

Sundaram Finance registers Net Profit of Rs.150.73cr

Income from operations crosses Rs.1000crores - Recommends Final Dividend of 25%

Improves Market Share in all key areas of operations

Chennai 29th May 2009: Chennai based NBFC and a strong player in the Commercial Vehicle and Car Finance segments, Sundaram Finance Limited (SFL) has reported a Net Profit of Rs.150.73cr for the year ended 31st March 2009. The Net Profit figures for 2008-09 and 2007-08 are not comparable as the profit relating to 2007-08 included a one time profit of Rs.76.82cr on account of the sale of shares in Sundaram Home Finance Limited.

Income from operations crossed Rs.1000crores during the year and stood at Rs.1083cr as on 31st March 2009.

The disbursements for the year ended 31st March 2009 stood at Rs.4540cr. Capital Adequacy at 14.65 % as on 31st March 2009 was well above the statutory requirement of 12%. Net NPA as on 31st March 2009 stood at 0.75% as against 0.49% in the previous year.

Net Profit from continuing operations

Net Profit from continuing operations for the year ended 31st March 2009 stood at Rs.150.73cr as against Rs.135.73cr (excluding the one time profit of Rs.76.82cr) for the year ended 31st March 2008, an increase of 11.06%.

Recommends 25% Final Dividend

The board recommended a final dividend of 25% for the year ended 31st March 2009. The final dividend, along with the interim dividend of 40%, takes the total dividend for 2008-09 to 65%.

Financial Highlights

Particulars	2008-09	2007-08	% growth
Disbursements	Rs.4540cr	Rs.5109cr	(11.14%)
Net Profit from continuing operations	Rs.150.73cr	Rs.135.73cr**	11.06%
Net Worth	Rs.1153cr	Rs.1043cr	10.55%
Receivables under management	Rs.9203cr	Rs.8925cr	3%

**Net Profit for 2007-08- Rs.212.54cr (including one time profit of Rs.76.82cr)

The company opened 24 new branches during the year taking the branch network to over 450.

Commenting on the company's performance in 2008-09, T.T. Srinivasaraghavan, Managing Director, Sundaram Finance Ltd., said, "It has been a difficult year for the global economy, which in turn has had a significant impact on the Indian economy, especially the auto sector. Our philosophy over the years has been 'Growth with Quality'.

"What is heartening is that we have improved our market share in all key areas of our business and our asset quality remains the best in the industry, as evidenced by the numbers."

Mutual Fund Business

Assets under Management (AUM) as on 31st March 2009 were at Rs.9379cr with 57% in Equity Funds. Financial Services & Entertainment Opportunities Fund launched during the year mobilised Rs.235 cr. For its Tax Saver scheme, SBNP Mutual won the First Morning Star Award. ICRA gave the Tax Saver scheme a Seven Star rating. It also won the CNBC-TV18 Crisil award for Money Fund & Tax Saver.

Home Finance Business

The disbursements for the year ended 31st March 2009 were Rs.532 Cr with the total loan portfolio at Rs.1935 Cr. The NPAs for the home finance business at 0.10% are clearly the lowest in the industry. There were over 21000 customers as on 31st March 2009.

Insurance business

The Gross Written Premium as on 31st March 2009 was at Rs.804cr, with retail contributing to over 60% of the portfolio.

Outlook for the year

Looking ahead to 2009-10, Srinivasaraghavan said, “The outlook for the year remains muted and we don’t see any significant change in the market scenario for at least another 3-6months. We have to wait for policy directions from the Government which will hopefully emerge when the budget is presented. Our hope is that things will start improving from the third (Oct-Dec’09) quarter, this year.”

About Sundaram Finance

Set up in 1954, the Sundaram Finance Group’s services include financing for the entire range of commercial vehicles, passenger cars and construction equipment, as well as specially designed working capital products such as Fuel finance and Tyre finance, home loans, mutual funds, non-life insurance, IT, BPO, logistics solutions and distribution of a wide range of financial products and services.

The company employs over 4000 people and is regarded as one of the most trusted and respected financial services providers in the country. Sundaram Finance Group remains true to its core values of prudence, fairness, transparency and service excellence.

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