9378,65.80		
Notes to the accounts	19				

As per our report of even date attached
For Brahmayya & Co.,
Chartered Accountants

L. Ravi Sankar
Partner

Chennai,
28th May, 2010

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
Srinivas Acharya
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

Consolidated Profit and Loss Account

for the Year Ended 31st March, 2010

	Schedule	2009-10	(Rs. in Lakhs) 2008-09
INCOME			
Income from Operations	13	1990,46.67	1742,60.49
Profit on Sale of Shares		25,38.90	—
Other Income	14	19,51.01	16,30.02
TOTAL	(A)	<u>2035,36.58</u>	<u>1758,90.51</u>
EXPENDITURE			
Financial Expenses	15	795,76.78	789,20.66
Insurance claims incurred (net)		254,02.67	205,76.48
Establishment Expenses	16	208,00.79	179,15.99
Administrative and Other Expenses	17	237,28.53	219,80.09
General Provision on Standard Assets		32,30.50	24.22
Provisions and Write Off	18	58,53.96	48,73.33
Depreciation		55,35.30	46,98.11
TOTAL	(B)	<u>1641,28.53</u>	<u>1489,88.88</u>
Profit before Tax	(A) - (B)	<u>394,08.05</u>	<u>269,01.63</u>
Taxation			
— Current (Including Wealth Tax)		131,20.48	100,26.85
— Deferred		(5,47.45)	(11,20.30)
— Fringe Benefit Tax		5.76	2,57.09
Net Profit (before adjustment for minority interest)		<u>268,29.26</u>	<u>177,37.99</u>
Less: Minority Interest		21,04.92	19,00.85
		<u>247,24.34</u>	<u>158,37.14</u>
Add: Share of Profit in Associates		26,37.95	9,51.47
Profit after Tax		<u>273,62.29</u>	<u>167,88.61</u>
Provision for Income tax relating to earlier year		(1,45.71)	—
Profit after Tax and Prior Period Items		<u>275,08.00</u>	<u>167,88.61</u>
Add: Balance brought forward from previous year		128,06.66	126,27.72
Change in value of holdings in Associates / Subsidiaries / Joint Ventures		(58.79)	1.21
Transfer from Special Reserve		76,00.00	—
Amount available for Appropriation		<u>478,55.87</u>	<u>294,17.54</u>
APPROPRIATIONS			
Dividend			
— Interim		33,33.12	22,22.08
— Final (proposed)		22,22.07	13,88.80
— Dividend Distribution tax		9,63.78	6,13.66
Special Reserve		2,78.05	4,69.04
Statutory Reserve		45,40.00	30,20.00
General Reserve		179,93.32	88,97.30
Surplus - Balance carried to Balance Sheet		185,25.53	128,06.66
		<u>478,55.87</u>	<u>294,17.54</u>
Notes to the Accounts	19		
Earnings per Equity Share (Refer Note 2.7 Schedule 19)			
Number of Shares considered (Face Value Rs.10/- per share)		5,55,51,930	5,55,51,930
Basic and Diluted earnings per share (in Rupees)		49.26	30.22

As per our report of even date attached

For Brahmaya & Co.,

Chartered Accountants

L. Ravi Sankar

Partner

Chennai,

28th May, 2010

S. Viji

Chairman

T. T. Srinivasaraghavan

Managing Director

S. Venkatesan

CFO & Secretary

S. Ram

S. Narayanan

Srinivas Acharya

T. R. Seshadri

S. Ravindran

S. Prasad

Aroon Raman

Directors

SCHEDULES

(Rs. in Lakhs)

	31.03.2010		31.03.2009	
1 Share Capital				
Authorised Capital				
10,00,00,000 Equity Shares of Rs.10/- each	<u>100,00.00</u>		<u>100,00.00</u>	
Issued, Subscribed and fully paid-up				
5,55,51,930 Equity Shares of Rs.10/- each (includes 5,09,75,545 Equity Shares allotted as fully paid-up by way of bonus shares by Capitalisation of Reserves and 37,75,965 Equity Shares of Rs.10/- each allotted for consideration other than cash pursuant to a Scheme of Amalgamation)	<u>55,55.19</u>		<u>55,55.19</u>	
2 Stock Option Outstanding Account	27.94		-	
Less: Deferred Employee Compensation Cost	<u>4.66</u>	23.28	<u>-</u>	-
3 Reserves and Surplus				
Capital Reserve				
Per Last Balance Sheet	23,05.36		24,19.54	
(Less)/Add: Changes in the value of holding in Subsidiaries / Associates / Joint Ventures	<u>(5,22.98)</u>	17,82.38	<u>(1,14.18)</u>	23,05.36
Securities Premium Account				
Per Last Balance Sheet	19,52.77		34,57.74	
Less: Issue of bonus shares	<u>-</u>	19,52.77	<u>15,04.97</u>	19,52.77
General Reserve				
Per Last Balance Sheet	697,43.64		621,18.96	
Less: Issue of bonus shares	<u>-</u>		12,72.62	
Add: Transfer from Profit and Loss account	<u>179,93.32</u>	877,36.96	<u>88,97.30</u>	697,43.64
Statutory Reserve				
Per last Balance Sheet	258,35.50		228,15.50	
Add: Transfer from Profit and Loss account	<u>45,40.00</u>	303,75.50	<u>30,20.00</u>	258,35.50
Special Reserve				
Per Last Balance Sheet	86,05.85		81,36.81	
Less: Transfer to Profit and Loss account	76,00.00		-	
Add: Transfer from Profit and Loss account	<u>2,78.05</u>	12,83.90	<u>4,69.04</u>	86,05.85
Surplus - Balance in Profit and Loss account	<u>185,25.53</u>		<u>128,06.66</u>	
	<u>1416,57.04</u>		<u>1212,49.78</u>	

SCHEDULES

(Rs. in Lakhs)

	31.03.2010	31.03.2009
4 Secured Loans		
Non - Convertible Debentures	3316,85.04	2429,08.86
From Scheduled Banks	3744,88.95	2778,71.42
From International Finance Corporation	2,08.33	110,41.67
	<u>7063,82.32</u>	<u>5318,21.95</u>
5 Unsecured loans		
Fixed deposits		
From Public	1573,47.66	1291,61.02
From Directors	7,36.43	7,24.96
	<u>1580,84.09</u>	<u>1298,85.98</u>
Non - Convertible Debentures	335,00.00	503,00.00
Subordinated Non - Convertible Debentures	395,00.00	100,00.00
Debenture application money	-	75,00.00
Short Term Loans and advances		
From Scheduled Banks	306,61.39	36,36.41
Others	9,74.00	1,50.00
Commercial Paper	762,97.85	651,96.97
	<u>3390,17.33</u>	<u>2666,69.36</u>

SCHEDULES

(Rs. in Lakhs)														
DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				Net Book Value	Balance in Lease Adjustment Account as at 31.03.2010	NET BLOCK			
	As at 31.03.2009	Adjustments on consolidation	Additions	Deductions	As at 31.03.2010	Upto 31.03.2009	Adjustments on consolidation	Additions*			Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1 Freehold Land and Buildings	70,74.92	-	3,14.70	-	73,89.62	11,67.95	-	1,39.63	-	13,07.58	60,82.04	-	60,82.04	59,06.97
2 Leasehold Office / Residential Premises	15,54.94	-	1.02	-	15,55.96	6,93.14	-	43.14	-	7,36.28	8,19.68	-	8,19.68	8,61.80
3 Plant and Machinery and Computers	85,05.80	26.07	15,22.21	4,66.65	95,87.43	53,20.93	25.05	11,51.26	4,06.81	60,90.43	34,97.00	-	34,97.00	31,84.87
4 Vehicles	144,81.75	-	65,66.59	21,30.07	189,18.27	50,24.47	-	31,97.50	11,97.63	70,24.34	118,93.93	-	118,93.93	94,57.28
5 Furniture / Office Equipment	49,07.92	(26.07)	8,23.14	56.47	56,48.52	31,06.47	(18.07)	6,12.53	45.65	36,55.28	19,93.24	-	19,93.24	18,01.45
6 Intangible Assets	15,67.24	-	6,81.32	34.10	22,14.46	9,12.73	(4.81)	3,81.12	34.10	12,54.94	9,59.52	-	9,59.52	6,54.51
7 Assets taken on lease														
a) Computer	61.81	-	6.19	-	68.00	20.40	-	17.69	-	38.09	29.91	-	29.91	41.41
b) Office equipment	3.02	-	-	-	3.02	1.27	-	0.79	-	2.06	0.96	-	0.96	1.75
8 Assets on Finance Lease														
a) Plant and Machinery and Computers	47,32.15	-	-	2,89.07	44,43.08	44,01.50	-	46.89	2,62.04	41,86.35	2,56.73	(2,07.68)	49.05	55.95
b) Vehicles	130,34.92	-	-	98,49.53	31,85.39	128,89.98	-	50.60	98,00.51	31,40.07	45.32	16.87	62.19	61.90
c) Furniture / Office Equipment	87.77	-	-	-	87.77	79.40	-	1.17	-	80.57	7.20	(6.01)	1.19	1.39
Total	560,12.24	-	99,15.17	128,25.89	531,01.52	336,18.24	2.17	56,42.32	117,46.74	275,15.99	255,85.53	(1,96.82)	253,88.71	220,29.28
Work in progress	55.33	-	20,79.60	55.33	20,79.60	-	-	-	-	-	20,79.60	-	20,79.60	55.33
Grand Total	560,67.57	-	119,94.77	128,81.22	551,81.12	336,18.24	2.17	56,42.32	117,46.74	275,15.99	276,65.13	(1,96.82)	274,68.31	220,84.61
Previous Year	526,59.94	20.46	84,99.42	51,12.25	560,67.57	329,09.49	12.80	48,67.13	41,71.18	336,18.24	224,49.33	(3,64.72)	220,84.61	192,26.36

* Finance Lease Depreciation of Rs.98.66 Lakhs (Previous Year - Rs.160.10 Lakhs) has been netted off against Lease Income
 Depreciation on assets used for development of Computer Software amounting to Rs.10.53 lakhs (Previous Year - Rs.8.92 Lakhs) taken to Advance for Purchase of Assets

SCHEDULES

(Rs. in Lakhs)

	31.03.2010	31.03.2009
7 INVESTMENTS		
Long Term - At cost		
A. In Government / Trust Securities		
Quoted	270,58.62	196,95.30
Unquoted	15,41.60	27,40.82
B. In Equity Shares		
Quoted	36,81.73	18,40.44
Unquoted - Associates *	140,76.70	120,13.21
Unquoted - Others	7,63.15	3,45.45
C. In Preference Shares	6,00.00	6,00.00
D. In Bonds / Debentures		
Quoted	213,67.18	142,83.82
Unquoted	50.00	60.00
E. Others	4,64.21	5,33.43
Current Investments		
A. In Government / Trust Securities		
Quoted	27,92.51	47,58.91
Unquoted	220,57.44	300,76.57
B. In Bonds / Debentures	45,02.71	84,92.17
C. Others		
Unquoted	9,92.21	20,33.75
Total	<u>999,48.06</u>	<u>974,73.87</u>
* Carrying amount of Associates include Capital Reserve on acquisition of shares Rs.39.59 lakhs (31.03.2009- Rs.49.31 lakhs)		
8 Deferred Tax Asset (Net)		
Deferred Tax Assets		
Provision for Standard Assets, Non-performing Assets, etc.	47,78.58	37,74.46
Income deferment on Non-performing Assets	3,35.44	5,59.33
Net Asset on reserve for unexpired risk	4,67.90	5,15.55
Depreciation	9,38.34	11,29.96
Others	4,92.37	5,37.84
	<u>70,12.63</u>	<u>65,17.14</u>
Less: Deferred Tax Liabilities		
Hire Purchase Income	5,68.38	5,76.57
Amortisation of Brokerage	6,30.72	6,52.77
Others	76.67	98.38
	<u>12,75.77</u>	<u>13,27.72</u>
	<u>57,36.86</u>	<u>51,89.42</u>

SCHEDULES

(Rs. in Lakhs)

	31.03.2010		31.03.2009	
9 Current Assets				
a) Stock-on-hire and bills purchased				
Net Investment in Stock-on-hire		217,61.96		281,78.48
Repossessed assets		10,76.35		13,42.01
Debtors on Securitisation		19.23		75.88
Trade bills purchased (unsecured, considered good)				
Outstanding for a period exceeding six months		–	1,89.00	
Others	5,97.35	5,97.35	19,52.95	21,41.95
Net Investment in lease		44,75.85		44,33.56
		<u>279,30.74</u>		<u>361,71.88</u>
Inventories		13.14		13.61
Sundry Debtors		7,09.93		7,67.42
b) Interest accrued on investments		4,63.88		3,16.84
c) Cash and bank balances				
Current Accounts	34,61.49		63,42.98	
Unpaid dividend account	59.27		98.11	
Deposit accounts	1479,53.28		405,43.16	
Cash on hand	18,27.97		18,06.04	
Stamps and Stamp Papers on hand	58.16	1533,60.17	45.53	488,35.82
d) SFL Shares Trust		5,94.30		5,94.30
e) SFL Employees Welfare Trust		3,80.11		3,80.11
		<u>1834,52.27</u>		<u>870,79.98</u>

SCHEDULES

(Rs. in Lakhs)

	31.03.2010	31.03.2009
10 Loans and Advances		
Unsecured unless otherwise stated :		
Considered good :		
– Secured Loans	9585,24.80	7784,97.82
– Unsecured Loans	30,99.05	16,38.87
Advance Income Tax and Tax Deducted at Source (Net of Provision for Taxation)	98,89.89	84,35.64
Advances and deposits recoverable in cash or kind or for value to be received	74,73.48	128,88.57
Advance for purchase of assets		
– Business Assets	129,32.96	75,40.11
– Others	30,72.86	31,99.53
Income receivable	226,71.31	177,04.51
	<u>10176,64.35</u>	<u>8299,05.05</u>
11 Current Liabilities*		
Sundry Creditors		
– For expenses	339,80.34	235,22.95
– For other finance	272,30.94	244,21.08
– For Unexpired Insurance Risk	204,13.44	184,30.52
Unpaid dividend	59.27	98.11
Interest accrued but not due	316,16.02	290,69.45
	<u>1133,00.01</u>	<u>955,42.11</u>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
12 Provisions		
Non-performing assets	69,14.27	62,86.95
Standard Assets	33,94.72	1,64.22
Investments	2,95.58	1,59.43
Dividend	22,22.08	13,88.80
Dividend Distribution Tax and Surcharge	4,49.77	3,25.62
	<u>132,76.42</u>	<u>83,25.02</u>

SCHEDULES

(Rs. in Lakhs)

	2009-10	2008-09
13 Income from Operations		
Hire Purchase / Hypothecation Loans (net) (tax deducted at source Rs.174.18 lakhs)	997,80.11	934,91.27
Insurance Premium Earned (net)	356,06.42	297,75.26
Interest on Loans (tax deducted at source Rs.178.72 lakhs)	211,47.31	195,72.72
Lease (net) (tax deducted at source Rs.125.32 lakhs)	55,97.03	38,78.33
Investments (tax deducted at source Rs.154.35 lakhs)	125,26.45	89,84.46
Investment Management and Advisory Fee (tax deducted at source Rs.708.01 lakhs)	109,87.38	85,25.56
Services (tax deducted at source Rs.538.28 lakhs)	81,93.81	53,44.35
Profit on Securitisation / Sell-down of Receivables	30,52.79	31,58.76
Recovery of Bad debts and Recovery of Loss on Sale of assets	9,94.90	6,37.94
Loan Processing and other fees	8,08.00	5,60.44
Bills Purchased	1,84.97	2,00.15
Profit on Sale of Leased Assets	94.63	95.32
Sale of Products	72.87	35.93
	1990,46.67	1742,60.49
14 Other Income		
Interest receipts (tax deducted at source Rs.0.85 lakhs)	6,53.57	1,58.46
Dividend	6,06.41	6,39.81
Rent receipts (tax deducted at source Rs.157.04 lakhs)	2,25.16	2,79.90
Profit on sale of assets	34.14	35.27
Miscellaneous Income	4,31.73	5,16.58
	19,51.01	16,30.02
15 Financial Expenses		
Interest – Fixed loans	362,28.74	359,30.46
– Debentures	356,48.11	322,11.52
– Others	1,12.05	20,93.97
Other financial expenses	75,87.88	86,84.71
	795,76.78	789,20.66
16 Establishment Expenses		
Salaries, allowances, commission and bonus	188,46.27	162,97.83
Company's contribution to Provident Fund, Gratuity, Superannuation and Employees' State Insurance schemes	11,11.72	10,63.73
Staff welfare expenses	8,42.80	5,54.43
	208,00.79	179,15.99
17 Administrative and Other Expenses		
Rent	19,29.81	15,24.14
Rates and taxes	4,71.08	4,64.57
Communication expenses	13,13.63	13,71.89
Electricity expenses	6,33.63	5,70.63
Travelling and conveyance (net)	14,69.94	14,65.63
Advertisement charges	17,46.49	9,85.85
Marketing and related expenses	46,62.04	52,01.77
Outsourcing Cost	58,90.44	51,59.96
Directors' sitting fee	33.44	28.69
Insurance	2,29.25	2,36.09
Repairs		
– Buildings	1,64.76	1,36.70
– Others	21,18.28	17,32.95
Donations	3,03.60	2,22.30
Miscellaneous expenses	27,62.14	28,78.92
	237,28.53	219,80.09
18 Provisions and Write off		
Bad Debts	36,95.60	23,62.38
Loss on Assets sold/written off	13,76.02	8,38.83
Provision against non-performing assets (net)	6,01.13	14,53.84
Loss on sale of investments	4.24	52.81
Provision against Investments	1,76.97	1,65.47
	58,53.96	48,73.33

SCHEDULES

19 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**1.1 SIGNIFICANT ACCOUNTING POLICIES:**

- 1.1.1 The Parent Company, Sundaram Finance Limited follows the directions prescribed by the Reserve Bank of India for Non-Banking Financial Companies, while the Subsidiary, Sundaram BNP Paribas Home Finance Limited and Joint Venture, Royal Sundaram Alliance Insurance Company Limited follow the directions prescribed by the National Housing Bank for Housing Finance Companies and the Insurance Regulatory and Development Authority respectively.

The financial statements of the Associate, The Dunes Oman LLC (FZC) have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

1.1.2 Income Recognition:

- a) Income from Hypothecation loan transactions, Hire Purchase and Housing Finance loan transactions is accounted on the basis of the Internal Rate of Return method.
- b) Lease income is accounted as per the terms of the lease agreements for contracts entered into upto 31st March 2001. Income from leases entered into on or after 1st April, 2001 is accounted as per the Accounting Standard – AS 19 – Leases.
- c) Income from Services is recognised on accrual basis.
- d) Premium from Insurance business is recognised as income over the contract period or period of risk, as appropriate, after adjusting for unearned premium (unexpired risk) and premium deficiency, if any.
- e) Trusteeship fee, Investment management and advisory fee are accounted on accrual basis.
- f) Sales of Products are recorded when significant risks and rewards of ownership of products are passed on to the customers. Sales are stated at contractual realisable values, net of value added tax and inclusive of resale sales tax and trade discounts and returns if any.

Revenues from software development, which are generally time bound fixed price are recognised over the life of the contract using the proportionate completion method, with contract cost determining the degree of completion.

Revenue from other services is recognised as income on completion.

1.1.3 Financial Instruments:

Financial instruments such as commercial paper, zero coupon non convertible debentures etc., issued at a discount to the face value are accounted at their carrying cost, comprising issue price and accrued finance cost.

1.1.4 Fixed Assets and Depreciation / Amortisation:

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation on assets is provided on the Written Down Value Method at rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs. 5000 or less acquired during the year are fully depreciated.

Cost of assets given on lease is amortised during the lease period for all leased assets acquired prior to 01.04.2001, as recommended in the "Guidance Note on Accounting for Leases (Revised)". Lease Equalisation Account, which represents the excess/shortfall of annual lease charge when compared with statutory depreciation, is recognised. The Value of assets on Finance Lease is further adjusted for balance in Lease Adjustment Account.

Cost of assets taken on lease on or after 01st April, 2001 is amortised over the lease tenure as per the Accounting Standard – AS 19 – Leases, based on the capital recovery method.

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.1.5 Valuation of Investments:

Long-term investments are stated at cost and provision for diminution in value, other than temporary, has been considered wherever necessary.

Current investments are valued at lower of cost and market value / net asset value.

1.1.6 Foreign Currency Transactions:

Transactions in foreign currencies are accounted at the prevailing rates of exchange on the date(s) of the transaction.

Monetary items denominated in foreign currencies are restated at the prevailing rates of exchange at the Balance Sheet date. Gain or loss arising out of fluctuations in exchange rates are accounted for in the Profit and Loss Account.

Exchange differences on forward exchange contracts, entered into for hedging foreign exchange fluctuation risk in respect of asset/liability are recognised in the Profit and Loss Account in the reporting period in which the exchange rate changes. Premium on forward exchange contracts is expensed over the tenure of the contract.

Interest accrued on secured / unsecured foreign currency loans which are covered by forward contracts has been provided at the forward exchange contract rate and on loans not so covered at the exchange rate prevailing at the year-end.

1.1.7 Employee Benefits:

A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

B) Post employment benefits:

Defined Contribution Plan

i) Provident Fund

Contributions are made to the company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and the notified interest rate.

The Company also contributes to a government administered Employees Pension Scheme under the Employees Provident Fund Act and to Employees' State Insurance Schemes on behalf of its employees.

ii) Superannuation

The Company makes fixed contributions as a percentage on salary to the Superannuation Fund, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC).

The above contributions are charged to the Profit and Loss Account.

Defined Benefit Plan

i) Gratuity

The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by LIC and SBI Life Insurance Company Limited (SBI Life). The Company accounts its liability based on an actuarial valuation, as at the balance sheet date, determined every year by LIC and SBI Life using the Projected Unit Credit method.

ii) Leave Encashment

Liability on account of encashment of leave to employees is provided on the basis of an actuarial valuation.

The expenses and actuarial gain / loss on account of the above benefit plans are recognised in the profit and loss account on the basis of an actuarial valuation.

C) Other Long Term Employee Benefits:

The estimated liability in respect of other long term benefits like Employee Assured Bonus Scheme, reimbursement of medical expenses and entitlement of sick leave has been provided on the basis of actuarial valuation.

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

D) Employee Stock Options:

The Company determines the compensation cost based on the intrinsic value method. The compensation cost is amortised on a straight line basis over the vesting period.

1.1.8 Taxation:

Current tax is provided on the taxable income for the year.

Deferred tax liabilities arising from timing differences have been fully provided for. Deferred tax assets are recognised on the consideration of prudence.

1.1.9 Intangible Assets:

Items of Computer Software acquired/developed are recorded as intangible assets and their cost is amortised over their expected useful life.

1.1.10 Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and their value in use.

1.1.11 Provisions:

Provisions are recognised when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

1.2 Basis of Presentation:

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 1956.

1.3 Basis of Consolidation:

- a) The financial statements of the following subsidiary companies have been consolidated as per Accounting Standard – AS 21 – Consolidated Financial Statements.

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest (%)
Sundaram BNP Paribas Home Finance Limited	India	50.10
Sundaram BNP Paribas Asset Management Company Limited	India	50.10
Sundaram BNP Paribas Trustee Company Limited	India	50.10
Sundaram Business Services Limited (SBSL)	India	100.00
Sundaram Infotech Solutions Limited	India	100.00
Sundaram Finance Distribution Limited	India	100.00
LGF Services Limited	India	100.00
Infreight Logistics Solutions Limited	India	88.02
Professional Management Consultants Limited	India	100.00
Sundaram BNP Paribas Fund Services Limited	India	51.00

- b) The Company has the following investments in Joint Venture for which the required treatment as per Accounting Standard – AS 27 – Accounting for Interests in Joint Ventures, has been given in the Consolidated Financial Statements.

Name of the Joint Ventures	Country of Incorporation	Proportion of ownership interest (%)
Royal Sundaram Alliance Insurance Company Limited	India	49.90
Gulf Outsourcing Services Limited @	India	40.00
BNP Paribas Sundaram Global Securities Operations Private Limited	India	49.00

@ considered on the basis of unaudited financial statement.

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- c) The Company has the following investments in Associates for which the required treatment as per Accounting Standard – AS 23 – Accounting for Investments in Associates, has been given in the Consolidated Financial Statements.

Name of the Associates	Country of Incorporation	Proportion of ownership interest (%)
Axles India Limited*	India	38.81
Turbo Energy Limited*	India	32.00
Transenergy Limited*	India	42.31
Sundaram Dynacast Private Limited	India	26.00
Sundaram Hydraulics Limited*	India	49.00
The Dunes Oman LLC (FZC)	Sultanate of Oman	42.86

* considered on the basis of financial statements / details.

- d) The Consolidated Financial Statements have been prepared on the following basis.
- The Financial Statements of the Parent Company and its Subsidiary Companies have been consolidated on a line-by-line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
 - The Consolidated Financial Statements have been prepared by adopting Uniform Accounting Policies except for the following Companies:
 - BNP Paribas Sundaram Global Securities Operations Private Limited depreciates Information Technology Software using straight-line method of depreciation.
 - Royal Sundaram Alliance Insurance Company Limited depreciates Information Technology Software, vehicles improvements to leased premises and office equipments using straight-line method of depreciation.
 - The Associate, Sundaram Dynacast Private Limited's reporting date was 31.12.2009 and the Financial Statements as on that date have been considered for the purpose of preparation of Consolidated Financial Statements.
 - The Financial Statements of the Subsidiary, Sundaram BNP Paribas Fund Services Limited, for the period 27th June 2008 to 31st March 2010 have been considered for the purpose of preparation of Consolidated Financial Statements.
 - The Financial Statements of the Joint Venture, BNP Paribas Sundaram Global Securities Operations Private Limited, for the period 25th September 2008 to 31st March 2010 have been considered for the purpose of preparation of Consolidated Financial Statements.

2. General

2.1 Change in Recognising Premium Income by Royal Sundaram Alliance Insurance Company Limited (RSAICL).

Premium Recognition:

The Company has changed the method of recognition of Premium on Long Term Health and Personal Accident policies in the current Financial Year. The Premium income is recognised to the extent of one year premium in the year of inception of the policy and the balance is recognised as Premium received in advance, for adjustment against future automatic renewals. Consequent to this change, the effect in operating profit for the year is as under.

(Rs in Lakhs)

Decrease in operating profit of Miscellaneous Business	26.96
Increase in Current Liabilities - Premium Received in Advance	1564.68

- 2.2 During the year the Company acquired 13% stake in Professional Management Consultants Limited, consequent to which, the Company's share holding has increased from 87% to 100%.

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.3 During the year, Royal Sundaram Alliance Insurance Company Limited has, on the basis of a technical evaluation, revised the useful life of Office Equipment and has accordingly changed the method of depreciation from the written down value method to the straight line method. Consequently, Office Equipment are amortised equally over a period of five years and this has resulted in a higher charge of depreciation by Rs.183.40 lakhs to the Profit and Loss Account.

2.4 During the year, Professional Management Consultants Limited has changed the method of depreciation from the Straight Line method to the Written Down Value method. Consequently, depreciation for the year and the loss for the year are higher by Rs.2.17 lakhs.

2.5 Segment Reporting

(Rs. in Lakhs)

Business Segments	Asset Financing		Insurance		Other Operations		Eliminations		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE										
Segment Revenue	1395,45.69	1268,42.90	401,10.49	334,48.86	193,90.49	139,68.73	-	-	-	-
Inter segment sales	3,36.26	2,18.66	1,90.26	1,67.36	55,28.70	50,74.03	60,55.22	54,60.05	-	-
Total Revenue	1398,81.95	1270,61.56	403,00.75	336,16.22	249,19.19	190,42.76	60,55.22	54,60.05	1990,46.67	1742,60.49
RESULT										
Segment Result	320,91.09	255,86.02	16,82.19	4,65.52	35,76.56	13,86.71	7,29.68	6,97.79	380,79.52	281,36.04
Unallocated income (net of expense)	-	-	-	-	-	-	-	-	13,28.53	(12,34.41)
Profit before tax	-	-	-	-	-	-	-	-	394,08.05	269,01.63
Less: Income tax	-	-	-	-	-	-	-	-	125,78.79	91,63.64
Add: Share of Profit in Associates	-	-	-	-	-	-	-	-	26,37.95	9,51.47
Less: Minority Interest	-	-	-	-	-	-	-	-	21,04.92	19,00.85
Profit after Tax	-	-	-	-	-	-	-	-	273,62.29	167,88.61
OTHER INFORMATION										
Segment Assets	12549,63.42	9797,43.76	610,36.04	497,49.03	153,38.38	106,72.62	183,82.44	182,56.68	13129,55.40	10219,08.73
Unallocated Assets	-	-	-	-	-	-	-	-	213,14.45	198,24.20
Total Assets	-	-	-	-	-	-	-	-	13342,69.85	10417,32.93
Segment Liabilities	11184,41.84	8610,49.28	495,00.56	389,20.37	62,00.44	58,35.12	48,38.61	51,60.75	11693,04.23	9006,44.02
Unallocated Liabilities	-	-	-	-	-	-	-	-	26,71.85	17,14.42
Total Liabilities	-	-	-	-	-	-	-	-	11719,76.08	9023,58.44
Capital Expenditure	83,32.29	75,44.73	5,10.53	4,85.24	31,51.95	4,69.45	-	-	119,94.77	84,99.42
Depreciation	43,91.39	35,90.64	4,97.94	5,24.72	6,45.97	5,82.75	-	-	55,35.30	46,98.11
Non-cash expenses other than depreciation	89,56.38	48,76.77	3.32	3.33	1,04.13	2.46	-	-	90,63.83	48,82.56

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.6 Related Parties Disclosures:

2.6.1 Related party disclosures, as stipulated by Accounting Standard – AS 18 – Related Party Disclosures, are given below:

Related Parties:

Associates:

Axles India Ltd.

Turbo Energy Ltd.

Transenergy Ltd.

Sundaram Dynacast Pvt. Ltd.

Sundaram BNP Paribas Mutual Fund

Sundaram Medical Foundation

Sundaram Hydraulics Ltd.

The Dunes Oman LLC (FZC)

Key Management Personnel:

Mr. T. T. Srinivasaraghavan, Managing Director

Mr. Srinivas Acharya, Deputy Managing Director

Relatives of Key Management Personnel:

Mr. T. T. Srinivasaraghavan	Mr. T. T. Rangaswamy	Father
	Mrs. Vimala Rangaswamy	Mother
	Mrs. Bagyam Raghavan	Wife
	Miss. Anjana Raghavan	Daughter
	Master T. T. Venkatraghavan	Son
	Mr. T. T. Narendran	Brother
Mr. Srinivas Acharya	Mrs. Revathi Srinivas	Wife
	Mr. Vishal Srinivas	Son
	Mrs. Radha Venkatesh	Sister

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.6.2 RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31ST MARCH 2010

The nature and volume of transactions of the Company during the year, with the above related parties are as follows.

(Rs. in Lakhs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total April 09 – March 10	Previous Year 2008-09
INCOME					
Income from Services rendered					
Sundaram BNP Paribas Mutual Fund	2,25.09			2,25.09	1,75.32
Turbo Energy Ltd.	52.00			52.00	55.46
Others					0.32
Total	2,77.09			2,77.09	2,31.10
Dividend					
Turbo Energy Ltd.	5,76.00			5,76.00	1,34.40
Others	11.70			11.70	14.04
Total	5,87.70			5,87.70	1,48.44
Rent Receipts					
Turbo Energy Ltd.	14.05			14.05	14.05
Total	14.05			14.05	14.05
Interest					
Axles India Ltd.	49.64	1.13		50.77	1.23
Total	49.64	1.13		50.77	1.23
Income from Lease					
Turbo Energy Ltd.	70.72			70.72	52.47
Others	9.03			9.03	5.32
Total	79.75			79.75	57.79
Income from Bill Discounting					
Axles India Ltd.	1,12.86			1,12.86	46.52
Trusteeship Fees & Investment Management Advisory Fees					
Sundaram BNP Paribas Mutual Fund	102,80.46			102,80.46	78,17.22
Other Income	0.05			0.05	0.15
EXPENSE					
Scheme Expenses					
Sundaram BNP Paribas Mutual Fund	35.00			35.00	30.00
Interest					
Sundaram BNP Paribas Mutual Fund	44.73			44.73	
Others		9.14	16.90	26.04	11.37
Total	44.73	9.14	16.90	70.77	11.37
Remuneration		2,58.14		2,58.14	1,98.62
Dividend		8.99	40.12	49.11	66.26
Donation					
Sundaram Medical Foundation	2,00.00			2,00.00	1,00.00
Other Expenses	2.50			2.50	2.65

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	31.03.2010	31.03.2009
ASSETS					
Investment in Equity Shares					
The Dunes Oman LLC (FZC)	4,32.19			4,32.19	
Others					7,46.71
Total	4,32.19			4,32.19	7,46.71
Intercorporate Loans disbursed to:					
Axles India Ltd.	5,00.00			5,00.00	
Total	5,00.00			5,00.00	
Investment in Trust Securities					
Sundaram BNP Paribas Mutual Fund	1282,22.94			1282,22.94	571,09.91
Disinvestment in Trust Securities					
Sundaram BNP Paribas Mutual Fund	1306,82.48			1306,82.48	552,37.41
Assets-Outstanding Balances as on 31.03.2010					
Preference Shares Holdings					
Axles India Ltd.	6,00.00			6,00.00	6,00.00
Equity Holdings					
Axles India Ltd.	10,15.70			10,15.70	10,15.70
Sundaram Hydraulics Ltd.	7,35.00			7,35.00	
The Dunes Oman LLC (FZC)	22,64.33			22,64.33	
Others	3,35.41			3,35.41	3,35.41
Total	4350.44			43,50.44	13,51.11
Intercorporate Loans					
Axles India Ltd.	5,00.00			500.00	
Total	5,00.00			5,00.00	
Trust Securities					
Sundaram BNP Paribas Mutual Fund	38,38.38			38,38.38	59,47.63
Investment Management Fee receivable	6,72.80			6,72.80	2,72.96
Future Lease Receivables					
Turbo Energy Ltd.	1,56.46			1,56.46	1,29.61
Axles India Ltd.	63.20			63.20	29.53
Others	3.39			3.39	4.57
Total	223.05			2,23.05	1,63.71
Bills purchased					14,19.99
Other Assets	24.30	18.45		42.75	28.47
LIABILITIES					
Issue of Bonus Shares					28.80
Liabilities-Outstanding Balances as on 31.03.2010					
Equity Holdings		10.57	47.15	57.72	57.88
Deposits		49.72	1,62.14	2,11.86	2,20.33
Interest on Deposits		9.43	14.19	23.62	9.99
Other Liabilities	0.17			0.17	0.13

No amount has been written off/written back during the year

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.7 Earnings per Share (Basic and diluted)	2009-10	2008-09
A. Profit for the year after taxation (Rs. in lakhs)	273,62.29	167,88.61
B. Number of equity shares	5,55,51,930	5,55,51,930
C. Basic and diluted earnings per share (in Rs.)	49.26	30.22
2.8 Contingent liabilities in respect of		(Rs. in lakhs)
	As at 31.03.2010	As at 31.03.2009
a) Liability –		
To Banks– On Cheques discounted	40,15.98	18,62.19
– On Counter Guarantee	50.37	77.20
– To Sales Tax Authorities	10.32	30.97
– On Letter of Credit	9,12.49	–
b) Claims against the Company not acknowledged as debts	105,43.43	21,77.02

2.9 Previous Year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

Signatures to Schedules 1 to 19

As per our report of even date attached
For Brahmaya & Co.,
 Chartered Accountants
L. Ravi Sankar
 Partner

Chennai,
 28th May, 2010

S. Viji
 Chairman

T. T. Srinivasaraghavan
 Managing Director

S. Venkatesan
 CFO & Secretary

S. Ram
S. Narayanan
Srinivas Acharya
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
 Directors

Consolidated Cash Flow Statement

(Rs. in Lakhs)

	2009-10	2008-09
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit	275,08.00	167,88.61
Add: Lease Equalisation Account	(91.85)	55.77
Provision for Taxation (Including Wealth Tax)	125,78.79	91,63.64
Provision for tax relating to earlier years	(1,45.71)	-
	398,49.23	260,08.02
Add: Financial Expenses	795,76.78	789,20.66
Dividend received from Associates / Subsidiaries	1194,26.01	1049,28.68
Depreciation	16,11.32	10,06.19
Profit attributable to Minority Interests	56,33.95	48,58.22
Provision against Investments	21,04.92	19,00.85
Provision against Non - Performing assets	1,76.97	1,65.47
General Provisions on Standard Assets	6,01.13	14,53.84
Employee Stock Option Compensation Expenses	32,30.50	24.22
(Profit) loss on sale of assets	23.28	-
(Profit) loss on sale of Investments	36.75	(53.14)
Interest / Dividend Received	(70,66.52)	(18,26.65)
Effect of foreign exchange rate changes	(63,22.23)	(51,26.18)
Less: Share of Profits from Associates	14.21	5.18
	(26,37.95)	(9,51.47)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1168,32.34	1063,85.21
(Increase) Decrease in net stock on hire	67,08.38	(14,54.42)
(Increase) Decrease in leased assets - net of sales	(450,27.29)	(211,36.36)
(Increase) Decrease in Trade Bills purchased	15,44.60	(11,31.50)
(Increase) Decrease in Net Investment in Lease	7.96	8,03.53
(Increase) Decrease in Loans and Advances	(1427,25.13)	(71,76.46)
(Increase) Decrease in Inventories	0.47	(0.47)
(Increase) Decrease in Other Receivables	(36,07.50)	(31,97.28)
(Increase) Decrease in Bank Deposits (net)	(1089,04.00)	(120,46.80)
(Increase) Decrease in SLR Investments - net of sales	(21,25.75)	(26,45.09)
Increase (Decrease) in Current Liabilities	146,36.79	(11,49.77)
Cash generated from Operations	(2794,91.47)	(491,34.62)
Financial Expenses	(1626,59.13)	572,50.59
Direct Taxes Paid	(780,89.23)	(715,51.50)
	(120,98.22)	(85,64.22)
NET CASH FROM OPERATING ACTIVITIES (A)	(2528,46.58)	(228,65.13)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(49,64.90)	(26,58.52)
Sale of Fixed Assets	1,17.73	1,44.20
Purchase of Investments	(15989,88.90)	(5809,17.76)
Sale of Investments	16075,52.27	5599,64.79
Interest Received	39,54.11	40,41.71
Dividend Received	13,33.52	9,65.66
NET CASH FROM INVESTING ACTIVITIES (B)	90,03.83	(184,59.92)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of debentures	3470,76.18	4183,07.86
Debentures Redeemed	(2686,00.00)	(4151,00.00)
Increase (Decrease) in long term borrowings	1015,45.46	(242,91.55)
Increase (Decrease) in Fixed Deposits	281,98.11	376,74.99
Increase (Decrease) in short term loans and advances	388,96.83	377,55.10
Dividend paid (including Corporate Dividend Tax)	(66,10.07)	(81,09.58)
NET CASH FROM FINANCING ACTIVITIES (C)	2405,06.51	462,36.82
Effect of foreign exchange rate changes (D)	(14.21)	(5.18)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)	(33,50.45)	49,06.59
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	188,27.25	138,83.74
Add: Adjustment for change in holdings in subsidiaries/joint venture	-	36.92
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	154,76.80	188,27.25
Current Account with Banks	35,20.76	64,41.09
Cash, Stamps and Stamp Papers on Hand	18,86.12	18,51.57
Short Term Deposit	100,69.92	105,34.59

Notes:

- Cash and Cash equivalents includes balance in Unpaid Dividend account of Rs.59.27 lakhs (31.03.2009 Rs.98.11 lakhs)
- Previous Year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification

As per our report of even date attached

For Brahmaya & Co.,

Chartered Accountants

L. Ravi Sankar

Partner

Chennai,

28th May, 2010

S. Viji

Chairman

T. T. Srinivasaraghavan

Managing Director

S. Venkatesan

CFO & Secretary

S. Ram

S. Narayanan

Srinivas Acharya

T. R. Seshadri

S. Ravindran

S. Prasad

Aroon Raman

Directors

Auditors' Report to the Board of Directors of Sundaram Finance Limited On the Consolidated Financial Statements

We have examined the attached consolidated balance sheet of Sundaram Finance Limited, Chennai its subsidiaries and associate companies as at 31st March, 2010, the Consolidated Profit and Loss Account for the year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the management of Sundaram Finance Limited. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of two subsidiary companies, two joint venture companies and one associate company reflecting total assets of Rs.1402,48.98 lakhs as at 31st March, 2010, total revenue of Rs.951,64.81 lakhs and net cash inflows amounting to Rs.12,39.90 lakhs for the year ended on that date, the financial statements of an associate company reflecting total assets of Rs. 10,81.68 lakhs as at 31st December, 2009 and total revenue of Rs. 16,45.29 lakhs for the year ended on that date have been audited by other auditors, whose reports have been furnished to us. We have relied upon these reports for the purpose of the amounts included in respect of the above companies in the Consolidated Financial Statements.

The financial statements of two associate companies and one joint venture company reflecting total assets of Rs.219,13.83 lakhs as at 31st March, 2010 and total revenue of Rs. 393,18.20 lakhs for the year ended on that date are based on their unaudited financial statements as on 31st March, 2010.

In respect of two associate companies the total assets of Rs.331,08.83 lakhs as at 31st March, 2010 and total revenue of Rs.551,34.18

lakhs for the year ended on that date are based on the unaudited financial details.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard –

AS 21 – Consolidated Financial Statements

AS 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

AS 27 – Financial reporting of Interest in Joint Ventures

as prescribed in Section 211 (3C) of the Companies Act, 1956 and on the basis of the separate audited financial statements of Sundaram Finance Limited and its subsidiaries, the audited / unaudited financial statements of its associate and joint venture companies as mentioned above, included in the Consolidated Financial Statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports of individual audited financial statements of Sundaram Finance Limited, its subsidiaries and the audited / unaudited financial statements of its associate and joint venture companies, we are of the opinion that in conformity with the accounting principles generally accepted in India,

- a) the Consolidated Balance Sheet gives a true and fair view of the Consolidated State of Affairs of Sundaram Finance Limited, its subsidiaries, associate and joint venture companies as at 31st March, 2010,
- b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Sundaram Finance Limited, its subsidiaries, associate and joint venture companies for the year ended 31st March, 2010 and
- c) the Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Sundaram Finance Limited, its subsidiaries and joint venture companies for the year ended 31st March, 2010.

For BRAHMAYYA & CO.,
Chartered Accountants
Registration No.000511S

L. RAVI SANKAR

Partner

Membership No. 25929

Place: Chennai

Date: 28th May, 2010

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2010

(As per approval under Section 212(8) of the Companies Act, 1956)

Description	(Rs. in Lakhs)									
	Sundaram BNP Paribas Home Finance Ltd.	Sundaram BNP Paribas Asset Management Company Ltd.	Sundaram BNP Paribas Trustee Company Ltd.	Sundaram Finance Distribution Ltd.	IGF Services Ltd.	Sundaram Infotech Solutions Ltd.	Sundaram Business Services Ltd.	Professional Management Consultants Ltd.	Infreight Logistics Solutions Ltd.	Sundaram BNP Paribas Fund Services Limited **
Share Capital	80,15.23	15,33.32	5.00	50.00	25.00	4,00.00	15,00.00	22.06	5,01.00	30,00.00
Reserves	141,63.70	35,03.07	44.76	3,34.87	2,16.44	(13,79.90)*	(2,65.17)*	2,06.38	(11,00.03)*	(6,89.69)*
Total Assets	2272,15.33	76,20.99	1,05.59	5,36.18	3,97.98	5,02.56	18,97.00	3,24.61	9,66.90	24,70.71
Total Liabilities	2050,36.40	25,84.60	55.83	1,51.31	1,56.54	14,82.46	6,62.17	96.17	15,65.93	1,60.40
Investment	118,49.12	25,58.11	71.07	87.19	60.39	-	11,24.72	-	-	1,84.53
Turnover	235,89.97	111,71.16	1,24.10	6,06.63	5,72.42	18,82.40	19,91.12	4,86.50	17,25.98	1,31.29
Profit / (Loss) Before Taxation	41,48.60	30,90.61	61.15	2,88.38	2,78.40	1,36.03	(3,09.26)	(69.79)	(2,07.84)	(6,88.14)
Provision for Taxation	13,77.02	10,06.82	19.00	91.78	95.00	5.24	1.64	(0.81)	-	1.54
Profit / (Loss) After Taxation	27,71.58	20,83.78	42.15	1,96.60	1,83.41	1,30.79	(3,10.89)	(68.98)	(2,06.52)	(6,89.69)
Dividend	8,01.52	6,13.33	30.00	1,12.50	1,25.00	-	-	-	-	-

* Represents Debit balance in P&L account

** For the period 27th June 2008 to 31st March 2010

Sundaram Finance Branch Network

