

Sundaram Finance Limited

56th Annual Report

2008-09



SUNDARAM FINANCE
Enduring values. New age thinking.

Board of Directors

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

Audit Committee

A Rangaswami	Chairman
S Ravindran	
S Prasad	
S Viji	

Share Transfer & Investor Relations Committee

A Rangaswami	Chairman
S Prasad	
T T Srinivasaraghavan	

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	Senior Vice President & Head – Treasury
Harsha Viji	Senior Vice President (Special Projects)
Malli J. Sivakumar	Senior Vice President (Sundaram Infotech Solutions)
V K Raman	Senior Vice President
S Ravindran	Vice President & Head – Northern Region
P Viswanathan	Deputy Secretary & Compliance Officer
S Srinivasan	Vice President & Head – Leasing
S Sivakumar	Vice President (Operations)
Shridhar Iyer	Vice President
M J Kulkarni	General Manager & Head – Western Region
K Sankarakumar	General Manager & Head – Distribution
Rajesh Venkat	General Manager & Head (Projects)
V P R V P Varma	General Manager & Head – Andhra Region
H Venkatesan	General Manager (Audit)

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
	Professional Management Consultants Private Limited
	Sundaram Securities Services Limited

Bankers

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

Debenture Trustees

Indian Overseas Bank	IDBI Trusteeship Services Limited
Merchant Banking Division	Asian Building, Ground Floor
763, Anna Salai, Chennai 600 002	17, R. Kamani Marg, Ballard Estate, Mumbai 400 001

CURRENCY EQUIVALENTS

Rs. One Million	=	Rs. 10 Lakhs	US\$ 1 = Indian Rs.50.95*
Rs. One Billion	=	Rs. 100 Crores or Rs. 10,000 Lakhs	*RBI Reference Rate as on 31.03.2009

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SUNDARAM FINANCE
Enduring values. New age thinking.

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International Finance & Leasing Association

Directors' Report

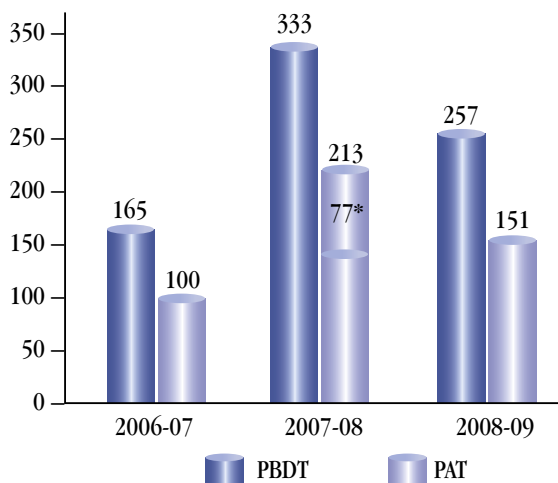
Your directors have pleasure in presenting the 56th Annual Report with audited accounts for the year ended 31st March 2009. The summarised financial results of the Company are given hereunder:

FINANCIAL RESULTS:

(Rs. in Cr.)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Income from Operations	1082.78	901.76
Profit on Sale of Shares in Subsidiary Company	–	99.18
Other Income	31.99	22.36
Total Income	1114.77	1023.30
Less: Total Expenditure	895.06	720.40
Profit before Tax	219.71	302.90
Profit after Tax	150.73	212.54
Surplus brought forward	47.14	29.70
Amount available for appropriation	197.87	242.24
Appropriations have been made as under:		
Transfers to:		
– Statutory Reserve	30.20	42.60
– Special Reserve	2.00	12.00
– General Reserve	82.72	93.00
Dividend – Interim	22.22	27.78
Final (Proposed)	13.89	13.89
Dividend Tax	4.87	5.83
Surplus carried to balance sheet	41.97	47.14
	197.87	242.24

Profit
(Rs. in Cr.)

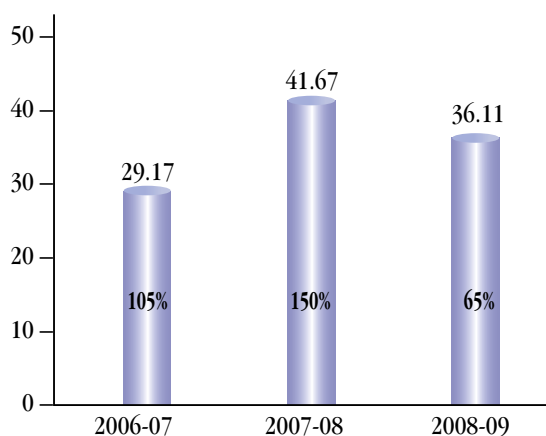


* Profit on sale of shares in a subsidiary company

DIVIDEND

Your Company paid a tax-free interim dividend of Rs.4/- per share (40% on the face value of Rs.10/-) on 18th March 2009. Your directors are now pleased to recommend a final dividend of Rs.2.50 per share (25% on the face value of Rs.10/-). This, together with the interim dividend, aggregates to a total dividend of Rs.6.50 per

Dividend
(Rs. in Cr.)



share (65%) for the financial year ended 31st March 2009, on the paid-up capital of Rs. 55.55 cr., doubled as a result of bonus issue in the ratio of 1:1.

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

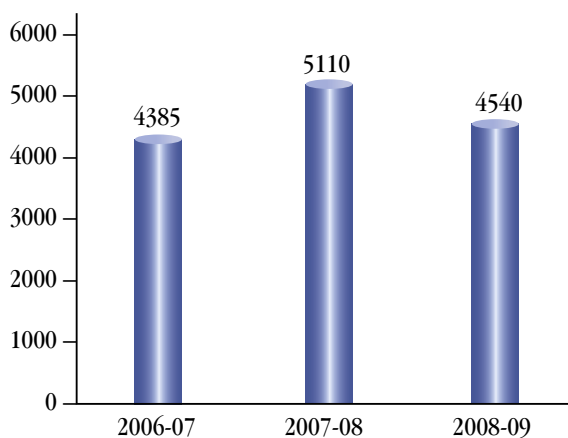
Financial markets the world over look very different today from what they did a year ago. The cataclysmic events that shook the very foundations of the American financial system and subsequently the rest of the world have already been acknowledged as the worst financial crisis since the Great Depression. Several banks and financial institutions of great repute have gone into bankruptcy while many more have barely survived, thanks to financial lifelines thrown to them by their Governments. In Europe, whole countries have gone bankrupt or come dangerously close to it. In the aftermath of this unprecedented financial and economic meltdown, most of the world's major economies are faced with the spectre of zero growth, or worse still, negative growth. While India stands on a relatively better footing, thanks to regulatory prudence and foresight, it is by no means unaffected by the tumultuous events that overtook the global financial markets. The pain for India has been more in the Real Economy, with sector after sector experiencing steep contractions in demand. Current estimates put GDP growth at 6.7% during 2008-09 as against 9% achieved during each of the three years ending 2007-08. The agricultural, industrial and services sectors are estimated to have grown at 2.6%, 4.8% and 9.6% respectively, as against 4.5%, 8.1% and 10.9% in the previous year. The Indian financial markets witnessed significant volatility during the third quarter of the year resulting in liquidity strain and high interest rates. RBI's continuous and effective interventions helped restore stability and infuse confidence in the financial system. Inflation, as measured by Wholesale Price Index, touched a high of 12.91% in August 2008, on account of the sharp rise in global commodity and fuel prices, but has since swung the other way to touch a low of 0.26% during March 2009, as compared to 7.75% during the same period last year.

The country's balance of payments position came under some strain during the year. Exports are estimated to have increased by 7.3% in dollar terms, while imports grew by 19.1%. India's foreign exchange reserves, at US\$ 241.7 billion, decreased by US\$58 billion during 2008-09. With the US Dollar strengthening against all major currencies, the Indian Rupee ended lower by 27% at the end of the year 2008-09. The central government's fiscal deficit has been estimated at 5.93% of GDP as against 3.10% of GDP in the previous year.

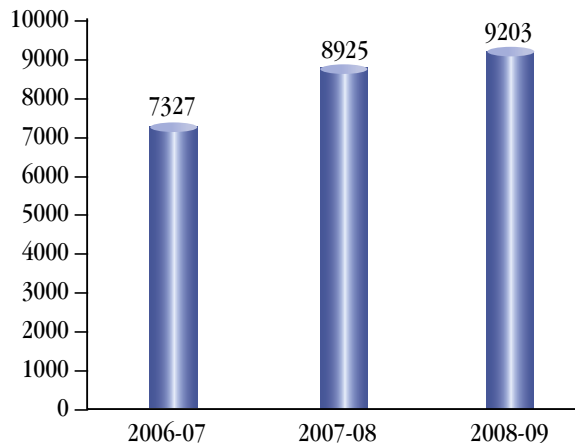
AUTOMOTIVE SECTOR

The automotive industry in India was amongst the worst hit sectors of the economy. Sales of medium and heavy commercial vehicles (M&HCV) registered a steep fall of 33% during 2008-09 as against a drop of 2% in the previous year. Sales of light commercial vehicles (LCV) were also down by 7% during 2008-09 as against a growth of 12% in the previous year. Sales of cars and multi-utility vehicles recorded a marginal growth during 2008-09 as against a growth of 12% in the previous year. The haulage segment bore the brunt of the fall in the M&HCV class with sales of multi axle trucks falling by 40% and Tractor-Trailers falling by as much as 61%. In many ways, this does not come as a surprise. Over the past several years, cheap availability of finance and indiscriminate lending practices had led to the build up of excess capacity in the haulage segment. With the economy slowing down, freight offerings have fallen

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



Receivables Under Management (Rs. in Cr.)



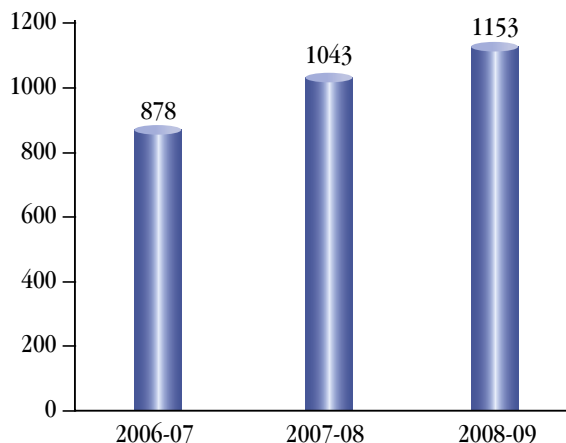
significantly, impacting not only new vehicle demand but also the viability of existing fleets. This correction was not only overdue but also desirable in some respects. Passenger car sales, on the other hand, were affected by concerns surrounding employment stability, risk aversion on the part of lenders and a certain degree of debt aversion on the part of prospective buyers.

OPERATING & FINANCIAL PERFORMANCE

Reflecting the trends in the automotive sector, your Company's hire purchase and loan disbursements at Rs.4540 cr. were lower by 11.14% as compared to the previous year. Sale of commercial vehicles fell by 26% in unit terms. However, your Company improved its market share in most of its key markets. Foreseeing the slump in the commercial vehicle segment, your Company had focussed its efforts on cars and multi-utility vehicles. Consequently, your Company registered a growth of 23% in unit terms over the previous year in this segment and improved its All India market share in the process. The gross receivables being managed by the Company, including assets sold or securitised, stood at Rs.9203 cr. as at 31st March 2009, as against Rs.8925 cr. in the previous year.

A high quality asset portfolio remains at the core of your Company's operations, thanks to our unswerving focus on the credit assessment process and continuous vigil on timely recoveries. Gross NPAs as at 31st March, 2009 stood at 1.64% as against 1.18% in the previous year and Net NPAs at 0.75% as against 0.49% in the previous year.

Own Funds (Rs. in Cr.)



Even by the most stringent yardsticks, this would count amongst the best in the business, especially in light of the turmoil in the markets.

Gross income from hire purchase, hypothecation loans and leasing grew by 20% over last year. The volatile liquidity and heightened uncertainty in the financial markets notwithstanding, your Company was able to sustain its margins on account of its prudent Asset-Liability Management, strict credit underwriting, consistent presence in the market and its ability to deliver a superior customer experience. Several quality and process improvement measures have been undertaken by your Company during the year. These, combined with a heightened level of cost awareness have enabled your Company to keep a tight rein on costs.

The net profit for the year was Rs. 150.73 cr. as against Rs.135.73 cr. (excluding the one-time profit on the sale of shares in Sundaram Home Finance Limited) in the previous year, registering a growth of 11.06%. The Company's Net-Worth stood at Rs. 1153 cr. as on 31.3.2009, while Capital Adequacy (CRAR) at 14.65% was comfortably higher than the statutory requirement of 12%.

RESOURCE MOBILISATION

a) Deposits

During 2008-09, your Company mobilised fresh deposits aggregating to Rs.257.76 cr. Renewal of deposits matured during the year amounted to Rs.215.28 cr. representing 81% of the matured deposits. Deposits outstanding at the year-end were at Rs.940.06 cr.

as against Rs.756.62 cr. in the previous year, recording the highest annual net accretion in the history of your Company.

As at 31st March 2009, 3079 deposits amounting to Rs.7.63 cr., had matured for payment and were due to be claimed or renewed. After close follow-up of repayments or renewals, the figures are currently down to 1821 and Rs.3.98 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.2341 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.1765 cr., during the year. The maximum amount outstanding at any time was Rs.1185 cr., and the amount outstanding at the end of the year was Rs.490 cr. The working capital credit limits of your Company were increased from Rs.1650 cr. to Rs.1800 cr.

d) Sell-down of Receivables

During the year, your Company sold hire purchase and hypothecation loan receivables to the extent of Rs. 769.87 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.

BUSINESS OUTLOOK

Pronouncements by several leading economists and Central Bankers across the world would suggest that the worst is over for the global economy. There are early, if feeble, signs of recovery in

the US economy, which has a significant bearing on the other major economies including India. The formation of a stable government at the Centre brings with it the hope of a renewed thrust on economic reforms and the pursuit of a growth agenda which are critical prerequisites for the Indian Economy to regain its growth momentum.

Even though headline inflation has been brought under control, the projected increase in government borrowings is likely to have an adverse impact on market liquidity and consequently, on interest rates. As indicated in last year's report, the prospects for the automotive sector are unlikely to improve dramatically in the coming year with concerns around viability of commercial vehicle operations continuing and passenger car manufacturers themselves projecting only modest growth. Your Company, as in the past, will continue to pursue its objective of Growth with Quality. Your Company also continues to focus on new opportunities to improve profitability.

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 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 continues to follow the time tested practice of assessing each and 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. The extensive knowledge sharing of current market trends across the Company facilitates course corrections wherever necessary. Periodic monitoring and reviews by the asset liability management committee and risk management committee enable the Company to function within the risk management framework.

HUMAN RESOURCES

Your Company continues to lay great stress on its most valuable resource - people. Continuous training, both on the job and in an academic setting, is a critical input to ensure that employees at all levels are fully equipped to deliver a wide variety of products and services to the rapidly growing customer base of your Company. In spite of the difficult business environment, your Company has undertaken a number of training initiatives during the year covering junior and middle level managers, as well as Leadership Development Programmes for those in senior management roles.

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**

Despite the economic downturn during the second half of 2008-09 which weakened the demand for housing finance, the company, in its tenth year of operation, approved loans aggregating Rs.600 cr. as against Rs.721 cr. in the previous year; disbursements amounted to Rs. 532 cr. as against Rs.596 cr. in the previous year. The company earned a gross income

of Rs.208 cr. as against Rs.160 cr. in the previous year and reported a profit after tax of Rs.26.81 cr. as against Rs.22.10 cr. in the previous year. The loan portfolio as at 31st March 2009 stood at Rs.1592 cr. as against Rs.1433 cr. in the previous year. The gross and net NPAs stood at 0.30% and 0.10% respectively as of 31.03.09. The company recommended a maiden dividend of Re.1 per share (10% on the face value of Rs.10/-) for the financial year ended 31st March 2009.

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

2008-09 was a difficult year for the mutual fund industry which saw a reversal of trend from the previous year due to a steep correction in equity markets. The Average Assets under Management (AUM) of Sundaram BNP Paribas Asset Management Company Ltd. was Rs.9267 cr. for the year 2008-09, lower by 28% as compared to Rs.12827 cr. for the previous year, due to steep correction in the equity market. In the face of the industry trend of outflows and negative average growth, the investor base of Sundaram BNP Paribas Asset Management Company Limited has risen from 2 million to 2.25 million during the year indicating rising retail participation and confidence. Consequent to their continued endeavour to enhance fund management skills and optimise performance levels, the schemes of Sundaram BNP Paribas Mutual Fund received many awards from various agencies.

Sundaram BNP Paribas Asset Management Company Limited earned a gross income of Rs.86.05 cr. as against Rs.85.18 cr. in the previous year. After providing for depreciation and tax, the company reported a profit of Rs. 10.68 cr. as against Rs. 18.50 cr. in the previous year. The company recommended a dividend of Rs.1.50 per share (15% on the face value of Rs.10/-) for the financial year ended 31st March 2009.

- **Sundaram BNP Paribas Trustee Company Limited**

Sundaram BNP Paribas Trustee Company Limited earned a gross income of Rs. 105.39 lakhs as against Rs. 102.21 lakhs in the previous year and reported a profit after tax of Rs. 36.44 lakhs for the year, as against Rs.33.51 lakhs 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 2009.

- **Sundaram Finance Distribution Limited (SF DL)**

Due to the decline in New Fund Offers (NFOs) by mutual funds consequent to tightening liquidity and slowdown in stock markets, SF DL's income through distribution of various mutual fund and financial products was lower at Rs.104.46 lakhs as against Rs.281.58 lakhs in the previous year. However, despite reduction in insurance premium levels consequent to detariffing, SF DL earned a higher commission of Rs.228.27 lakhs through stepped-up efforts in distribution of insurance products during the year as against Rs. 82.38 lakhs in the previous year. The profit after tax for the year amounted to Rs.137.08 lakhs as against Rs.167.82 lakhs in the previous year. The company declared, on 03.03.2009, an interim dividend of Rs.10/- per share (100% on the face value of Rs.10/-) for the financial year ended 31st March 2009. The company also recommended a final dividend of Rs.10/- per share (100% on the face value of Rs.10/-) for the financial year ended 31st March 2009.

- **LGF Services Limited**

Despite reduction in insurance premium levels consequent to detariffing, LGF Services Limited, in its fifth year of operation, earned a higher commission of Rs.438.04 lakhs through stepped-up efforts in the distribution of insurance products as against Rs. 385.75 lakhs in the previous year. The profit after tax for the year was higher at Rs.177.33 lakhs as against Rs.143.88 lakhs in the previous year. The company declared, on 03.03.2009, an interim dividend of Rs.30/- per share (300% on the face value of Rs.10/-) for the financial year ended 31st March 2009. The company also recommended a final dividend of Rs.15/- per share (150% on the face value of Rs.10/-) for the financial year ended 31st March 2009.

- **Sundaram Infotech Solutions Limited (SISL)**

The company earned a gross income of Rs.906.03 lakhs, as against Rs.871.29 lakhs in the previous year. In spite of challenging times for the information technology industry, SISL was able to win some new contracts. However, it expects significant delays in finalising pending transactions with prospective customers.

- **Sundaram Business Services Limited (SBSL)**

SBSL earned a gross income of Rs.1649.12 lakhs for the year ended 31.03.2009 and reported a profit after tax of Rs.38.58 lakhs as against Rs.16.48 lakhs in the previous year. During the year, SBSL increased its stake in Professional Management Consultants Private Limited (PMC) from 74% to 87%. In May 2009, PMC became a wholly-owned subsidiary of SBSL consequent to acquisition of the balance 13%.

- **Professional Management Consultants Private Limited (PMC)**

During the year, PMC earned a gross income of Rs.886.38 lakhs as against Rs.876.88 lakhs in the previous year. The company reported a profit after tax of Rs.68.92 lakhs as against Rs.92.59 lakhs in the previous year.

- **Infreight Logistics Solutions Limited (Infreight)**

During the year, Infreight earned a gross income of Rs.3063.29 lakhs as against Rs.3025.77 lakhs in the previous year. The company's growth plans have been affected by the general slowdown in the economy.

- **Sundaram Securities Services Limited (SSSL)**

During the year, Sundaram Securities Services Limited (SSSL) was incorporated as a wholly-owned subsidiary of Sundaram Business Services Limited on 27th June 2008. SSSL entered into a Joint Venture Agreement with BNP Paribas Securities Services (BP2S), a wholly-owned subsidiary of BNP Paribas SA, France, on 03.11.2008, to provide registrar and share transfer agency services (including for mutual funds) and other ancillary securities services in India. Sundaram Finance together with its subsidiaries will hold 51% of the capital while the balance 49% will be held by BP2S.

JOINT VENTURES

- **Royal Sundaram Alliance Insurance Company Ltd (Royal Sundaram)**

In the second full year of the de-tariffed pricing regime, non-life insurance markets witnessed another year of intense competition bringing down the premium rates further.

Against this backdrop, Royal Sundaram registered 16% growth in Gross Written Premium at Rs.803.36 cr. as against Rs. 694.41 cr. in the previous year and earned an investment

income of Rs. 75.56 cr. as against Rs.48.20 cr. in the previous year. The company reported a higher net profit of Rs.5.66 cr. for the year as against Rs. 4.71 cr. in the previous year.

- **BNP Paribas Sundaram Global Securities Operations Private Limited**

During the year, SBSL has invested Rs. 46.31 lakhs representing 49% in the paid-up capital of BNP Paribas Sundaram Global Securities Operations Private Limited, which acts as the business process offshoring centre of BNP Paribas Securities Services in Asia.

DIRECTORS

Sri S Padmanabhan, a Director of your Company since 1989, passed away on 12th February 2009. He was also the Chairman of the Audit Committee, Share Transfer & Investor Relations Committee and Compensation Committee. Your directors wish to place on record the immense contribution made and guidance given by him to the deliberations of the Board and all its Committees for over two decades.

Sri A. Rangaswami, an independent director of your Company, was appointed as Chairman of the Audit Committee and Share Transfer & Investor Relations Committee on 27th February 2009.

Sri S. Ravindran, Sri S. Prasad and Sri Aroon Raman were co-opted as independent directors during the year 2008-09, taking the strength of independent directors to fifty percent. Sri S. Ravindran was also inducted into the Audit Committee and appointed as Chairman of the Compensation Committee. Sri S. Prasad was inducted into the Audit Committee and Share Transfer & Investor Relations Committee.

Sri S Narayanan and Sri Srinivas Acharya retire by rotation and, being eligible, offer themselves for re-election. Under Section 260 of the Companies Act, 1956, Sri S. Ravindran, Sri S. Prasad and Sri Aroon Raman hold office up to the date of the ensuing Annual General Meeting. The Company has received due notices from some members, proposing their appointment as directors of the Company. 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 2008-09, expenditure in foreign currencies amounted to Rs. 7.01 cr., on account of interest and other charges. Foreign Currency earnings amounted to Rs. 3.04 cr.

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, viz. 24.07.2009.

SUNDARAM FINANCE EMPLOYEE STOCK OPTION SCHEME

Pursuant to the approval given by the members to the above Scheme at the last Annual General Meeting, your Company constituted a Compensation Committee during the year. Sri S. Ravindran is the Chairman and Sri Aroon Raman and Sri T. T. Srinivasaraghavan are Members of the Committee. Your Company has made the required contribution to Sundaram Finance Employee Welfare Trust which now holds 5,55,518 equity shares of your Company for implementing the Scheme. Your Board of Directors, based on the recommendations of the Compensation Committee, granted 10,500 stock options to its eligible employees, on 29.05.2009. 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 by all the shareholders, depositors, customers, vehicle manufacturers, dealers, bankers and mutual funds to your Company during the year and look forward to their continued support.

Above all, your directors place on record their appreciation of the dedication and commitment displayed by the employees of the Company, thus enabling it to report satisfactory performance during the year.

For and on behalf of the Board

Chennai 600 002
29th May 2009

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	Disclosures
(a)	Options Granted	10,500
(b)	The pricing formula	Rs.10/- per share (at par)
(c)	Options vested	The above Options would vest on 31st May 2010.
(d)	Options exercised	Not Applicable now
(e)	The total number of shares arising as a result of exercise of Option	Not Applicable now
(f)	Options lapsed	Not Applicable
(g)	Variation of terms of Options	Not Applicable
(h)	Money realized by exercise of Option	Not Applicable now
(i)	Total number of Options in force	10,500
(j)	Employee-wise details of Options granted to:	
	i) Senior Managerial Personnel:	10,500
	1 Sri. Srinivas Acharya	1,500
	2 Sri. S Venkatesan	1,000
	3 Sri. P S Raghavan	1,000
	4 Sri. A N Raju	1,000
	5 Sri. Paramesh Krishnaier	1,000
	6 Sri. K Swaminathan	1,000
	7 Sri. M Ramaswamy	1,000
	8 Sri. S Ravindran	750
	9 Sri. P Viswanathan	750
	10 Sri. S Srinivasan	750
	11 Sri. S Sivakumar	750
	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	Nil
	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

S.No	Particulars	Disclosures
(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
(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.	Not Applicable now
(m)	Weighted average exercise prices and weightage 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
(n)	A description of the method and significant assumptions used during the year to estimate fair values of Options, including following weighted average information:	Does not arise
(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.	

Financial Highlights

(Rs. in Cr.)

Year	Paid-up Capital	Reserves	Deposits	Total Receivables	PBDT	PAT	Dividend %	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
2002-03	24.00	462.57	744.11	2669.91	81.57	45.66	75.00*	18.00
2003-04	24.00	499.24	717.29	3093.32	101.07	55.62	70.00	16.80
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

* includes 15% Special Golden Jubilee Dividend

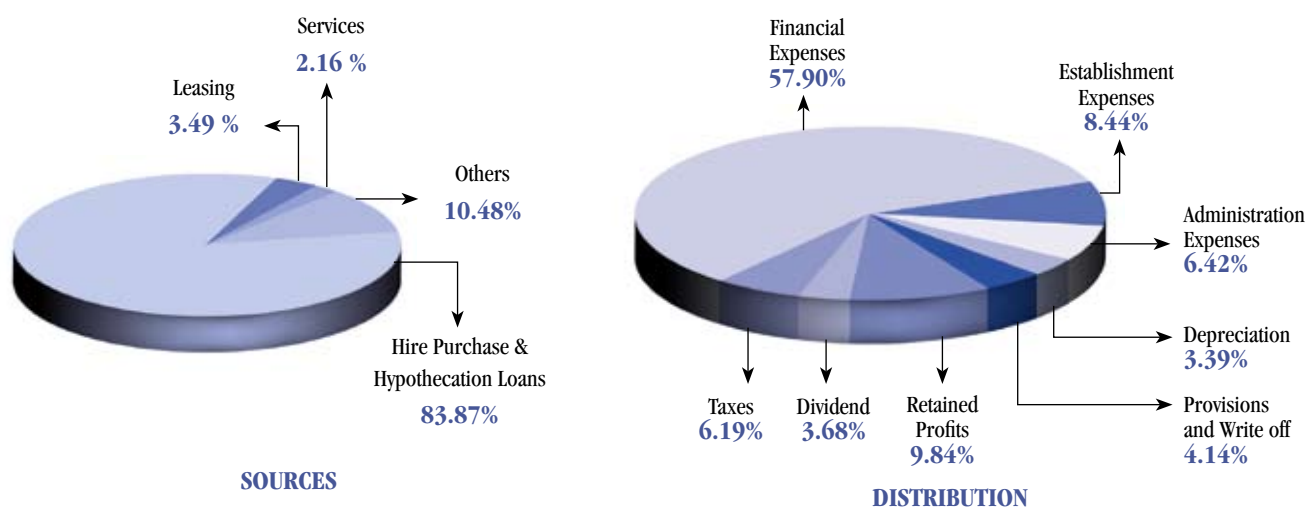
includes 50% Special Dividend

@ includes Rs. 88.13 cr. - profit on sale of shares in subsidiary companies

\$ includes Rs. 76.82 cr. - profit on sale of shares in subsidiary company

Sources and Distribution of Income (2008-09)

Rs. 1114.77 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 2009, 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.
 - 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 Companies Act, 1956, to the extent applicable.
 - v) on the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 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 the 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 2009;
 - 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

P.BABU

Partner

Place : Chennai

Date : 29th May, 2009

Membership No. 203358

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 has not been disposed off by the Company during the year.
2. a) In our opinion and according to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) i) The Company has granted unsecured loans to four companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs. 6832.11 lakhs. The balance outstanding at the end of the year was Rs. 4508.85 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.
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, 2009 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 income tax, 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
Income Tax	860.64	Assessment years 1998-1999 and 2001-2002	Commissioner of Income Tax (Appeals) (Large Tax Payer Unit)
Sales Tax	975.11	Assessment years 1993-1994 to 2004-2005	Various appellate authorities
Service Tax	70.95	Assessment year 2003-2004 to 2006-2007	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.3500 lakhs issued in February, 2009 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
PBABU

Place : Chennai

Date : 29th May, 2009

Partner

Membership No. 203358

Balance Sheet

as at 31st March, 2009

(Rs. in Lakhs)

		31.03.2009		31.03.2008	
I SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	55,55.19		27,77.60	
b) Reserves and Surplus	2	1097,11.81	1152,67.00	1015,14.74	1042,92.34
2. Loan Funds					
a) Secured Loans	3	4180,21.26		4317,16.93	
b) Unsecured Loans	4	2095,55.58	6275,76.84	1763,79.89	6080,96.82
Total			7428,43.84		7123,89.16
II APPLICATION OF FUNDS					
1. Fixed Assets	5				
a) Gross Block		507,88.66		480,88.75	
b) Less: Depreciation		301,82.89		303,00.36	
c) Net Book Value		206,05.77		177,88.39	
d) Add: Lease Adjustment Account		(3,64.72)		(5,24.09)	
e) Net Block			202,41.05		172,64.30
2. Investments	6		511,88.87		456,45.50
3. Deferred Tax Asset (Net)					
Deferred Tax Asset		56,91.36		42,63.67	
Less: Deferred Tax Liability		5,96.62	50,94.74	5,17.75	37,45.92
4. Current Assets, Loans and Advances					
a) Current Assets	7	688,76.04		561,87.53	
b) Loans and Advances	8	6553,25.29		6526,55.00	
	(A)	7242,01.33		7088,42.53	
Less: Current Liabilities and Provisions					
a) Current Liabilities	9	503,60.94		533,79.60	
b) Provisions	10	75,21.21		97,29.49	
	(B)	578,82.15		631,09.09	
Net Current Assets	(A-B)		6663,19.18		6457,33.44
Total			7428,43.84		7123,89.16
Notes to the Accounts	17				

As per our report of even date attached

For Brahmaya & Co.,
Chartered Accountants

P. Babu
Partner

Chennai,
29th May, 2009

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

Srinivas Acharya
Deputy Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
A. Rangaswami
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

Profit and Loss Account for the Year Ended 31st March, 2009

	Schedule	2008-09	2007-08
(Rs. in Lakhs)			
INCOME			
Income from Operations	11	1082,77.62	901,76.44
Profit on Sale of Shares in a Subsidiary Company		-	99,17.67
Other Income	12	31,99.28	22,36.04
Total	(A)	<u>1114,76.90</u>	<u>1023,30.15</u>
EXPENDITURE			
Financial Expenses	13	645,44.09	496,99.52
Establishment Expenses	14	94,07.97	88,21.90
Administrative and Other Expenses	15	71,60.91	71,98.81
Provisions and Write Off	16	46,16.80	33,08.02
Depreciation		37,76.10	30,12.19
Total	(B)	<u>895,05.87</u>	<u>720,40.44</u>
Profit before Tax	(A) - (B)	<u>219,71.03</u>	<u>302,89.71</u>
Taxation			
- Current (Including Wealth Tax)		80,96.70	106,92.48
- Deferred		(13,48.81)	(17,97.01)
- Fringe Benefit Tax		1,50.00	1,40.00
Profit after Tax		<u>150,73.14</u>	<u>212,54.24</u>
Add: Balance brought forward from previous year		47,14.63	29,70.34
Amount available for Appropriation		<u>197,87.77</u>	<u>242,24.58</u>
APPROPRIATIONS			
Dividend			
- Interim		22,22.08	27,77.60
- Final (proposed)		13,88.80	13,88.80
- Dividend Distribution Tax		4,87.60	5,83.55
Special Reserve		2,00.00	12,00.00
Statutory Reserve		30,20.00	42,60.00
General Reserve		82,72.62	93,00.00
Surplus - Balance carried to Balance Sheet		41,96.67	47,14.63
		<u>197,87.77</u>	<u>242,24.58</u>
Notes to the Accounts	17		
Earnings per Equity Share (Refer Note 4.4 Schedule 17)			
Number of Shares		5,55,51,930	5,55,51,930
Basic and Diluted earnings per share (in Rupees)		27.13	38.26

As per our report of even date
attached

For Brahmayya & Co.,
Chartered Accountants

P. Babu
Partner

Chennai,
29th May, 2009

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

Srinivas Acharya
Deputy Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
A. Rangaswami
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

SCHEDULES

(Rs. in Lakhs)

	31.03.2009	31.03.2008
1 Capital		
Authorised		
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>27,77.60</u>
2 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	<u>15,04.97</u> -	15,04.97
General Reserve		
Per Last Balance Sheet	600,00.00	507,00.00
Less: Issue of bonus shares	12,72.62	-
Add: Transfer from Profit and Loss account	<u>82,72.62</u> 670,00.00	<u>93,00.00</u> 600,00.00
Statutory Reserve		
Per last Balance Sheet	228,15.50	185,55.50
Add: Transfer from Profit and Loss account	<u>30,20.00</u> 258,35.50	<u>42,60.00</u> 228,15.50
Special Reserve		
Per Last Balance Sheet	74,00.00	62,00.00
Add: Transfer from Profit and Loss account	<u>2,00.00</u> 76,00.00	<u>12,00.00</u> 74,00.00
Surplus - Balance in Profit and Loss account	41,96.67	47,14.63
	<u>1097,11.81</u>	<u>1015,14.74</u>
3 Secured Loans		
Non - Convertible Debentures	2342,00.00	2171,00.00
From Scheduled Banks	1738,21.26	1946,16.93
From International Finance Corporation	100,00.00	200,00.00
	<u>4180,21.26</u>	<u>4317,16.93</u>
4 Unsecured Loans		
Fixed deposits		
From Public	933,72.97	751,60.02
From Directors	<u>6,33.08</u> 940,06.05	<u>5,01.82</u> 756,61.84
Non - Convertible Debentures	503,00.00	709,00.00
Subordinated Non-Convertible Debentures	50,00.00	50,00.00
Debenture Application Money	75,00.00	-
Short Term Loans and advances		
From Scheduled Banks	37,49.53	23,18.05
Commercial Paper	<u>490,00.00</u>	<u>225,00.00</u>
	<u>2095,55.58</u>	<u>1763,79.89</u>

SCHEDULES

(Rs. in Lakhs)												
DESCRIPTION	GROSS BLOCK AT COST			DEPRECIATION				Net Book Value	Balance in Lease Adjustment Account as at 31.03.2009	NET BLOCK		
	As at 31.03.2008	Additions	Deductions	As at 31.03.2009	Upto 31.03.2008	Additions*	Deductions			Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
1 Freehold Land and Buildings	66,05.62	4,73.89	6.51	70,73.00	10,27.50	1,43.43	2.98	11,67.95	59,05.05	—	59,05.05	55,78.12
2 Leasehold Office / Residential Premises	15,54.94	—	—	15,54.94	6,47.79	45.35	—	6,93.14	8,61.80	—	8,61.80	9,07.15
3 Plant and Machinery and Computers	60,06.06	7,70.86	5,41.91	62,35.01	32,63.28	9,13.97	5,14.26	36,62.99	25,72.02	—	25,72.02	27,42.78
4 Vehicles	98,89.36	58,25.88	14,01.51	143,13.73	34,02.28	23,27.34	7,91.16	49,38.46	93,75.27	—	93,75.27	64,87.08
5 Furniture / Office Equipment	29,49.26	2,63.76	88.93	31,24.09	18,40.96	2,60.84	71.22	20,30.58	10,93.51	—	10,93.51	11,08.30
6 Assets on Finance Lease												
a) Plant and Machinery and Computers	75,71.08	—	28,38.93	47,32.15	69,53.39	77.21	26,29.10	44,01.50	3,30.65	(2,74.70)	55.95	1,19.58
b) Vehicles	130,94.11	—	59.19	130,34.92	128,62.32	81.53	53.87	128,89.98	1,44.94	(83.04)	61.90	2,13.92
c) Furniture / Office Equipment	87.77	—	—	87.77	78.04	1.36	—	79.40	8.37	(6.98)	1.39	1.62
7 Intangible Assets												
Computer Software	3,30.55	3,02.50	—	6,33.05	2,24.80	94.09	—	3,18.89	3,14.16	—	3,14.16	1,05.75
Total	480,88.75	76,36.89	49,36.98	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
Previous Year	541,05.53	69,61.60	129,78.38	480,88.75	381,63.00	33,08.67	111,71.31	303,00.36	177,88.39	(5,24.09)	172,64.30	

* Finance Lease Depreciation of Rs.160.10 lakhs has been netted off against Lease Income Depreciation on assets used for development of Computer Software amounting to Rs.8.92 lakhs taken to Advance for Purchase of Assets

SCHEDULES

(Rs. in Lakhs)

	Face Value (FV)	31.03.2009	31.03.2008
6 Investments			
Long Term - At Cost			
I In Government / Trust Securities			
Non Trade			
A Quoted:			
Government Securities			
Central Government Loans (Face Value of Rs.7250 lakhs purchased and Face Value of Rs.5000 lakhs sold during the year)	10050.00	99,81.68	80,74.17
		99,81.68	80,74.17
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)		3,50.00	3,50.00
Birla MF - FTP - Series AE - Growth (35,00,000 units of Rs. 10/- each)		3,50.00	3,50.00
Reliance Fixed Horizon Fund IV Series 6 - Growth (35,00,000 units of Rs. 10/- each)		3,50.00	3,50.00
Reliance Fixed Horizon Fund IV-Series 7 - Growth (25,00,000 units of Rs. 10/- each)		2,50.00	2,50.00
Sundaram BNP Paribas MF Fixed Term Plan C - Growth (50,00,000 units of Rs. 10/- each)		5,00.00	5,00.00
HSBC Fixed Term Series 41 - Growth (40,00,000 units of Rs. 10/- each)		4,00.00	4,00.00
Sundaram BNP Paribas Energy Opportunities - Growth ** (20,00,000 units of Rs. 10/- each)		92.13	2,00.00
Reliance Fixed Tenor Fund - Growth (30,00,000 units of Rs. 10/- each, redeemed during the year)		–	3,00.00
		22,92.13	27,00.00
II In Equity Shares - Fully paid			
Quoted:			
Wheels India Ltd. 13,33,741 Equity Shares of Rs. 10/- each		8,38.14	8,38.14
Sundaram-Clayton Limited 11,60,066 Equity Shares of Rs.5/- each (11,60,066 equity shares of Rs 5/- each allotted during the year on reorganisation of Sundaram-Clayton Ltd.)		5.87	9.03
India Motor Parts & Accessories Ltd. 7,35,392 Equity Shares of Rs.10/- each		2,79.26	2,79.26
	Carried forward	11,23.27	11,26.43

SCHEDULES

(Rs. in Lakhs)

6 Investments (contd.)

	31.03.2009	31.03.2008
Brought forward	11,23.27	11,26.43
Techtran Polylenses Ltd. ** 2,50,000 Equity Shares of Rs.10/- each	16.90	32.13
Reliance Industries Ltd. ** 20,425 Equity Shares of Rs 10/- each	3,11.11	3,47.22
IDBI Ltd. ** 14,240 Equity Shares of Rs.10/- each	6.46	11.40
WABCO - TVS (India) Limited 11,60,066 Equity Shares of Rs.5/- each (11,60,066 Equity Shares of Rs 5/- each allotted during the year on reorganisation of Sundaram-Clayton Limited)	3.16	—
	14,60.90	15,17.17
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 Asset Management Co. Ltd.* 76,81,948 Equity Shares of Rs.10/- each	12,09.86	12,09.86
Sundaram BNP Paribas Trustee Company Ltd.* 25,050 Equity Shares of Rs 10/- each	2.51	2.51
Sundaram Finance Distribution Ltd. 5,00,000 Equity Shares of Rs.10/- each	65.18	65.18
Infreight Logistics Solutions Ltd. 44,10,000 Equity Shares of Rs 10/- each	4,41.00	4,41.00
LGF Services Ltd. 2,50,000 Equity Shares of Rs.10/- each	5.00	5.00
Sundaram Infotech Solutions Ltd. 40,00,000 Equity Shares of Rs.10/- each	4,00.00	4,00.00
Sundaram Business Services Ltd. 1,50,00,000 Equity Shares of Rs.10/- each (65,00,000 Equity Shares of Rs 10/- each subscribed at par during the year on rights basis)	15,00.00	8,50.00
ii) In Other Companies		
Royal Sundaram Alliance Insurance Company Ltd. 10,47,90,000 Equity Shares of Rs.10/- each (2,06,40,000 Equity Shares of Rs 10 /- each subscribed at par during the year on rights basis)	105,24.33	84,60.33
Brakes India Ltd. 1,59,460 Equity Shares of Rs.100/- each	15.33	15.33
Carried forward	203,02.31	175,88.31

SCHEDULES

(Rs. in Lakhs)

6 Investments (contd.)

	31.03.2009	31.03.2008
Brought forward	203,02.31	175,88.31
Axles India Ltd. 98,91,754 Equity Shares of Rs.10/- each (74,67,093 Equity Shares of Rs 10/- each subscribed at par during the year on rights basis)	10,15.70	2,68.99
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
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
NTTF Industries Ltd. 75,000 Equity Shares of Rs.10/- each	15.00	15.00
Vishnu Forge Industries Ltd. 2,97,110 Equity Shares of Rs.10/- each (27,010 Equity Shares of Rs.10/- each subscribed at par during the year on rights basis)	45.93	43.22
Credit Information Bureau (India) Ltd 6,25,000 Equity Shares of Rs.10/- each	1,25.01	1,25.01
The Dunes Oman LLC (FZC) 15,63,500 Equity Shares of value 1 Omani Riyal each (10,69,500 Equity Shares of 1 Omani Riyal each subscribed at par during the year on rights basis)	18,32.15	5,28.01
Sundaram Hydraulics Ltd. 73,50,000 Equity Shares of Rs.10/- each (73,50,000 Equity Shares of Rs.10/- each allotted during the year)	7,35.00	—
	244,51.88	189,49.32

* These shares are subject to a lock in period

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
	6,00.00	6,00.00

SCHEDULES

(Rs. in Lakhs)

6 Investments (contd.)
IV In Bonds / Debentures / Others
A) Non Trade - Quoted

Reliance Industries Ltd.

 1,29,880 Zero Coupon Secured Redeemable
Non-Convertible Debentures of Rs 100/- each

31.03.2009	31.03.2008
1,30.05	1,30.05
1,30.05	1,30.05

B) Non Trade - Unquoted

 National Highways Authority of India
5.65%, 60,000 Non-Convertible Redeemable Taxable
Bonds of Rs.10000/- each, redeemed during the year

 Rural Electrification Corporation Limited
5.65%, 20,000 Non-Convertible Redeemable Taxable
Bonds Series V of Rs.10000/- each, redeemed during the year

 Rural Electrification Corporation Limited
5.50%, 500 Non-Convertible Redeemable Taxable
Bonds Series VII of Rs.10000/- each

Pass Through Certificate (net of provision)

 IDBI - Sundaram Finance Ltd. - Pass Through
Certificates - July 2005

–	60,00.00
–	20,00.00
50.00	50.00
–	1.02
50.00	80,51.02

Current Investments

In Trust Securities (Unquoted)

 Sundaram BNP Paribas Capex Opportunities Fund - Growth
(12,37,742.09 units of Rs.10/- each)

 Sundaram BNP Paribas Rural India Fund - Growth **
(45,17,936.21 units of Rs.10/- each)

 Sundaram BNP Paribas Select Focus - Appreciation **
(8,71,148.43 units of Rs.10/- each)

 Canara Robeco Liquid Super Institutional - Growth
(42,23,556.22 units of Rs.10/- each, purchased during the year)

 Birla Sunlife Cash Manager - Institutional - Growth
(68,35,363.35 units of Rs.10/- each, purchased during the year)

 Birla Sunlife Cash Plus - Institutional - Growth
(12,908.22 units of Rs.10/- each, purchased during the year)

 Religare Ultra Short Term Fund - Institutional - Growth
(62,33,469.60 units of Rs.10/- each, purchased during the year)

 ING Liquid Fund - Super Institutional - Growth
(38,03,033.30 units of Rs.10/- each, purchased during the year)

Carried forward

1,23.77	1,23.77
3,13.31	5,00.00
4,16.66	5,00.00
4,51.40	–
10,02.98	–
1.81	–
7,50.59	–
5,00.00	–
35,60.52	11,23.77

SCHEDULES
6 Investments (contd.)

(Rs. in Lakhs)

	31.03.2009	31.03.2008
Brought forward	35,60.52	11,23.77
ICICI Pru Liquid Plan - Super Institutional - Growth (38,50,063.14 units of Rs.10/- each, purchased during the year)	5,00.00	—
Kotak Liquid (Institutional Premium) - Growth (64,50,708.18 units of Rs.10/- each, purchased during the year)	11,50.00	—
Sundaram BNP Paribas Ultra Short term Fund - Super Institutional -Growth (127,71,217.07 units of Rs.10/- each, purchased during the year)	15,01.01	—
SBI Premier Liquid Fund - Super Institutional - Growth (35,99,634.28 units of Rs.10/- each, purchased during the year)	5,00.00	—
Reliance Liquid Fund -Treasury Plan-Institutional-Growth (46,71,208.78 units of Rs.10/- each, purchased during the year)	10,00.91	—
Templeton India Treasury Management - Super Institutional-Growth (57,502.93 units of Rs.1000 each, purchased during the year)	7,50.65	—
UTI Liquid Cash Plan - Institutional - Growth (51,878.25 units of Rs.1000 each, purchased during the year)	7,50.00	—
HDFC Liquid Fund - Premium Plan - Growth (28,37,121.89 units of Rs.10/- each, purchased during the year)	5,00.00	—
Fidelity Ultra Short Term Fund - Institutional - Growth (91,26,860.79 units of Rs.10/- each, purchased during the year)	10,00.17	—
Tata Floater Fund - Growth (76,65,960.10 units of Rs.10/- each, purchased during the year)	10,00.75	—
Fortis Money Plus -Institutional - Growth (62,781.92 units of Rs.10/- each, purchased during the year)	8.22	—
Reliance Interval Fund Quarterly Plan-Series I-Institutional - Growth (2,33,81,311.78 units of Rs.10/- each, redeemed during the year)	—	25,00.00
Tata Fixed Income Portfolio Fund-1M-Scheme A2-Institutional - Growth (2,00,00,000 units of Rs.10/- each, redeemed during the year)	—	20,00.00
	122,22.23	56,23.77

SCHEDULES
6 Investments (contd.)

(Rs. in Lakhs)

SUMMARY OF INVESTMENTS
I In Government / Trust Securities

A Quoted

99,81.68

80,74.17

B Unquoted - Long Term

22,92.13

27,00.00

C Unquoted - Current

122,22.23

56,23.77

II In Equity Shares

A Quoted

14,60.90

15,17.17

B Unquoted

244,51.88

189,49.32

III In Preference Shares - Unquoted

6,00.00

6,00.00

IV In Bonds / Debentures / Others

A Quoted

1,30.05

1,30.05

B Unquoted

50.00

80,51.02

GRAND TOTAL
511,88.87
456,45.50
Aggregate of quoted Investments - Long Term

Government Securities

99,81.68

97,20.03

Equity Shares

14,60.90

52,45.19

Debentures

1,30.05

1,30.05

(A)
115,72.63
150,95.27
Aggregate of unquoted Investments - Long Term

Trust Securities

22,92.13

Equity Shares

244,51.88

Preference Shares

6,00.00

Bonds

50.00

(B)
273,94.01
Aggregate of unquoted Investments - Current

Trust Securities

122,22.23

(C)
122,22.23
GRAND TOTAL [A + B + C]
511,88.87

* Cost has been considered wherever market value is not available.

** These investments have been marked to market as on 31.03.09

	Cost 31.03.2009	MV*
Aggregate of quoted Investments - Long Term		
Government Securities	99,81.68	97,20.03
Equity Shares	14,60.90	52,45.19
Debentures	1,30.05	1,30.05
(A)	115,72.63	150,95.27
Aggregate of unquoted Investments - Long Term		
Trust Securities	22,92.13	
Equity Shares	244,51.88	
Preference Shares	6,00.00	
Bonds	50.00	
(B)	273,94.01	
Aggregate of unquoted Investments - Current		
Trust Securities	122,22.23	
(C)	122,22.23	
GRAND TOTAL [A + B + C]	511,88.87	

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)
AIG Short Term Fund - Growth	1000	2	23,00
Birla Sunlife Cash Manager - Institutional - Growth	10	2,59	37,97
Birla Sunlife Cash Plus - Institutional Premium - Growth	10	24,31	320,98
Birla Sunlife Liquid Plus Institutional Plan - Growth	10	3,87	60,00
Birla Sunlife Savings Fund - Institutional - Growth	10	85	14,00
Canara Robeco Floating Rate Scheme - Short Term - Growth	10	2,08	28,00
Canara Robeco Liquid Fund-Institutional Plan - Growth	10	6,32	95,00
Canara Robeco Liquid Plus Fund-Institutional Plan - Growth	10	3,95	53,02
Canara Robeco Liquid Super Institutional - Growth	10	8,13	84,99
DSP Black Rock Money Manager Fund - Institutional - Growth	1000	2	21,00
DSP Merrill Lynch Liquid Plus-Institutional Plan-Growth	1000	2	25,00
DWS Money Plus Fund-Institutional - Growth	10	2,75	31,00
Edelweiss Liquid Fund - Growth	10	50	5,00
Fidelity Cash Fund Super Institutional - Growth	10	83	10,00
Fortis Money Plus Fund - Institutional - Growth	10	2,52	32,92
Fortis Overnight Fund - Institutional Plan - Growth	10	2,49	33,00
HDFC Cash Management Fund-Savings Plan - Growth	10	2,10	38,00
HDFC Floating Rate Income Fund - Wholesale Option - Growth	10	5,46	81,02
HDFC Liquid Fund - Premium Plus Plan - Growth	10	14,46	242,00
HSBC Cash Fund-Institutional Plus - Growth	10	6,13	80,00
HSBC Floating Rate - Short Term Institutional Plus - Growth	10	1,40	15,00
HSBC Ultra Short Term Bond Fund - Institutional - Growth	10	1,64	20,00
ICICI Pru Institutional Liquid Plan - Super Institutional - Growth	10	19,61	239,00
ING Liquid Fund - Super Institutional Plan - Growth	10	4,29	55,00
ING Treasury Advantage Fund - Institutional - Growth	10	1,27	15,00
JP Morgan India Liquid Fund - Super Institutional -Growth	10	1,32	15,00
JP Morgan India Treasury Fund - Super Institutional -Growth	10	1,32	15,00
Kotak Flexi Debt Institutional Premium - Growth	10	2,43	26,00

SCHEDULES

Current Investments (Contd.)

Name of the Fund	Face Value (Rs.)	Units (in lakhs)	Amount (Rs.in lakhs)
Kotak Liquid (Institutional Premium) - Growth	10	6,41	113,00
LIC Floating Rate Fund - Short Term - Growth	10	17,29	227,00
Lotus India Liquid Plan - Super Institutional - Growth	10	5,40	64,00
Lotus India Short Term Plan - Institutional Plan - Growth	10	4,23	50,01
Mirae Asset Liquid Fund - Institutional Plan - Growth	1000	6	65,00
Mirae Asset Liquid Fund-Super Institutional Plan-Growth	1000	2	21,00
Mirae Asset Liquid Plus Fund-Super Institutional Plan-Growth	1000	1	15,01
Principal Cash Mgt Fund - Institutional Premium-Growth	10	4,71	60,00
Principal Liquid Plus Fund-Regular Plan-Growth	10	5,75	60,01
Reliance Floating Rate Fund - Growth	10	3,08	40,00
Reliance Liquid Plus Fund - Institutional Plan - Growth	1000	1	12,50
Reliance Liquidity Fund-Growth Plan-Growth	10	19,28	265,49
Reliance Short Term Fund - Growth	10	1,38	20,00
Religare Liquid Fund - Institutional - Growth	10	67	8,00
Religare Liquid Fund - Super Institutional - Growth	10	99	12,00
Religare Ultra Short Term Fund - Institutional - Growth	10	1,04	12,50
SBI Magnum Insta Cash Fund - Growth	10	1,06	20,00
SBI Premier Liquid Fund-Super Institutional Plan-Growth	10	5,86	78,00
SBI Liquid Plus Institutional Plan-Growth	10	1,32	14,01
Sundaram BNP Paribas FTP - 90 Days - Series 4	10	50	5,00
Sundaram BNP Paribas Liquid Plus - Super Institutional - Growth	10	2,77	30,04
Sundaram BNP Paribas Money Fund - Super Institutional- Growth	10	9,11	160,00
Tata Dynamic Bond Fund-Option A-Growth	10	1,90	25,00
Tata Floater Fund - Growth	10	22,54	280,02
Tata Liquid Super High Invt. Fund - Appreciation	1000	14	214,61
Templeton India Treasury Management - Super Institutional- Growth	1000	11	137,99
Templeton India Ultra Short Bond Fund - Institutional - Growth	10	1,94	21,50
UTI Liquid Fund - Cash Plan - Institutional - Growth	1000	1	20,00
UTI Money Market - Growth	10	1,11	26,00
UTI Treasury Advantage - Institutional - Growth	1000	2	20,00

SCHEDULES

(Rs. in Lakhs)

	31.03.2009		31.03.2008	
7 Current Assets				
a) Stock-on-hire and bills purchased				
Net Investment in Stock-on-hire		281,78.48		274,30.43
Repossessed assets		13,42.01		8,24.41
Debtors on Securitisation		75.88		8.95
Trade bills purchased (unsecured, considered good)				
Outstanding for a period exceeding six months	1,89.00		2,16.00	
Others	19,52.95	21,41.95	7,94.45	10,10.45
Net Investment in lease		44,83.81		52,37.10
		362,22.13		345,11.34
b) Interest accrued on investments		1,21.60		5,13.32
c) Cash and bank balances				
With scheduled banks in				
Current Accounts		35,43.11		22,45.52
Unpaid dividend account		98.11		15.36
Deposit accounts		267,18.55		167,81.75
Cash on hand		11,54.57		11,00.62
Stamps and Stamp Papers on hand		43.56	315,57.90	45.21
				201,88.46
d) SFL Shares Trust		5,94.30		9,74.41
e) SFL Employee Welfare Trust		3,80.11		–
		688,76.04		561,87.53

SCHEDULES

	31.03.2009	(Rs. in Lakhs) 31.03.2008
8 Loans and Advances		
Unsecured unless otherwise stated:		
Considered good:		
Secured Loans	6160,97.52	6131,19.68
Unsecured Loans – Subsidiary Companies	35,59.94	9,33.69
– Others	35,39.69	27,80.78
Advance Income Tax and Tax Deducted at Source (Net of Provision)	64,63.78	62,22.28
Advance Fringe Benefit Tax (Net of Provision)	23.40	8.00
Advances and deposits recoverable in cash or kind or for value to be received		
– Subsidiary Companies	1,12.91	26.29
– Others	58,16.78	41,11.84
Advance for purchase of Investments	–	3,96.90
Advance for purchase of assets		
– Business Assets	75,40.11	142,08.37
– Others	31,74.83	18,72.72
Income receivable	89,96.33	89,74.45
	<u>6553,25.29</u>	<u>6526,55.00</u>
9 Current Liabilities*		
Sundry Creditors		
– For expenses	39,10.72	33,07.21
– For other finance	210,64.64	283,56.73
Unpaid dividend	98.11	15.36
Interest accrued but not due	252,87.47	217,00.30
	<u>503,60.94</u>	<u>533,79.60</u>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
10 Provisions		
Non-performing assets	59,63.94	46,06.38
Investments	37.27	3,73.17
Dividend	13,88.80	41,66.39
Dividend Distribution Tax and Surcharge	1,31.20	5,83.55
	<u>75,21.21</u>	<u>97,29.49</u>

SCHEDULES

	2008-09	(Rs. in Lakhs) 2007-08
11 Income from Operations		
Hire Purchase / Hypothecation Loans (net) (tax deducted at source Rs.228.67 lakhs)	934,96.25	724,83.82
Lease (net) (tax deducted at source Rs.3.80 lakhs)	38,93.72	37,72.07
Interest on Loans (tax deducted at source Rs.46.56 lakhs)	4,54.34	3,07.41
Bills Purchased	2,00.15	62.49
Investments (tax deducted at source Rs.472.57 lakhs)	42,44.88	52,25.35
Services (tax deducted at source Rs.286.71 lakhs)	24,11.45	40,40.67
Trading of Computer Accessories and Software	3.07	13.24
Recovery of Bad Debts and Recovery of Loss on Sale of Assets	6,31.53	8,98.00
Profit on Sale of Leased Assets	93.19	2,42.04
Profit on Securitisation / Sell-down of Loans	28,49.04	31,24.86
Others	–	6.49
	<u>1082,77.62</u>	<u>901,76.44</u>
12 Other Income		
Interest receipts (tax deducted at source Rs.1.14 lakhs)	1,05.82	3,43.94
Dividend		
– Subsidiary Companies	8,57.75	1,17.73
– Others	7,71.14	7,58.31
Rent receipts (tax deducted at source Rs.240.04 lakhs)	9,71.36	7,65.09
Profit on sale of assets	33.45	37.31
Miscellaneous income	4,59.76	2,13.66
	<u>31,99.28</u>	<u>22,36.04</u>
13 Financial Expenses		
Interest – Fixed loans	245,43.69	217,73.30
– Debentures	310,02.80	232,57.44
– Others	20,61.72	2,10.92
Other financial expenses	69,35.88	44,57.86
	<u>645,44.09</u>	<u>496,99.52</u>

SCHEDULES

	(Rs. in Lakhs)	
	2008-09	2007-08
14 Establishment Expenses		
Salaries, allowances, commission and bonus	86,33.21	77,92.47
Company's contribution to Provident Fund, Gratuity, Superannuation and Employees' State Insurance Schemes	5,47.25	6,63.51
Staff welfare expenses	2,27.51	3,65.92
	<u>94,07.97</u>	<u>88,21.90</u>
15 Administrative and Other Expenses		
Rent	6,82.94	4,70.44
Rates and taxes	3,85.29	3,40.54
Communication expenses	7,42.24	7,00.59
Electricity expenses	3,96.85	3,98.51
Travelling and conveyance (net)	7,36.70	6,95.41
Advertisement charges	2,69.39	3,31.25
Outsourcing cost	13,92.22	12,90.54
Directors' sitting fee	13.10	11.80
Insurance	1,07.78	1,20.02
Repairs		
– Buildings	59.31	47.17
– Others	8,46.99	9,08.07
Donations	2,22.25	2,19.58
Miscellaneous expenses	13,05.85	16,64.89
	<u>71,60.91</u>	<u>71,98.81</u>
16 Provisions and Write off		
Bad Debts	21,38.25	8,86.33
Loss on Assets sold/written off	8,31.80	11,34.02
Provision against non-performing assets (net)	15,46.33	11,98.31
Loss on sale of investments	2.15	4,50.90
Provision / Diminution against Investments	98.27	(3,61.54)
	<u>46,16.80</u>	<u>33,08.02</u>

SCHEDULES

17. 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 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.

- 1.4 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.

- 1.5 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

17. NOTES TO THE ACCOUNTS (Contd.)

1.6 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.

1.7 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.

1.8 Intangible Assets:

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

1.9 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.

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

1.10 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:

The Special Reserve has been created in terms of the Rupee Term Loan agreement entered into with International Finance Corporation, Washington and is not distributable during the subsistence of the loan.

2.2 Secured Loans:

a) Details of privately placed Secured Redeemable Non-Convertible Debentures:

Date of Allotment / Re-issue	Amount (Rs. in Lakhs)		Redemption
	31.03.2009	31.03.2008	
31.05.2006	1000	1000	At par at the end of 2 years and 346 days
30.06.2006	1500	1500	At par at the end of 3 years
03.07.2006	13500	13500	At par at the end of 3 years
04.07.2006	3300	3300	At par at the end of 3 years
25.08.2006	5000	5000	At par at the end of 2 years and 348 days
25.08.2006	10000	10000	At par at the end of 2 years and 358 days
25.08.2006	1500	1500	At par at the end of 3 years
28.09.2006	2000	2000	At par at the end of 3 years
18.05.2007	11500	11500	At par at the end of 2 years
30.05.2007	6500	6500	At par at the end of 3 years
13.06.2007	2100	2100	At par at the end of 3 years
22.06.2007	6000	6000	At par at the end of 3 years
22.06.2007	5000	5000	At par at the end of 2 years
25.06.2007	2500	2500	At par at the end of 2 years and 183 days
03.07.2007	2500	2500	At par at the end of 2 years
06.07.2007	2500	2500	At par at the end of 2 years
09.07.2007	2500	2500	At par at the end of 3 years
09.07.2007	2500	2500	At par at the end of 2 years
11.07.2007	2500	2500	At par at the end of 2 years
13.07.2007	2500	2500	At par at the end of 3 years
18.07.2007	5000	5000	At par at the end of 2 years
20.07.2007	6500	6500	At par at the end of 3 years
07.08.2007	1000	1000	At par at the end of 3 years
08.08.2007	2500	2500	At par at the end of 2 years
14.08.2007	5000	5000	At par at the end of 3 years
05.09.2007	3500	3500	At par at the end of 3 years
06.09.2007	2500	2500	At par at the end of 3 years
24.09.2007	2000	2000	At par at the end of 2 years

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

Date of Allotment / Re-issue	Amount (Rs. in Lakhs)		Redemption
	31.03.2009	31.03.2008	
04.10.2007	3500	3500	At par at the end of 2 years
11.10.2007	2500	2500	At par at the end of 2 years
12.10.2007	2500	2500	At par at the end of 3 years
22.10.2007	2500	2500	At par at the end of 2 years
23.10.2007	5000	5000	At par at the end of 2 years
24.10.2007	2500	2500	At par at the end of 2 years
25.10.2007	7500	7500	At par at the end of 3 years
29.10.2007	2000	2000	At par at the end of 2 years
30.11.2007	5000	5000	At par at the end of 4 years
14.05.2008	10000	–	At par at the end of 2 years
14.05.2008	5000	–	At par at the end of 2 years and 185 days
14.05.2008	10000	–	At par at the end of 3 years
15.07.2008	15000	–	At par at the end of 5 years
02.08.2008	12500	–	At par at the end of 2 years
18.08.2008	4300	–	At par at the end of 2 years
29.09.2008	25000	–	At par at the end of 5 years
28.10.2008	5000	–	At par at the end of 2 years and 357 days
29.04.2005	–	1000	Redeemed during the year
27.05.2005	–	7500	Redeemed during the year
31.05.2006	–	10000	Redeemed during the year
30.06.2006	–	7000	Redeemed during the year
25.08.2006	–	15000	Redeemed during the year
08.09.2006	–	10000	Redeemed during the year
21.09.2006	–	2500	Redeemed during the year
22.09.2006	–	2000	Redeemed during the year
15.03.2007	–	7200	Redeemed during the year
30.05.2007	–	2500	Redeemed during the year
28.09.2007	–	5000	Redeemed during the year
Total	234200	217100	

The debentures are secured by mortgage of two immovable properties ranking *pari passu* with the charges created / to be created in favour of the trustees and specific assets covered by Hire Purchase / Lease agreements and a charge on Hypothecation Loan Receivables.

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

	(Rs in Lakhs)	
	31.03.2009	31.03.2008
Working Capital Demand Loans	888,21.26	953,27.43
Term Loans	850,00.00	992,89.50
Total	<u>1738,21.26</u>	<u>1946,16.93</u>

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

- i) Rs.88821.26 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.4588.18 lakhs outstanding as on 31.03.2009 (31.03.2008- Rs.1011.50 lakhs).
- ii) Rs. 85000.00 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.
- c) Loan from International Finance Corporation, Washington:
The Rupee Term Loan of Rs. 10000 lakhs (Outstanding as on 31.03.2009) availed from International Finance Corporation is repayable in instalments upto January 2010. The loan is secured by specific assets covered by Hire Purchase / Lease agreements and a charge on Hypothecation Loan Receivables.

2.3 Unsecured Loans:

- a) Debentures:

Details of Privately placed Non-convertible debentures:

Date of Allotment / Re-issue	Amount (Rs. in Lakhs)		Redemption
	31.03.2009	31.03.2008	
30.04.2008	4500	—	At par at the end of 1 year
08.05.2008	2500	—	At par at the end of 1 year
09.05.2008	2500	—	At par at the end of 1 year
05.06.2008	4500	—	At par at the end of 1 year
11.06.2008	2500	—	At par at the end of 364 days
17.07.2008	1000	—	At par at the end of 1 year
18.07.2008	2500	—	At par at the end of 1 year
28.07.2008	9800	—	At par at the end of 1 year
30.07.2008	2500	—	At par at the end of 1 year
04.08.2008	6000	—	At par at the end of 1 year
05.08.2008	2500	—	At par at the end of 1 year
01.09.2008	2500	—	At par at the end of 1 year
04.09.2008	7000	—	At par at the end of 1 year
31.01.2007	—	5000	Redeemed during the year
13.02.2007	—	500	Redeemed during the year
19.02.2007	—	500	Redeemed during the year
26.02.2007	—	1500	Redeemed during the year
27.02.2007	—	2500	Redeemed during the year
09.03.2007	—	4500	Redeemed during the year
30.04.2007	—	2500	Redeemed during the year
04.05.2007	—	5000	Redeemed during the year
14.05.2007	—	6500	Redeemed during the year
30.05.2007	—	2500	Redeemed during the year
31.05.2007	—	2000	Redeemed during the year

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

Date of Allotment / Re-issue	Amount (Rs. in Lakhs)		Redemption
	31.03.2009	31.03.2008	
19.06.2007	–	900	Redeemed during the year
29.06.2007	–	7500	Redeemed during the year
18.07.2007	–	2000	Redeemed during the year
19.07.2007	–	2500	Redeemed during the year
23.07.2007	–	2500	Redeemed during the year
30.07.2007	–	3000	Redeemed during the year
04.10.2007	–	2000	Redeemed during the year
31.03.2008	–	17500	Redeemed during the year
Total	50300	70900	

The debentures are partly secured by mortgage of an immovable property, ranking *pari passu*, with the charges created and/or to be created in favour of the debenture trustees. The Company issued MIBOR linked debentures from time to time, aggregating Rs.33500 lakhs during the year ended 31.03.2009, with a daily put/call option and with a right to re-issue the same. The outstanding MIBOR linked debentures as on 31.03.2009 was Rs.NIL (31.03.2008 – Rs.17500 lakhs).

b) Subordinated Debentures:

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 Companies Prudential Norms (Reserve Bank) Directions, 1998.

c) Short Term Loans and Advances:

The maximum amount of commercial paper outstanding at any time during the period was Rs.118500 lakhs (2007-08 – Rs.90000 lakhs).

2.4 Derivative Contracts:

Derivative contracts outstanding as on 31.03.2009 for Interest Rate Swaps is Rs.61800 lakhs (31.03.2008 – Rs.62800 lakhs) for hedging against interest rate risks.

2.5 Fixed Assets:

a) Buildings on leasehold land include Rs.1093.97 lakhs (31.03.2008 – Rs.1093.97 lakhs) being the cost of ownership flats in co-operative societies / associations.

b) Land and Buildings include Rs.1010.81 lakhs representing undivided share of land (31.03.2008-Rs.1010.81 lakhs).

c) Plant and Machinery and Vehicles include assets costing Rs.15087.71 lakhs (gross block) on operating lease contracts (31.03.2008 – Rs.10507.72 lakhs).

d) Intangible Assets:

In accordance with Accounting Standard – AS 26 – Intangible Assets, software purchased / developed amounting to Rs.302.50 lakhs (31.03.2008 – Rs.84.66 lakhs) is amortised based on a technical evaluation.

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

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

	Plant and Machinery	Vehicles	Computers	Plant and Machinery	Vehicles	Computers
	31.03.2009			31.03.2008		
Gross carrying amount (Cost)	14,49.67	127,60.25	8,47.04	11,18.44	85,50.86	8,07.66
Accumulated Depreciation	3,42.77	42,21.85	4,32.65	1,81.61	27,36.23	2,38.46
Depreciation recognised in Profit and Loss Account for the Year	1,61.16	20,16.52	2,38.92	1,33.69	13,82.05	1,84.81

Maturity Pattern of the future minimum lease payments is given below: (Rs. in lakhs)

	31.03.2009	31.03.2008
Less than 1 year	39,36.88	28,06.67
Later than 1 year and not later than 5 years	72,64.14	50,44.64
Total	<u>112,01.02</u>	<u>78,51.31</u>

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.10050 lakhs (cost Rs.9981.68 lakhs) and bank deposits of Rs.4280 lakhs (grouped under Schedule 7, 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.69583.50 lakhs (Previous Year – Rs. 78275.30 lakhs) on sell down of receivables. Bank deposits of Rs.10466.60 lakhs have been given as collateral by way of credit enhancement. (Previous Year – Rs.6559.95 lakhs).

Cash and Bank balances - with scheduled banks in Deposit accounts includes Rs.22043 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) as on 31.03.2009 and 31.03.2008 is as follows:

Maturity Pattern of the Gross / Present Value of MLP receivables:

	31.03.2009	31.03.2008
Gross Investment	382,44.89	359,75.93
Less: Unearned Finance Charges	57,94.74	47,48.32
Net Investment	<u>324,50.15</u>	<u>312,27.61</u>

SCHEDULES
17. NOTES TO THE ACCOUNTS (Contd.)

(Rs. in Lakhs)

	31.03.2009		31.03.2008	
	Gross	Net	Gross	Net
Less than 1 year	193,83.17	157,81.37	194,80.08	163,86.71
Later than 1 year and not later than 5 years	188,61.72	166,68.78	164,95.09	148,40.15
Later than 5 years	NIL	NIL	0.76	0.74
Total	382,44.89	324,50.15	359,75.93	312,27.61

Accumulated provision for un-collectible minimum lease payments receivable: Rs.80.69 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.42,75.95 lakhs (31.03.2008 - Rs.3800.61 lakhs).

2.9 Loans and Advances:

a) Secured loans include Rs. 19.72 lakhs (31.03.2008 - Rs.20.89 lakhs) due from a Director of the Company. Maximum amount due at any time during the year Rs. 20.89 lakhs (Previous Year - Rs.21.97 lakhs).

b) Unsecured loans include Rs.0.39 lakhs (31.03.2008- Rs.0.84 lakhs) due from officers of the Company. Maximum amount due at any time during the year Rs 0.84 lakhs (Previous Year - Rs.1.01 lakhs).

c) Advance income tax and tax deducted at source is net of provision for tax of Rs.31194.31 lakhs (31.03.2008 - Rs. 26768.86 lakhs) and includes Rs. 3636.19 lakhs (31.03.2008 -Rs.2845.74 lakhs) towards income tax paid under dispute.

Advance Fringe Benefit tax is net of provision for Fringe Benefit tax of Rs.404.76 lakhs (31.03.2008 - Rs.380 lakhs).

d) Advances and deposits recoverable in cash or kind or for value to be received include Rs. 186.09 lakhs (31.03.2008 - Rs. 61.36 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.1,25.50 lakhs (31.03.2008 - Rs. 1,69.00 lakhs) payable to directors.

b) Interest accrued but not due includes Rs.43.63 lakhs on deposits of Directors (31.03.2008 – Rs.39.99 lakhs).

2.11 The details of Deferred Tax Assets / Liabilities are as follows:

(Rs. in lakhs)

	31.03.2009	31.03.2008
i) Deferred Tax Assets:		
Provision for Investments, Non-performing assets, etc.	37,79.46	28,14.09
Income deferment on Non-performing Assets	5,59.33	4,24.10
Depreciation	11,25.20	8,94.06
Others – timing differences	2,27.37	1,31.42
Total (A)	56,91.36	42,63.67
ii) Deferred Tax Liabilities:		
Hire Purchase Income	5,76.57	5,08.60
Others	20.05	9.15
Total (B)	5,96.62	5,17.75
(A – B)	50,94.74	37,45.92

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

3. PROFIT AND LOSS ACCOUNT

3.1 Income from Operations :

- a) Hypothecation Loans / Hire Purchase is net of business origination cost of Rs 2047.86 lakhs (Previous Year– Rs.3262.55 lakhs).
- b) Lease is net of depreciation of Rs.160.10 lakhs (Previous Year Rs.296.09 lakhs) and Lease Equalisation account Rs.55.77 lakhs (Previous Year - Rs. 1017.20 lakhs).

3.2 Income from Operations - Investments comprise: (Rs.in lakhs)

	2008-09	2007-08
i) Interest	32,69.67	30,39.34
ii) Profit on sale of investments:		
Long Term	1,59.37	10,89.12
Current	8,15.84	10,96.89

3.3 Income from Trading of Computer Accessories and Software: (Rs.in lakhs)

	2008-09	2007-08
The details relating to trading items are as under:		
Sales	14.03	88.30
Purchases	10.97	75.06

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 Financial Expenses:

Interest – Fixed loans includes interest on fixed/cumulative deposits amounting to Rs. 54.76 lakhs (Previous Year - Rs.36.65 lakhs) paid / credited to Directors.

3.5 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 14:

	2008-09	2007-08
Contribution to Provident Fund	137.50	123.63
Contribution to Pension Fund	160.42	154.84
Contribution to Employees' State Insurance	11.80	25.27
Contribution to Superannuation Fund	100.00	87.32

SCHEDULES
17. NOTES TO THE ACCOUNTS (Contd.)
Defined Benefit Plans

Description of Benefits Plan	2008-2009	2007-2008
	Funded Gratuity	
A) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Opening Balance : Present value of obligation	7,77.11	5,70.98
Current service cost	71.44	80.07
Interest cost	60.70	43.82
Benefits paid	(73.06)	(51.64)
Actuarial (gain) / loss on obligations	65.96	1,33.88
Closing Balance : Present value of obligation	9,02.15	7,77.11
B) Reconciliation of opening and closing balances of the fair value of plan assets		
Opening Balance : Fair value of plan assets	8,04.02	5,25.09
Expected return on plan assets	67.96	50.06
Contributions made	1,64.02	2,84.03
Benefits paid	(73.06)	(51.64)
Actuarial gain / (loss) on plan assets	(1.78)	(3.52)
Closing Balance : Fair value of plan assets	9,61.16	8,04.02
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	9,02.15	7,77.11
Closing Balance : Fair value of plan assets	9,61.16	8,04.02
Unrecognised past service cost	—	—
Net Asset/(Liability) recognised in Balance Sheet (included under Loans & Advances in Schedule 8)	59.01	26.91
D) Expenses recognised in the Profit and Loss account		
Current service cost	71.44	80.07
Interest cost	60.70	43.82
Expected return on plan assets	(67.96)	(50.06)
Net actuarial (gain) / loss recognised	67.74	1,37.41
Total Expenses (included under Establishment expenses in Schedule 14)	1,31.92	2,11.24
E) Actual return on plan assets		
Expected return on plan assets	67.96	50.06
Actuarial gain / (loss) on plan assets	(1.78)	(3.52)
Actual return on plan assets	66.18	46.54
F) Actuarial assumptions *		
Discount rate	8%	8%
Expected rate of return on plan assets	8%	8%
Rate of increase in compensation levels	6%	LIC-6% and SBI Life – 6% for 1st five years and 5% thereafter

* 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.

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

The present value of obligation towards compensated absences, as per actuarial certificate, as on 31.03.2009 was Rs. 371.63 lakhs (31.03.2008 – Rs. 309.40 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:

	As on 31.03.2009	
	Rs. in lakhs	
• Employee Assured Bonus Scheme	6,57.06	
• Staff Medical Scheme	78.98	
• Retired Employee Medical Scheme	1,43.04	
3.6 Remuneration to Directors:		(Rs. in lakhs)
	2008-09	2007-08
i) Salary	46.80	42.99
ii) Commission		
– Wholetime Directors	1,00.00	1,45.00
– Non Wholetime Directors	25.50	24.00
iii) Sitting fees to Wholetime Directors	2.60	2.90
iv) Contribution to provident, superannuation and gratuity funds	14.80	13.44
v) Other allowances and perquisites	34.42	36.47
Total	2,24.12	2,64.80
3.7 Computation of net profit for calculation of commission to Directors:		(Rs.in lakhs)
Net Profit		150,73.14
Add:		
Directors' Remuneration	2,24.12	
Directors' Sitting Fee (other than Wholetime Directors)	10.50	
Depreciation as per books	39,36.20	
Lease Equalisation Account	55.77	
Loss on sale of investments	2.15	
Provision for Taxation (including Wealth Tax)	68,97.89	
Provision for Non Performing Assets	15,46.33	
Provision for Investments	98.27	127,71.23
		278,44.37
Less:		
Depreciation as per Sec.350 of the Companies Act, 1956	39,36.20	
Profit on sale of investments	9,75.21	49,11.41
Net profit as per Section 198 of the Companies Act, 1956		229,32.96
1% thereof		2,29.33
Commission to Managing Director and Deputy Managing Director		1,00.00
Commission to Non-Wholetime Directors		25.50

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

3.8 Miscellaneous expenses under “Administrative and other expenses” includes remuneration towards: (Rs. in lakhs)

	2008-09	2007-08
Statutory Audit	22.50	22.50
Tax Audit	7.50	7.50
Certification	17.17	18.80
Service Tax	5.75	6.03
Travelling Expenses	2.47	2.13

3.9 Provisions and Write offs :

Loss on sale of investments comprises Rs. NIL lakhs (Previous Year Rs. 450.90 lakhs) pertaining to long-term investments.

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

3.10 The exchange difference amounting to Rs.4.24 lakhs (net loss) (Previous Year Rs.11.06 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:

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 Pvt Ltd.
Sundaram Securities 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)

Joint Venture:

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

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. Srinivas Acharya	Mr. T. T. Narendran	Brother
	Mrs. Revathi Srinivas	Wife
	Mr. Vishal Srinivas	Son

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

4.2 RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31ST MARCH 2009

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 2008-09	Previous Year 2007-08
INCOME						
Income from Services rendered						
Sundaram BNP Paribas Home Finance Ltd.	6,00.12				6,00.12	4,68.37
Royal Sundaram Alliance Insurance Co. Ltd.		7,22.26			7,22.26	14,23.46
Sundaram BNP Paribas Mutual Fund		1,75.32			1,75.32	7,04.27
Others	76.37	55.79			1,32.16	1,12.10
Total	6,76.49	9,53.37			16,29.86	27,08.20
Dividend						
Sundaram BNP Paribas Asset Management Co. Ltd.	5,37.74				5,37.74	1,15.23
Sundaram Finance Distribution Ltd.	1,50.00				1,50.00	
LGF Services Ltd.	1,62.50				1,62.50	
Turbo Energy Ltd.		1,34.40			1,34.40	4,03.20
Others	7.52	14.04			21.56	38.45
Total	8,57.76	1,48.44			10,06.20	5,56.88
Rent Receipts						
Sundaram BNP Paribas Asset Management Co. Ltd.	1,31.59				1,31.59	1,37.83
Royal Sundaram Alliance Insurance Co. Ltd.		2,92.76			2,92.76	3,13.62
Sundaram Business Services Ltd.	3,20.67				3,20.67	14.01
Others	93.11	14.05			1,07.16	1,90.61
Total	5,45.37	3,06.81			8,52.18	6,56.07
Interest						
Sundaram Infotech Solutions Ltd.	1,02.47				1,02.47	47.25
Sundaram Business Services Ltd.	50.60				50.60	
Others	30.88			1.23	32.11	6.66
Total	1,83.95			1.23	1,85.18	53.91
Income from Lease						
Turbo Energy Ltd.		52.47			52.47	31.64
Others	15.38	5.32			20.70	15.70
Total	15.38	57.79			73.17	47.34
Income from Bill Discounting						
Axles India Ltd.		46.52			46.52	
Other Income	45.03	24.13			69.16	47.89

SCHEDULES
17. NOTES TO THE ACCOUNTS (Contd.)

Nature of Transactions	Subsidiary Companies	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Total 2008-09	Previous Year 2007-08
EXPENSE						
Interest						
Royal Sundaram Alliance Insurance Co. Ltd.		1,93.32			1,93.32	97.54
Others			4.51	6.86	11.37	21.27
Total		1,93.32	4.51	6.86	2,04.69	1,18.81
Professional Fees						
Sundaram Infotech Solutions Ltd	1,65.45				1,65.45	
Remuneration			1,98.62		1,98.62	2,40.80
Dividend			12.08	54.18	66.26	6.02
Donation						
Sundaram Medical Foundation		1,00.00			1,00.00	3.00
Insurance Premium						
Royal Sundaram Alliance Insurance Co. Ltd		39.50			39.50	28.80
Rent Paid						
Sundaram BNP Paribas Home Finance Ltd	5.29				5.29	2.92
Royal Sundaram Alliance Insurance Co. Ltd		3.14			3.14	
Other Expenses		2.65			2.65	2.12

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

(Rs in Lakhs)

Nature of Transactions	Subsidiary Companies	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	31.03.2009	31.03.2008
ASSETS						
Investment in Equity Shares						
Royal Sundaram Alliance Insurance Co. Ltd.		20,64.00			20,64.00	14,85.00
Sundaram Business Services Ltd.	6,50.00				6,50.00	5,26.00
Axles India Ltd.		7,46.71			7,46.71	
Others						2,10.00
Total	6,50.00	28,10.71			34,60.71	22,21.00
Disinvestment in Equity Shares						
Sundaram BNP Paribas Home Finance Ltd.						146,98.02
Intercorporate Loans Disbursed to						
Sundaram Infotech Solutions Ltd.	7,45.00				7,45.00	3,40.00
Sundaram Business Services Ltd.	17,50.00				17,50.00	
Infreight Logistics Solutions Ltd.	3,50.00				3,50.00	2,00.00
Total	28,45.00				28,45.00	5,40.00
Repayment of Intercorporate Loan by						
Infreight Logistics Solutions Ltd.	2,00.00				2,00.00	
Others	18.75				18.75	2,00.06
Total	2,18.75				2,18.75	2,00.06
Investment in Trust Securities						
Sundaram BNP Paribas Mutual Fund		210,04.77			210,04.77	912,46.45
Disinvestment in Trust Securities						
Sundaram BNP Paribas Mutual Fund		195,51.99			195,51.99	921,84.39
Sale of Fixed Assets						
Infreight Logistics Solutions Ltd.	0.15				0.15	
Sale of Software Licenses						
Royal Sundaram Alliance Insurance Co. Ltd.		12.86			12.86	81.62
Purchase of Fixed Assets						
Sundaram BNP Paribas Home Finance Ltd.	3.70				3.70	
Royal Sundaram Alliance Insurance Co. Ltd.		7.15			7.15	
Total	3.70	7.15			10.85	
Purchase of Software & Licenses						
Sundaram Infotech Solutions Ltd.	61.95				61.95	1,28.53
Advance towards Software & Licenses						
Sundaram Infotech Solutions Ltd.	10.19				10.19	
Insurance Premium paid in advance						
Royal Sundaram Alliance Insurance Co. Ltd.		28.22			28.22	21.47

SCHEDULES
17. NOTES TO THE ACCOUNTS (Contd.)

Nature of Transactions	Subsidiary Companies	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	31.03.2009	31.03.2008
Assets - Outstanding Balances as on 31.03.2009						
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	84,60.33
Others	36,23.55	13,51.11			49,74.66	35,77.95
Total	97,62.65	118,75.44			216,38.09	181,77.38
Intercorporate Loans						
Sundaram Infotech Solutions Ltd.	14,59.94				14,59.94	7,33.69
Sundaram Business Services Ltd.	17,50.00				17,50.00	
Others	3,50.00				3,50.00	2,00.00
Total	35,59.94				35,59.94	9,33.69
Trust Securities						
Sundaram BNP Paribas Mutual Fund		33,24.79			33,24.79	18,23.77
Future Lease Receivables						
Axles India Ltd.		29.53			29.53	36.38
Turbo Energy Ltd.		1,29.61			1,29.61	93.07
Sundaram BNP Paribas Asset Management Co. Ltd.	51.59				51.59	
Sundaram Infotech Solutions Ltd.	28.67				28.67	35.27
Others	21.58	4.57			26.15	
Total	1,01.84	1,63.71			2,65.55	1,64.72
Future Receivables under Hire Purchase						
Infreight Logistics Solutions Ltd.	7.80				7.80	11.94
Fleet Card Balance Receivable						
Infreight Logistics Solutions Ltd.	38.52				38.52	25.57
Others		0.02			0.02	
Total	38.52	0.02			38.54	25.57
Bills purchased						
Axles India Ltd.		14,19.99			14,19.99	
Other Assets	56.48	1,15.57	19.72		1,91.77	2,92.23

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

(Rs in Lakhs)

Nature of Transactions	Subsidiary Companies	Associates / Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	31.03.2009	31.03.2008
LIABILITIES						
Issue of Non Convertible Debentures Royal Sundaram Alliance Insurance Co. Ltd.		10,00.00			10,00.00	10,00.00
Issue of Bonus Shares			5.24	23.56	28.80	
Liabilities- Outstanding Balances as on 31.03.2009						
Professional Fees	1,65.45				1,65.45	
Equity Holdings			10.57	47.31	57.88	28.74
Deposits			89.57	1,30.76	2,20.33	85.85
Interest on Deposits			4.26	5.73	9.99	8.53
Non Convertible Debentures Royal Sundaram Alliance Insurance Co. Ltd.		20,00.00			20,00.00	10,00.00
Other Liabilities	26.95	75.06			1,02.01	1,05.34

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

SCHEDULES

17. 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 2009				
		Assets	Liabilities	Income	Expenditure	Capital Commitment and Contingent Liability
Royal Sundaram Alliance Insurance Company Limited	49.90 (49.50)	500,38.94 (387,70.97)	389,20.38 (300,01.86)	336,36.25 (244,54.66)	333,53.66 (242,21.32)	4,37.59 (1,29.17)
Gulf Outsourcing Services Limited @	40.00 (40.00)	23.87 (24.11)	1.36 (1.26)	Nil (1.78)	0.34 (4.21)	Nil Nil
BNP Paribas Global Securities Market Operations Private Limited - 49.00% of shareholding*						

@ Considered on the basis of Unaudited financial statements.

* BNP Paribas Global Securities Market Operations Private Limited was incorporated on 25th September 2008 and became a Joint Venture on 03rd December 2008. No financial statements have been drawn for the period ended 31st March 2009.

Figures in brackets relate to Previous Year.

- 4.4 Earnings per Share (Basic and diluted)

	2008-09	2007-08
A Profit for the year after taxation (Rs in lakhs)	150,73.14	212,54.24
B Number of equity shares	5,55,51,930	5,55,51,930
C Basic and diluted earnings per share (in Rs.)	27.13	38.26*

* The number of equity shares and the earnings per share for the year 2007-08 have been adjusted as per Accounting Standard – AS 20 – Earnings per Share, for issue of 1 : 1 bonus shares in August 2008.

- 4.5 The levy of service-tax on hire purchase and leasing transactions introduced with effect from 16.07.2001 has been challenged by the Trade Associations before the Madras High Court and a stay has been obtained. Pending disposal of the writ petitions, the company is not remitting service-tax on the aforesaid transactions.

- 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 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 Estimated amount of contracts remaining to be executed on capital account – Rs.1028.07 lakhs (net of advance of Rs.312.48 lakhs). (31.03.2008 - Rs 1015.10 lakhs-net of advance of Rs.96.16 lakhs).

SCHEDULES

17. NOTES TO THE ACCOUNTS (Contd.)

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

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

	As at 31.03.2009	As at 31.03.2008
a) Liability:		
To Banks – on Cheques discounted	18,62.19	26,67.37
– on Counter Guarantee	27.87	54.20
To Sales Tax Authorities	30.97	26.20
b) Claims against the company not acknowledged as Debts:		
Hire Purchase transactions and termination of Lease transactions – Appeals filed by the company	46.07	46.07
Others	13,26.28	2,97.64

4.10 CIF value of imports: (Rs. in lakhs)

	2008-09	2007-08
Capital goods (on payment basis)	32.68	3,19.99

4.11. Expenditure in foreign currency (on payment basis):

	2008-09	2007-08
Interest	5,91.15	1,53.18
On other matters	1,09.85	2,18.70

4.12 Earnings in Foreign Currency (Rs. in lakhs)

	2008-09	2007-08
	3,03.56	4,01.51

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

Signatures to Schedules 1 to 17

As per our report of even date
attached

For Brahmayya & Co.,

Chartered Accountants

P. Babu

Partner

Chennai,

29th May, 2009

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

Srinivas Acharya
Deputy Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
A. Rangaswami
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	Debentures : Secured	2342,00.00	–
	: Unsecured	628,00.00	–
	(other than falling within the meaning of public deposits)		
b	Deferred Credits	–	–
c	Term Loans	760,00.00	–
d	Inter-corporate loans and borrowings	–	
e	Commercial paper	490,00.00	–
f	Public Deposits	926,03.54	7,62.98#
g	Other loans		
	– Bank Borrowing	1115,70.79	–
	– Deposits from Corporates	14,02.51	–
(2)	Break-up of 1 (f) above (Outstanding public deposits) @		
a	In the form of Unsecured debentures	–	–
b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	–	–
c	Other public deposits	926,03.54	7,62.98#

@ 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	869,89.25
b	Unsecured (including Advance for Business Assets)	169,00.80
(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	22,30.77
b	Operating Lease	97,43.25
(ii)	Net Stock on hire including hire charges under sundry debtors	
a	Assets on hire	319,89.57
b	Repossessed Assets	13.23
(iii)	Hypothecation loans counting towards EL / HP activities	
a	Loans where assets have been repossessed	13,28.78
b	Loans other than (a) above	5283,29.62

(Rs. in Lakhs)

	Particulars	Amount Outstanding	Market Value *
(5)	Break-up of Investments:		
	Current Investments:		
1.	Quoted:	–	–
2.	Unquoted:		
(i)	Units of mutual funds	122,22.23	122,52.77
	Long Term Investments:		
1.	Quoted:		
(i)	Equity Shares	14,60.90	52,45.19
(ii)	Debentures and Bonds	1,30.05	1,30.05
(iii)	Government Securities	99,81.68	97,20.03
2.	Unquoted:		
(i)	Shares		
a	Equity	244,51.88	435,03.56
b	Preference	6,00.00	6,00.00
(ii)	Government Securities	–	–
(iii)	Units of mutual funds	22,92.13	25,53.27
(iv)	Bonds	50.00	50.00
(v)	Others	–	–
	Total	511,88.87	740,54.87

* 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
1.	Related Parties**		
a	Subsidiaries	1,48.16	36,72.85
b	Companies in the same group	–	–
c	Other related parties	1,63.80	14,19.99
2.	Other than related parties	6547,00.54	114,55.99
	Total	6550,12.50	165,48.83

(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	141,12.87	97,62.65
b	Companies in the same group	–	–
c	Other related parties	268,07.55	179,89.48
2.	Other than related parties	331,34.45	233,99.47
	Total	740,54.87	511,51.60

** As per Accounting Standard

(8) Other Information (Rs. in Lakhs)		
	Particulars	Amount
(i)	Gross Non-Performing Assets	
a	Related Parties	Nil
b	Other than related parties	109,33.05
(ii)	Net Non-Performing Assets	
a	Related Parties	Nil
b	Other than related parties	49,69.11
(iii)	Assets acquired in satisfaction of debt (during the year)	4,12.00

Balance Sheet Abstract and Company's General Business Profile

Information as required under Part IV of the Schedule VI of the Companies Act, 1956

I Registration Details

Registration No.
 Balance Sheet Date
 Date Month Year State Code

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	Rights Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="9"/>
Sources of Funds	Reserves & Surplus
Paid up Capital	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="1"/>
Secured Loans	Unsecured Loans
<input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="8"/>
Applications of Funds	Investments
Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="7"/>
Deferred Tax Asset (net)	Net Current Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="8"/>
Misc. Expenditure	Accumulated Loss
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

IV Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="7"/>
+ - Profit / (Loss) Before Tax	+ - Profit / (Loss) After Tax
<input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/>	<input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="4"/>

(Please tick appropriate box + for profit, - for loss)

Earnings Per Share	Rs.	Ps.	Dividend Rate %
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="3"/>			<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="5"/>

V Generic Names of Three Principal Products / Services of Company (As per monetary terms)

Item Code No. (ITC Code) Not Applicable
 Product / Service Description

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 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 Private Ltd.	Sundaram Securities Services Ltd.	Infreight Logistics Solutions Ltd.
2 Financial year of the Subsidiary ended on	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	—*	31.03.2009
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%)	1,91,922 Equity shares of Rs 10/- each (87%)	1,50,000 Equity shares of Rs 10/- each (100% subscribed in June 2008)	44,10,000 Equity shares of Rs 10/- each (88.02%)
4 Net aggregate amount of the profits of the subsidiary not dealt with in the Holding Company's accounts										
a) For the financial year of the Subsidiary Company	1343.28	534.85	18.26	137.08	177.33	-443.25	38.58	60.16	Nil	(Rs. in lakhs) - 323.58
b) For the previous financial years since it became a Subsidiary Company	3006.82	462.14	15.29	249.37	133.08	-1067.44	7.15	152.59	Nil	- 462.89
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										
a) For the financial year of the Subsidiary Company	Nil	Nil	Nil	50.00	75.00	Nil	Nil	Nil	Nil	Nil
b) For the previous financial years since it became a Subsidiary Company	Nil	652.97	10.02	182.50	230.00	Nil	Nil	Nil	Nil	Nil

* The subsidiary is yet to close its books of account for the first financial year.

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

Srinivas Acharya
Deputy Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
A. Rangaswami
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

Cash Flow Statement

(Rs. in Lakhs)

	2008-09	2007-08	
A) CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit	150,73.14	212,54.24	
Add: Lease Equalisation Account	55.77	10,17.20	
Provision for Taxation (Including Wealth Tax)	68,97.89	90,35.47	
	220,26.80	313,06.91	
Add: Financial Expenses	645,44.09	496,99.52	810,06.43
Depreciation	865,70.89	39,36.21	33,08.28
Provision (Reversal) against Investments	98.27	(3,61.54)	(3,61.54)
Provision against Non - Performing assets	15,46.33	(58.16)	11,98.31
(Profit) loss on sale of assets	(58.16)	(9,73.16)	(69.71)
(Profit) loss on sale of Investments	(9,73.16)	(20,82.40)	(116,52.79)
Interest / Dividend Income	(20,82.40)	(0.04)	(13,46.75)
Effect of Foreign Exchange rates on Cash and Cash Equivalents, net	(0.04)	(0.02)	(0.02)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	890,37.94	496,99.52	720,82.21
(Increase) Decrease in Net Stock on hire	(14,54.42)	18,20.54	18,20.54
(Increase) Decrease in Leased assets - net of sales	(51,98.68)	(33,20.04)	(33,20.04)
(Increase) Decrease in Trade Bills purchased	(11,31.50)	(6,06.00)	(6,06.00)
(Increase) Decrease in Net Investment in Lease	7,53.29	3,36.86	3,36.86
(Increase) Decrease in Loans and Advances	(32,32.93)	(1185,96.42)	(1185,96.42)
(Increase) Decrease in Other Receivables	(12.73)	23.89	23.89
(Increase) Decrease in Bank Deposits (net)	(99,36.80)	456,39.08	456,39.08
(Increase) Decrease in SLR Investments - net of sales	(17,96.00)	(10,67.88)	(10,67.88)
Increase (Decrease) in Current Liabilities	(66,05.83)	(286,15.60)	93,16.62
Cash generated from Operations	604,22.34	93,16.62	(664,53.35)
Financial Expenses	(609,56.92)	(411,68.72)	56,28.86
Direct Taxes Paid	(76,99.40)	(686,56.32)	(100,16.42)
NET CASH FROM OPERATING ACTIVITIES	(82,33.98)	(100,16.42)	(455,56.28)
B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(18,41.10)	(20,55.44)	(20,55.44)
Sale of Fixed Assets	1,20.30	1,19.34	1,19.34
Purchase of Investments	(4004,14.50)	(5417,95.81)	(5417,95.81)
Purchase of Investments in Subsidiaries/Joint Venture	(27,14.00)	(22,21.00)	(22,21.00)
Sale of Investments	3999,20.13	5517,36.31	5517,36.31
Sale/Redemption of Investments in Subsidiaries/Joint Venture	-	45,62.51	45,62.51
Interest Received	7,91.02	4,70.41	4,70.41
Dividend Received	16,53.14	8,51.80	8,51.80
NET CASH FROM INVESTING ACTIVITIES	(24,85.01)	(24,85.01)	116,68.12
C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Debentures	4191,00.00	3975,00.00	3975,00.00
Debentures Redeemed	(4151,00.00)	(2977,00.00)	(2977,00.00)
Increase (Decrease) in Long Term Borrowings	(307,95.67)	(222,61.55)	(222,61.55)
Increase (Decrease) in Fixed Deposits	183,44.21	98,14.83	98,14.83
Increase (Decrease) in Short Term Loans and Advances	279,31.48	(528,73.07)	(528,73.07)
Dividend paid (including Corporate Dividend Tax)	(73,28.43)	(6,49.93)	(6,49.93)
NET CASH FROM FINANCING ACTIVITIES	121,51.59	121,51.59	338,30.28
D) Effect of Foreign Exchange rates on Cash and Cash Equivalents, net	0.04	0.02	0.02
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)	14,32.64	14,32.64	(57.86)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	34,06.71	34,06.71	34,06.71
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	48,39.35	48,39.35	34,06.71
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Current Account with Banks	36,41.22	22,60.88	22,60.88
Cash, Stamps and Stamp Papers on Hand	11,98.13	11,45.83	11,45.83
	48,39.35	48,39.35	34,06.71

Note:

- Cash and Cash equivalents includes balance in Unpaid Dividend account of Rs.98.11 lakhs (31.03.2008 Rs.15,36 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 Brahmayya & Co.,
Chartered Accountants
P. Babu
Partner
Chennai,
29th May, 2009

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

Srinivas Acharya
Deputy Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
A. Rangaswami
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

Report on Corporate Governance

Sundaram Finance Limited has been practising the code of Corporate Governance 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 been growing 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 through 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.

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 and transport sectors. The Company is immensely benefitted by the range of experience and skills that the Directors bring to the Board.

The Board comprises ten members, of which eight are Non-Executive Directors. 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. 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 and decides on strategic issues concerning the Company.

The Board generally meets every month to review the business performance.

During the year under review, 12 meetings of the Board of Directors were held.

29/04/2008	29/07/2008	28/10/2008	30/01/2009
27/05/2008	26/08/2008	24/11/2008	27/02/2009
30/06/2008	26/09/2008	26/12/2008	28/03/2009

The details of attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors 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	12	Yes	1	6	–	3
Sri S. Ram	10	Yes	2	6	1	3
Sri S. Narayanan	12	Yes	2	1	2	–
Sri A. Rangaswami	12	Yes	–	1	–	–
Sri S. Padmanabhan* (till 12/02/2009)	7	Yes	–	–	–	–
Sri T. R. Seshadri	11	No	–	–	–	–
Sri S. Ravindran [§]	8	–	–	4	–	2
Sri S. Prasad [#]	5	–	–	2	2	–
Sri Aroon Raman [@]	1	–	–	–	–	–
Sri T. T. Srinivasaraghavan	12	Yes	1	6	3	–
Sri Srinivas Acharya	12	Yes	–	8	2	5

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

* Passed away on 12th February 2009.

§ Co-opted as Additional Director on 29th July 2008.

Co-opted as Additional Director on 28th October 2008.

@ Co-opted as Additional Director on 27th February 2009.

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 7 times on 21st April, 26th May, 25th July, 22nd September, 24th October, 19th December in 2008 and on 27th January in 2009.

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

Name of the Director		No. of Meetings Attended
Sri S. Padmanabhan*	Chairman	5
Sri A. Rangaswami§	Chairman/ Member	7
Sri S. Viji	Member	6
Sri S. Ravindran	Member	4
Sri S. Prasad	Member	2

* Passed away on 12th February 2009.

§ Appointed as Chairman with effect from 27th February 2009.

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 and Share Transfer and Investor Relations 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 31.03.2009)	Relationship with other Directors
Sri S. Viji	1.80	3.50	6,89,420 ⁽¹⁾	Brother of Sri S. Ram
Sri S. Ram	1.00	2.00	2,51,494	Brother of Sri S. Viji
Sri S. Narayanan	1.20	2.00	800 ⁽²⁾	—
Sri A. Rangaswami	2.10	3.50	130	—
Sri S. Padmanabhan (till 12/02/2009)	1.20	3.50	— ⁽³⁾	—
Sri T. R. Seshadri	1.10	2.00	—	—
Sri S. Ravindran	1.20	3.50	2,12,920 ⁽⁴⁾	—
Sri S. Prasad	0.80	3.50	—	—
Sri Aroon Raman	0.10	2.00	2,98,948	—

Note: Number of shares held jointly with others: ⁽¹⁾ 4,342, ⁽²⁾ 81,712, ⁽³⁾ 9,000, ⁽⁴⁾ 71,360.

Amount of deposits placed by the Non-Executive Directors in the Company aggregated to Rs.510.90 lakhs as on March 31, 2009. The interest on these deposits paid / credited during the year 2008-09 amounted to Rs.48.71 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	27.00	19.80
Commission	65.00	35.00
Sitting Fees	1.40	1.20
Contributions to Provident, Superannuation and Gratuity Funds	8.53	6.27
Other allowances and perquisites	19.60	14.83

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 balance sheet, dividends etc., and
- iii) reviews the compliances with various statutory and regulatory requirements.

During the year, the Committee met on 19th January and 25th March 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 S. Padmanabhan*	Chairman	Nil
Sri A. Rangaswami §	Chairman / Member	2
Sri S. Prasad	Member	1
Sri T. T. Srinivasaraghavan	Member	2

* Passed away on 12th February 2009.

§ Appointed as Chairman with effect from 27th February 2009.

Sri P. Viswanathan, Deputy Secretary, is the Compliance Officer. During the year under review, the Company received 11 communications from shareholders, which were attended to. Two investor complaints were received and resolved during the year. None was pending unresolved as on 31st March, 2009.

VI. GENERAL BODY MEETINGS

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolutions Passed
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
2006	03/08/2006	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 last year.

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

VII. 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 and when necessary.

VIII. MEANS OF COMMUNICATION

- Quarterly unaudited and annual audited results of the Company were published in accordance with the Stock Exchange Listing Agreement 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.
- Quarterly/annual results, shareholding pattern and other documents have also been published in Electronic Data Information Filing and Retrieval System (EDIFAR) in accordance with Clause 51 of the Stock Exchange Listing Agreement.
- A press meet was organised by the Company on 27th May 2008 for dissemination of audited results.

IX. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	Time	Venue
24/07/2009 (Fri)	10.25 AM	The Music Academy, New No.168, Old No.306, TTK Road, Chennai 600 014

- Financial Year – 1st April 2009 to 31st March 2010
- Book Closure dates – 14th July 2009 to 24th July 2009 (both days inclusive)
- Date of payment of dividend
Interim Dividend – 18th March 2009
Final Dividend – 27th July 2009

- 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 2008-09 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 2001-02	24/08/2009
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

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.

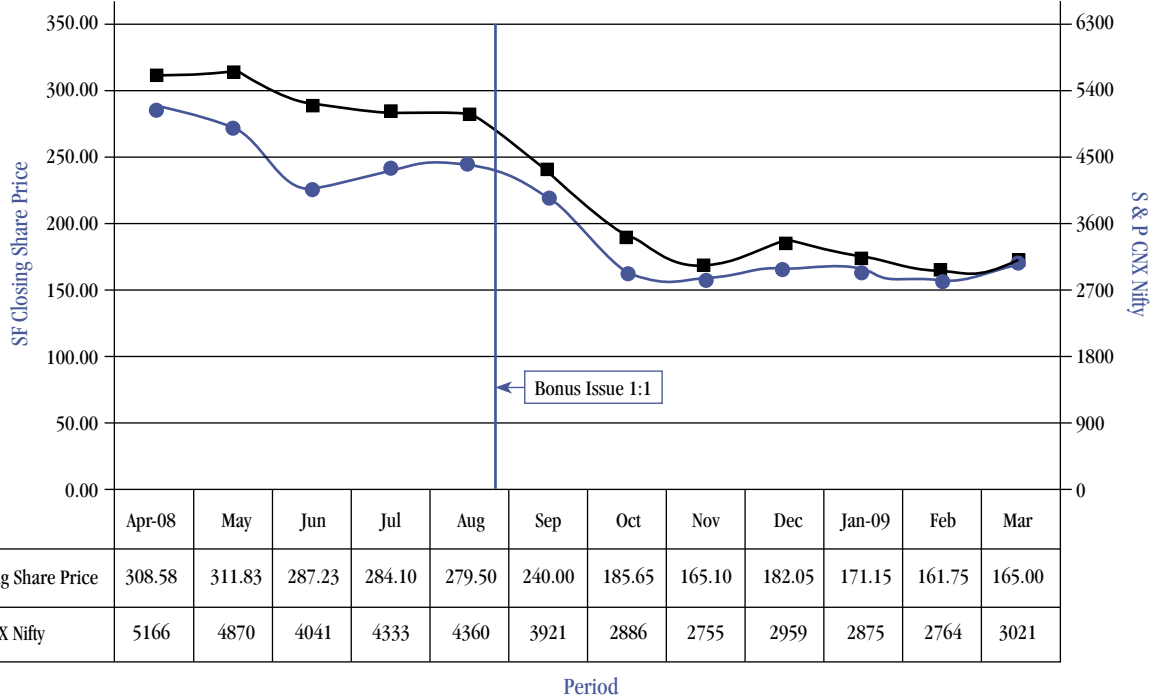
No claim shall lie against the Fund or the Company in respect of unclaimed and unpaid dividends transferred to the IEPF as per Section 205C of the Companies Act, 1956.

MARKET PRICE DATA – AS QUOTED ON THE NATIONAL STOCK EXCHANGE

Month	High	Low	Month	High	Low
Apr – 08	677.85	556.10	Oct	260.00	165.30
May	670.00	556.60	Nov	209.00	162.00
Jun	663.70	562.20	Dec	196.00	150.00
Jul	587.60	545.00	Jan – 09	212.00	170.00
Aug (CB) (XB)*	648.00 300.00	561.00 275.00	Feb	188.95	156.10
Sep	300.00	215.20	Mar	170.00	147.20

* Ex-bonus 1:1

SHARE PRICE PERFORMANCE



Note: For the above graph, SF Closing Price has been adjusted till Jul - 08, for bonus issue of 1:1.

- 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)

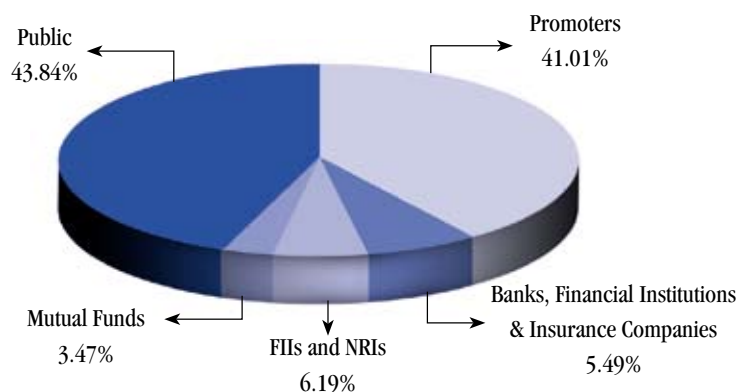
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2009

No. of Equity Shares Held	Total Shareholders	Total Shares	Total % to Capital
Upto 250	8,421	7,61,011	1.37%
251 to 500	1,812	7,02,626	1.26%
501 to 1000	1,306	10,15,363	1.83%
1001 to 5000	1,716	39,98,434	7.20%
5001 to 10000	258	18,75,692	3.38%
10001 to 50000	343	79,32,162	14.28%
50001 to 100000	84	58,29,005	10.49%
100001 and above	98	3,34,37,637	60.19%
Total	14,038	5,55,51,930	100.00%

Total shares held in dematerialised form 54.44%

Public shareholding in dematerialised form 75.95%

SHAREHOLDING PATTERN AS ON 31.03.2009



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, 2009, 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.

For BRAHMAYYA & CO.,
Chartered Accountants

P.BABU

Partner

Membership No. 203358

Place : Chennai

Date : 29th May, 2009

Consolidated

Financial

Statements

Consolidated Balance Sheet

as at 31st March, 2009

(Rs. in Lakhs)

Schedule	31.03.2009	31.03.2008			
I SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	55,55.19	27,77.60		
b) Reserves and Surplus	2	<u>1212,49.78</u>	<u>1268,04.97</u>	<u>1115,76.27</u>	1143,53.87
2. Minority Interest					
		125,69.52			113,32.04
3. Loan Funds					
a) Secured Loans	3	5321,15.09		5388,60.77	
b) Unsecured Loans	4	<u>2683,83.09</u>	<u>8004,98.18</u>	<u>2059,64.66</u>	<u>7448,25.43</u>
Total		<u>9398,72.67</u>			<u>8705,11.34</u>
II APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	5	560,67.57		526,59.94	
b) Less: Depreciation		<u>336,18.24</u>		<u>329,09.49</u>	
c) Net Book Value		<u>224,49.33</u>		<u>197,50.45</u>	
d) Add: Lease Adjustment Account		<u>(3,64.72)</u>		<u>(5,24.09)</u>	
e) Net Block			220,84.61		192,26.36
2. Investments	6		974,73.87		720,47.12
3. Deferred Tax Asset (Net)					
Deferred Tax Asset		65,17.14		49,95.80	
Less: Deferred Tax Liability		<u>13,27.72</u>	51,89.42	<u>9,30.01</u>	40,65.79
4. Current Assets, Loans and Advances					
a) Current Assets	7	878,52.91		695,81.20	
b) Loans and Advances	8	<u>8311,57.21</u>		<u>8044,78.98</u>	
	(A)	<u>9190,10.12</u>		<u>8740,60.18</u>	
Less: Current Liabilities and Provisions					
a) Current Liabilities	9	955,60.33		883,31.33	
b) Provisions	10	<u>83,25.02</u>		<u>105,56.78</u>	
	(B)	<u>1038,85.35</u>		<u>988,88.11</u>	
Net Current Assets	(A-B)		8151,24.77		7751,72.07
Total		<u>9398,72.67</u>			<u>8705,11.34</u>
Notes to the accounts	17				

As per our report of even date attached

For Brahmaya & Co.,

Chartered Accountants

P. Babu

Partner

Chennai,

29th May, 2009

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

Srinivas Acharya
Deputy Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
A. Rangaswami
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

SUNDARAM FINANCE LIMITED

Consolidated Profit and Loss Account

for the Year Ended 31st March, 2009

	Schedule	2008-09	(Rs. in Lakhs) 2007-08
INCOME			
Income from Operations	11	1742,44.55	1407,42.58
Profit on Sale of Shares		–	99,17.67
Other Income	12	16,46.60	12,09.79
Total	(A)	<u>1758,91.15</u>	<u>1518,70.04</u>
EXPENDITURE			
Financial Expenses	13	790,53.05	604,53.84
Insurance claims incurred (net)		205,76.48	147,58.40
Establishment Expenses	14	179,12.13	151,36.34
Administrative and Other Expenses	15	218,52.32	185,09.10
Provisions and Write Off	16	48,97.43	35,72.27
Depreciation		46,98.11	37,29.59
Total	(B)	<u>1489,89.52</u>	<u>1161,59.54</u>
Profit before Tax	(A) - (B)	<u>269,01.63</u>	<u>357,10.50</u>
Taxation			
– Current (Including Wealth Tax)		100,26.85	129,25.38
– Deferred		(11,20.30)	(20,83.31)
– Fringe Benefit Tax		2,57.09	2,43.54
Net Profit (before adjustment for minority interest)		<u>177,37.99</u>	<u>246,24.89</u>
Less: Minority Interest		<u>19,00.85</u>	<u>15,10.72</u>
		<u>158,37.14</u>	<u>231,14.17</u>
Add: Share of Profit in Associates		<u>9,51.47</u>	<u>21,01.88</u>
Profit after Tax		<u>167,88.61</u>	<u>252,16.05</u>
Add: Balance brought forward from previous year		126,27.72	90,56.58
Change in value of holdings in associates / subsidiaries / joint ventures		1.21	(7,92.91)
Amount available for Appropriation		<u>294,17.54</u>	<u>334,79.72</u>
APPROPRIATIONS			
Dividend			
– Interim		22,22.08	27,77.60
– Final (proposed)		13,88.80	13,88.80
– Dividend Distribution tax		6,13.66	7,08.08
Special Reserve		4,69.04	14,25.45
Statutory Reserve		30,20.00	42,60.00
General Reserve		88,97.30	102,92.07
Surplus - Balance carried to Balance Sheet		<u>128,06.66</u>	<u>126,27.72</u>
		<u>294,17.54</u>	<u>334,79.72</u>
Notes to the Accounts	17		
Earnings per Equity Share (Refer Note 2.4 Schedule 17)			
Number of Shares		5,55,51,930	5,55,51,930
Basic and Diluted earnings per share (in Rupees)		30.22	45.39

As per our report of even date attached

For Brahmayya & Co.,

Chartered Accountants

P. Babu

Partner

Chennai,

29th May, 2009

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

Srinivas Acharya
Deputy Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
A. Rangaswami
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

SCHEDULES

(Rs. in Lakhs)

	31.03.2009		31.03.2008	
1 Capital				
Authorised Capital				
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 37,75,965 Equity Shares of Rs.10/- each allotted for consideration other than cash pursuant to a Scheme of Amalgamation)	55,55.19		27,77.60	
2 Reserves and Surplus				
Capital Reserve				
Per Last Balance Sheet	24,19.54		15,34.62	
(Less)/Add: Changes in the value of holding in Subsidiaries / Associates / Joint ventures	(1,14.18)	23,05.36	8,84.92	24,19.54
Securities Premium Account				
Per Last Balance Sheet	34,57.74		15,04.97	
Received during the year	–		19,52.77	
Less: Issue of bonus shares	15,04.97	19,52.77	–	34,57.74
General Reserve				
Per Last Balance Sheet	621,18.96		528,11.31	
Less: Change in the value of holdings in Subsidiaries	–		9,84.42	
Less: Issue of bonus shares	12,72.62		–	
Add: Transfer from Profit and Loss account	88,97.30	697,43.64	102,92.07	621,18.96
Statutory Reserve				
Per last Balance Sheet	228,15.50		185,55.50	
Add: Transfer from Profit and Loss account	30,20.00	258,35.50	42,60.00	228,15.50
Special Reserve				
Per Last Balance Sheet	81,36.81		72,61.75	
Less: Change in value of holdings in subsidiaries	–		5,50.39	
Add: Transfer from Profit and Loss account	4,69.04	86,05.85	14,25.45	81,36.81
Surplus - Balance in Profit and Loss account	128,06.66		126,27.72	
	1212,49.78		1115,76.27	

SCHEDULES

(Rs. in Lakhs)

	31.03.2009	31.03.2008
3 Secured Loans		
Non - Convertible Debentures	2432,02.00	2241,05.00
From Scheduled Banks	2778,71.42	2928,80.77
From International Finance Corporation	110,41.67	218,75.00
	<u>5321,15.09</u>	<u>5388,60.77</u>
4 Unsecured loans		
Fixed deposits		
From Public	1291,61.02	915,81.28
From Directors	<u>7,24.96</u>	<u>6,29.71</u>
From Directors	1298,85.98	922,10.99
Non - Convertible Debentures	503,00.00	709,00.00
Subordinated Non - Convertible Debentures	100,00.00	100,00.00
Debenture application money	75,00.00	-
Foreign currency loan from a scheduled bank	-	9,89.73
Others	10.70	42.99
Short Term Loans and advances		
From Scheduled Banks	37,86.41	23,20.95
Commercial Paper	669,00.00	295,00.00
	<u>2683,83.09</u>	<u>2059,64.66</u>

SCHEDULES

5 Fixed Assets													(Rs. in Lakhs)	
DESCRIPTION	GROSS BLOCK AT COST					DEPRECIATION					Net Book Value	Balance in Lease Adjustment Account as at 31.03.2009	NET BLOCK	
	As at 31.03.2008	Adjustments on consolidation	Additions	Deductions	As at 31.03.2009	Upto 31.03.2008	Adjustments on consolidation	Additions*	Deductions	Upto 31.03.2009			As at 31.03.2009	As at 31.03.2008
1 Freehold Land and Buildings	66,07.54	-	4,73.89	6.51	70,74.92	10,27.50	-	1,43.43	2.98	11,67.95	59,06.97	-	59,06.97	55,80.04
2 Leasehold Office / Residential Premises	15,54.94	-	-	-	15,54.94	6,47.79	-	45.35	-	6,93.14	8,61.80	-	8,61.80	9,07.15
3 Plant and Machinery and Computers	79,45.68	8.49	11,50.18	5,98.55	85,05.80	45,19.38	6.29	13,64.63	5,69.37	53,20.93	31,84.87	-	31,84.87	34,26.30
4 Vehicles	100,74.21	0.48	58,65.44	14,58.38	144,81.75	34,87.27	0.20	23,63.41	8,26.41	50,24.47	94,57.28	-	94,57.28	65,86.94
5 Furniture / Office Equipment	46,12.37	6.94	4,01.53	1,12.92	49,07.92	26,88.37	3.73	5,03.82	89.45	31,06.47	18,01.45	-	18,01.45	19,24.00
6 Assets taken on lease														
a) Computer	34.29	-	27.52	-	61.81	4.22	-	16.18	-	20.40	41.41	-	41.41	30.07
b) Office equipment	3.02	-	-	-	3.02	0.37	-	0.90	-	1.27	1.75	-	1.75	2.65
7 Assets on Finance Lease														
a) Plant and Machinery and Computers	75,71.08	-	-	28,38.93	47,32.15	69,53.39	-	77.21	26,29.10	44,01.50	3,30.65	(2,74.70)	55.95	1,19.58
b) Vehicles	130,94.11	-	-	59.19	130,34.92	128,62.32	-	81.53	53.87	128,89.98	1,44.94	(83.04)	61.90	2,13.92
c) Furniture / Office Equipment	87.77	-	-	-	87.77	78.04	-	1.36	-	79.40	8.37	(6.98)	1.39	1.62
8 Intangible Assets														
Computer Software	10,37.46	4.25	5,25.53	-	15,67.24	6,40.84	2.58	2,69.31	-	9,12.73	6,54.51	-	6,54.51	3,96.62
Total	526,22.47	20.16	84,44.09	50,74.48	560,12.24	329,09.49	12.80	48,67.13	41,71.18	336,18.24	223,94.00	(3,64.72)	220,29.28	191,88.89
Work in Progress	37.47	0.30	55.33	37.77	55.33	-	-	-	-	-	55.33	-	55.33	37.47
Grand Total	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
Previous Year	573,29.73	85.38	83,75.70	131,30.87	526,59.94	401,30.47	23.18	40,26.07	112,70.23	329,09.49	197,50.45	(5,24.09)	192,26.36	

* Finance Lease Depreciation of Rs.160.10 lakhs has been netted off against Lease Income

Depreciation on assets used for development of Computer Software amounting to Rs.8.92 lakhs taken to Advance for Purchase of Assets

SCHEDULES

	(Rs. in Lakhs)	
	31.03.2009	31.03.2008
6 INVESTMENTS		
Long Term - At cost		
A. In Government / Trust Securities		
Quoted	196,95.30	142,12.02
Unquoted	27,40.82	40,22.68
B. In Equity Shares		
Quoted	18,40.44	18,50.78
Unquoted - Associates *	120,13.21	78,42.30
Unquoted - Others	3,45.45	8,09.46
C. In Preference Shares	6,00.00	6,00.00
D. In Bonds / Debentures		
Quoted	142,83.82	85,23.32
Unquoted	60.00	80,66.80
E. Others	5,33.43	5,83.19
Current Investments		
A. In Government / Trust Securities		
Quoted	47,58.91	61,17.16
Unquoted	300,76.57	119,49.79
B. In Bonds / Debentures	84,92.17	49,41.43
C. Others		
Unquoted	20,33.75	25,28.19
Total	<u>974,73.87</u>	<u>720,47.12</u>

* Carrying amount of associates include Capital reserve / (goodwill) on acquisition of shares Rs.49.31 lakhs (31.03.2008- (Rs.1.21 lakhs))

SCHEDULES

	31.03.2009		31.03.2008	
(Rs. in Lakhs)				
7 Current Assets				
a) Stock-on-hire and bills purchased				
Net Investment in Stock-on-hire		281,78.48		274,30.43
Repossessed assets		13,42.01		8,24.41
Debtors on Securitisation		75.88		8.95
Trade bills purchased (unsecured, considered good)				
Outstanding for a period exceeding six months	1,89.00		2,16.00	
Others	19,52.95	21,41.95	7,94.45	10,10.45
Net Investment in lease		44,33.56		52,01.83
		361,71.88		344,76.07
Inventories		13.61		13.14
Sundry Debtors		7,67.42		9,47.48
b) Interest accrued on investments		10,89.77		13,24.60
c) Cash and bank balances				
Current accounts	63,42.98		63,82.18	
Unpaid dividend account	98.11		15.36	
Deposit accounts	405,43.16		236,84.21	
Cash on hand	18,06.04		17,18.32	
Stamps and Stamp Papers on hand	45.53	488,35.82	45.43	318,45.50
d) SFL Shares Trust		5,94.30		9,74.41
e) SFL Employee Welfare Trust		3,80.11		—
		878,52.91		695,81.20

SCHEDULES

	(Rs. in Lakhs)	
	31.03.2009	31.03.2008
8 Loans and Advances		
Unsecured unless otherwise stated:		
Considered good:		
– Secured Loans	7757,02.54	7565,38.10
– Unsecured Loans	44,34.15	27,99.85
Advance Income Tax and Tax Deducted at Source (Net of Provision for Taxation)	83,69.36	77,05.01
Advances and deposits recoverable in cash or kind or for value to be received	150,22.11	75,60.03
Advance for purchase of investments	–	4,07.83
Advance for purchase of assets		
– Business Assets	75,40.11	141,38.89
– Others	31,99.53	18,72.72
Income receivable	168,89.41	134,56.55
	<u>8311,57.21</u>	<u>8044,78.98</u>
9 Current Liabilities*		
Sundry Creditors		
– For expenses	235,12.25	173,40.01
– For other finance	244,50.00	319,64.35
– For Unexpired Insurance Risk	184,30.52	148,05.13
Unpaid dividend	98.11	15.36
Interest accrued but not due	290,69.45	242,06.48
	<u>955,60.33</u>	<u>883,31.33</u>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
10 Provisions		
Non-performing assets	62,86.95	50,21.89
Standard Assets - Non Housing Loans	1,64.22	1,40.00
Investments	1,59.43	4,28.13
Dividend	13,88.80	41,66.39
Dividend Distribution Tax and Surcharge	3,25.62	8,00.37
	<u>83,25.02</u>	<u>105,56.78</u>

SCHEDULES

	(Rs. in Lakhs)	
	2008-09	2007-08
11 Income from Operations		
Hire Purchase / Hypothecation Loans (net) (tax deducted at source Rs.228.67 lakhs)	934,91.27	724,82.45
Insurance Premium Earned (net)	297,75.26	220,13.66
Interest on Loans (tax deducted at source Rs.188.22 lakhs)	195,52.80	149,53.75
Lease (net) (tax deducted at source Rs.3.80 lakhs)	38,78.33	37,68.94
Investments (tax deducted at source Rs.580.63 lakhs)	89,88.44	82,89.04
Investment Management and advisory fee (tax deducted at source Rs.689.18 lakhs)	85,25.56	83,10.89
Services (tax deducted at source Rs.666.28 lakhs)	53,44.35	55,98.65
Profit on Securitisation / Sell-down of loans	31,58.76	35,09.14
Recovery of Bad debts and Recovery of Loss on Sale of assets	6,37.94	9,06.13
Loan Processing and other fees	5,60.44	5,69.43
Bills Purchased	2,00.15	62.49
Profit on Sale of Leased Assets	95.32	2,42.04
Sale of Products	35.93	35.97
	<u>1742,44.55</u>	<u>1407,42.58</u>
12 Other Income		
Interest receipts (tax deducted at source Rs.1.14 lakhs)	1,58.37	3,51.75
Dividend	6,35.83	3,28.55
Rent receipts (tax deducted at source Rs.64.03 lakhs)	2,79.90	2,74.57
Profit on sale of assets	35.27	38.45
Miscellaneous income	5,37.23	2,16.47
	<u>16,46.60</u>	<u>12,09.79</u>
13 Financial Expenses		
Interest – Fixed loans	359,34.88	308,29.90
– Debentures	322,11.52	244,46.01
– Others	20,93.97	2,21.02
Other financial expenses	88,12.68	49,56.91
	<u>790,53.05</u>	<u>604,53.84</u>

SCHEDULES

	(Rs. in Lakhs)	
	2008-09	2007-08
14 Establishment Expenses		
Salaries, allowances, commission and bonus	162,93.97	134,79.52
Company's contribution to Provident Fund, Gratuity, Superannuation and Employees' State Insurance schemes	10,63.73	10,58.29
Staff welfare expenses	5,54.43	5,98.53
	<u>179,12.13</u>	<u>151,36.34</u>
15 Administrative and Other Expenses		
Rent	15,24.14	10,92.89
Rates and taxes	4,64.57	4,15.20
Communication expenses	13,65.13	13,04.59
Electricity expenses	5,70.63	5,43.72
Travelling and conveyance (net)	14,53.73	14,60.60
Advertisement charges	9,85.62	8,92.94
Marketing and related expenses	52,41.13	41,55.41
Outsourcing Cost	51,59.18	36,07.51
Directors' sitting fee	28.69	27.30
Insurance	2,40.59	2,07.62
Repairs		
– Buildings	1,36.70	1,19.85
– Others	17,32.95	15,40.20
Donations	2,22.30	2,31.08
Miscellaneous expenses	27,26.96	29,10.19
	<u>218,52.32</u>	<u>185,09.10</u>
16 Provisions and Write off		
Bad Debts	23,62.38	10,88.73
Loss on Assets sold/written off	8,38.71	11,35.92
Provision against non-performing assets (net)	14,53.84	11,20.81
Provision against Standard Assets-Non Housing Loans	24.22	1,20.00
Loss on sale of investments	52.81	4,56.06
Provision / Diminution against Investments	1,65.47	(3,49.25)
	<u>48,97.43</u>	<u>35,72.27</u>

SCHEDULES

17 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 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 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 1st 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.)

1.1.4 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.

1.1.5 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.

1.1.6 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.)

1.1.7 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.

1.1.8 Intangible Assets:

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

1.1.9 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.

1.1.10 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 – on 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 Securities Services Limited (incorporated on 27/06/2008)* – a subsidiary of SBSL	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 Private Limited – a subsidiary of SBSL	India	87.00

* Sundaram Securities Services Limited became a subsidiary on 27th June 2008 and no financial statements have been drawn for the period ended 31st March 2009. Hence it is excluded from consolidation in these accounts.

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- b) The Company has the following investments in Joint Venture for which the required treatment as per Accounting Standard – AS 27 – on 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 Global Securities Market Operations Private Limited (from 03/12/2008)*	India	49.00

@ Considered on the basis of Unaudited financial statements.

*BNP Paribas Global Securities Market Operations Private Limited was incorporated on 25th September 2008 and became a Joint Venture on 03rd December 2008. No financial statements have been drawn for the period ended 31st March 2009, hence it is excluded from consolidation in these accounts.

- c) The Company has the following investments in Associates for which the required treatment as per Accounting Standard – AS 23 – on 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 (from 04/02/2009)*	India	49.00
Dunes Oman LLC (FZC) (from 26/02/2009)	Sultanate of Oman	41.69

* Considered on the basis of Unaudited 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 subsidiaries, Professional Management Consultants Private Limited and Royal Sundaram Alliance Insurance Company Limited which depreciate Information technology software, vehicles and improvements to leased premises using straight-line method of depreciation.
 - The associate, Sundaram Dynacast Private Limited's reporting date was 31.12.2008 and the financial statements as on that date 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).

- a) From the current financial year, RSAICL is recognising premium income on Marine open cover policies based on declaration received from the insured. The same was recognised on receipt of estimated premium till last year. Due to this change, the effect in operating profit of RSAICL for the year is as under.

(Rs in lakhs)

Decrease in operating profit of Marine Business	53.68
Increase in Current Liabilities – Premium Received in Advance	159.53

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- b) RSAICL has changed the method of recognition of Premium on Long Term Home Dwelling 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. The premium was recognised in the first year itself for the entire period till last year. Consequent to this change, the effect in operating profit of RSAICL for the year is as under.

(Rs in lakhs)

Decrease in operating profit of Fire Business	25.03
Increase in Current Liabilities - Premium Received in Advance	880.43

2.2 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	1268,22.98	1009,77.89	334,52.84	244,05.08	139,68.73	153,59.61	-	-	-	-
Inter segment sales	2,18.66	5,91.57	1,67.36	46.58	50,74.03	34,14.93	54,60.05	40,53.08	-	-
Total Revenue	1270,41.64	1015,69.46	336,20.20	244,51.66	190,42.76	187,74.54	54,60.05	40,53.08	1742,44.55	1407,42.58
RESULT										
Segment Result	255,65.46	233,11.13	4,69.50	2,33.10	13,86.71	34,68.11	6,97.79	4,83.10	281,19.46	274,95.44
Unallocated income (net of expense)	-	-	-	-	-	-	-	-	(12,17.83)	82,15.06
Profit before tax	-	-	-	-	-	-	-	-	269,01.63	357,10.50
Less: Income tax	-	-	-	-	-	-	-	-	91,63.64	110,85.61
Add: Share of Profit in Associates	-	-	-	-	-	-	-	-	9,51.47	21,01.88
Less: Minority Interest	-	-	-	-	-	-	-	-	19,00.85	15,10.72
Profit after Tax	-	-	-	-	-	-	-	-	167,88.61	252,16.05
OTHER INFORMATION										
Segment Assets	9817,64.31	9212,63.18	497,49.03	381,96.01	107,43.43	88,56.83	182,56.68	128,15.68	10240,00.09	9555,00.34
Unallocated Assets	-	-	-	-	-	-	-	-	197,57.93	138,99.11
Total Assets	-	-	-	-	-	-	-	-	10437,58.02	9693,99.45
Segment Liabilities	8630,69.84	8071,17.71	389,20.37	299,70.29	58,39.65	34,48.62	51,60.75	17,89.84	9026,69.11	8387,46.78
Unallocated Liabilities	-	-	-	-	-	-	-	-	17,14.42	49,66.76
Total Liabilities	-	-	-	-	-	-	-	-	9043,83.53	8437,13.54
Capital Expenditure	75,44.73	68,10.20	4,85.24	6,04.03	4,69.45	9,61.47	-	-	84,99.42	83,75.70
Depreciation	35,90.64	28,89.76	5,24.72	3,79.70	5,82.75	4,60.13	-	-	46,98.11	37,29.59
Non-cash expenses other than depreciation	48,76.77	35,50.23	3.33	-	2.46	3.39	-	-	48,82.56	35,53.62

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.3 Related Parties Disclosures:

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

Related Party Transactions for the year ended 31st March 2009

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 2008-09	Previous Year 2007-08
INCOME					
Income from Services rendered					
Sundaram BNP Paribas Mutual Fund	1,75.32			1,75.32	7,04.27
Turbo Energy Ltd	55.46			55.46	59.29
Others	0.32			0.32	3.83
Total	2,31.10			2,31.10	7,67.39
Dividend					
Turbo Energy Ltd	1,34.40			1,34.40	4,03.20
Others	14.04			14.04	35.95
Total	1,48.44			1,48.44	4,39.15
Rent Receipts					
Turbo Energy Ltd	14.05			14.05	10.08
Income from Lease					
Turbo Energy Ltd	52.47			52.47	31.64
Others	5.32			5.32	12.57
Total	57.79			57.79	44.21
Income from Bill Discounting					
Axles India Ltd	46.52			46.52	
Trusteeship Fees & Investment Management Advisory Fees					
Sundaram BNP Paribas Mutual Fund	78,17.22			78,17.22	77,25.57
Other Income	0.15	1.23		1.38	20.01

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total 2008-09	Previous Year 2007-08
EXPENSE					
Scheme Expenses					
Sundaram BNP Paribas Mutual Fund	30.00			30.00	30.00
Interest		4.51	6.86	11.37	21.27
Remuneration		1,98.62		1,98.62	2,40.80
Dividend		12.08	54.18	66.26	6.02
Donation					
Sundaram Medical Foundation	1,00.00			1,00.00	3.00
Other Expenses	2.65			2.65	2.12
ASSETS					
Investment in Equity Shares					
Axles India Ltd	7,46.71			7,46.71	
Investment in Trust Securities					
Sundaram BNP Paribas Mutual Fund	571,09.91			571,09.91	1167,48.64
Disinvestment in Trust Securities					
Sundaram BNP Paribas Mutual Fund	552,37.41			552,37.41	1167,72.44
Assets-Outstanding Balances as on 31.3.2009					
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	2,68.99
Turbo Energy Ltd	1,88.41			1,88.41	1,88.41
Others	1,47.00			1,47.00	1,47.00
Total	13,51.11			13,51.11	6,04.40
Trust Securities					
Sundaram BNP Paribas Mutual Fund	59,47.63			59,47.63	39,57.14
Investment Management Fee receivable	2,72.96			2,72.96	5,74.54
Future Lease Receivables					
Axles India Ltd	29.53			29.53	36.38
Turbo Energy Ltd	1,29.61			1,29.61	93.07
Others	4.57			4.57	
Total	1,63.71			1,63.71	1,29.45
Bills purchased					
Axles India Ltd	14,19.99			14,19.99	
Other Assets	8.75	19.72		28.47	60.21

SCHEDULES

17 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	31.03.2009	31.03.2008
LIABILITIES					
Issue of Bonus Shares		5.24	23.56	28.80	
Liabilities-Outstanding Balances as on 31.3.2009					
Equity Holdings		10.57	47.31	57.88	28.74
Deposits		89.57	1,30.76	2,20.33	85.85
Interest on Deposits		4.26	5.73	9.99	8.53
Other Liabilities	0.13			0.13	

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

2.4 Earnings per Share (Basic and diluted)	2008-09	2007-08
A. Profit for the year after taxation (Rs. in lakhs)	167,88.61	252,16.05
B. Number of equity shares	5,55,51,930	5,55,51,930
C. Basic and diluted earnings per share (in Rs.)	30.22	45.39*

* The number of equity shares and the earnings per share for the year 2007-08 have been adjusted as per Accounting Standard – AS 20 – Earnings per Share, for issue of 1 : 1 bonus shares in August 2008.

2.5 Contingent liabilities in respect of	(Rs. in lakhs)	
	As at 31.03.2009	As at 31.03.2008
a) Liability:		
To Banks - On Cheques discounted	18,62.19	26,67.37
- On Counter Guarantee	52.87	77.20
To Sales Tax Authorities	30.97	26.20
b) Claims against the company not acknowledged as debts	21,77.02	3,45.78

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

Signatures to Schedules 1 to 17

As per our report of even date
attached

For Brahmayya & Co.,

Chartered Accountants

P. Babu

Partner

Chennai,

29th May, 2009

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

Srinivas Acharya
Deputy Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
A. Rangaswami
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

Consolidated Cash Flow Statement

(Rs. in Lakhs)

	2008-09	2007-08
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit	167,88.61	252,16.05
Add: Lease Equalisation Account	55.77	10,17.20
Provision for Taxation (Including Wealth Tax)	<u>91,63.64</u>	<u>110,85.61</u>
	260,08.02	373,18.86
Add: Financial Expenses	790,53.05	<u>604,53.84</u>
Dividend received from Associates / Subsidiaries	10,06.19	977,72.70
Depreciation	48,58.22	5,56.88
Profit attributable to Minority Interests	19,00.85	40,25.68
Provision against Investments	1,65.47	15,10.72
Provision against Non - Performing assets	14,53.84	(3,49.25)
Provision against Standard Assets -Non Housing Loans	24.22	11,20.81
(Profit) loss on sale of assets	(53.14)	1,20.00
(Profit) loss on sale of Investments	(18,26.65)	(69.65)
Interest / Dividend Received	(50,68.72)	(18,60.14)
Effect of foreign exchange rate changes	5.18	(40,62.40)
Less: Share of Profits from Associates	(9,51.47)	-
Adjustment for change in holdings in subsidiaries	-	(21,01.88)
	<u>1065,75.06</u>	<u>19.52</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		866,82.99
(Increase) Decrease in net stock on hire	(14,54.42)	18,20.54
(Increase) Decrease in leased assets - net of sales	(211,36.36)	(33,20.04)
(Increase) Decrease in Trade Bills purchased	(11,31.50)	(6,06.00)
(Increase) Decrease in Net Investment in Lease	8,03.53	3,36.86
(Increase) Decrease in Loans and Advances	(78,33.44)	(1492,96.59)
(Increase) Decrease in Inventories	(0.47)	18.86
(Increase) Decrease in Other Receivables	(31,97.28)	(7,38.97)
(Increase) Decrease in Bank Deposits (net)	(120,46.80)	456,39.08
(Increase) Decrease in SLR Investments - net of sales	(26,45.09)	(10,67.88)
Increase (Decrease) in Current Liabilities	(11,49.77)	163,05.23
Cash generated from Operations	<u>567,83.46</u>	<u>(42,25.92)</u>
Financial Expenses	(716,83.89)	(495,23.07)
Direct Taxes Paid	(92,76.77)	(118,07.08)
NET CASH FROM OPERATING ACTIVITIES (A)	(241,77.20)	(655,56.07)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(26,58.52)	(33,97.65)
Sale of Fixed Assets	1,44.20	1,42.40
Purchase of Investments	(5809,17.76)	(6496,99.36)
Sale of Investments	5599,64.79	6529,12.52
Interest Received	39,84.25	25,84.66
Dividend Received	9,65.66	11,68.78
NET CASH FROM INVESTING ACTIVITIES (B)	(185,17.38)	37,11.35
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from issue of debentures	4186,01.00	3970,05.00
Debentures Redeemed	(4151,00.00)	(2977,00.00)
Increase (Decrease) in long term borrowings	(242,91.55)	(186,00.50)
Increase (Decrease) in Fixed Deposits	376,74.99	217,10.88
Increase (Decrease) in short term loans and advances	388,31.49	(458,70.18)
Dividend paid (including Corporate Dividend Tax)	(81,09.58)	(8,07.14)
Increase in share capital /premium	-	50,00.00
NET CASH FROM FINANCING ACTIVITIES (C)	476,06.35	607,38.06
Effect of foreign exchange rate changes (D)	(5.18)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)+(D)	49,06.59	(11,06.66)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	138,83.74	149,88.45
Add: Adjustment for change in holdings in subsidiaries/joint venture	36.92	1.95
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	188,27.25	138,83.74
Current Account with Banks	64,41.09	63,97.54
Cash, Stamps and Stamp Papers on Hand	18,51.57	17,63.75
Short Term Deposit	105,34.59	57,22.45

Notes:

- Cash and Cash equivalents includes balance in Unpaid Dividend account of Rs.98.11 lakhs (31.03.08 – Rs.15.36 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

P. Babu

Partner

Chennai,

29th May, 2009

S. Viji
Chairman

T. T. Srinivasaraghavan
Managing Director

Srinivas Acharya
Deputy Managing Director

S. Venkatesan
CFO & Secretary

S. Ram
S. Narayanan
A. Rangaswami
T. R. Seshadri
S. Ravindran
S. Prasad
Aroon Raman
Directors

SUNDARAM FINANCE LIMITED

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 2009, 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, one joint venture company and one associate company reflecting total assets of Rs.113835.40 lakhs as at 31st March 2009, total revenue of Rs.74315.75 lakhs and net cash inflows amounting to Rs.5420.54 lakhs for the year ended on that date, the financial statements of an associate company reflecting total assets of Rs.957.84 lakhs as at 31st December 2008 and total revenue of Rs.1399.05 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 three associate companies and one joint venture company reflecting total assets of Rs.21704.41 lakhs as at 31st March 2009 and total revenue of Rs.31830.01 lakhs for the year ended on that date are based on their unaudited financial statements as on 31st March 2009.

In respect of an associate company, the total assets of Rs.31694 lakhs as at 31st March 2009 and total revenue of Rs.43325 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 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 2009,
- 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, associates and joint venture companies for the year ended 31st March 2009 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 2009.

For BRAHMAYYA & Co.,
Chartered Accountants

P. BABU

Partner

Membership No.203358

Place: Chennai

Date: 29th May 2009

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2009

(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.	LGF Services Ltd.	Sundaram Infotech Solutions Ltd.	Sundaram Business Services Ltd.	Professional Management Consultants Private Ltd.	Infreight Logistics Solutions Ltd.
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
Reserves	123,29.86	21,34.49	37.71	2,69.46	1,78.79	(15,10.70)*	45.73	2,75.36	(8,93.51)*
Total Assets	2004,13.66	52,86.30	74.66	3,84.21	2,55.91	5,41.10	35,28.11	4,65.94	10,09.55
Total Liabilities	1800,68.57	16,18.49	31.95	64.75	52.12	16,51.80	19,82.38	1,68.52	14,02.06
Investment	186,52.33	4,98.76	58.52	1,94.76	42.56	-	19,25.27	-	-
Turnover	208,13.41	86,05.27	1,05.39	3,73.94	4,56.37	9,06.03	16,49.12	8,86.38	30,63.29
Profit / (Loss) Before Taxation	39,26.31	16,61.77	51.24	1,94.57	2,62.55	(4,44.13)	60.69	1,10.05	(3,63.77)
Provision for Taxation	12,45.11	5,94.19	14.80	57.49	85.22	(0.88)	22.11	41.13	3.85
Profit / (Loss) After Taxation	26,81.20	10,67.57	36.44	1,37.08	1,77.33	(4,43.25)	38.58	68.92	(3,67.62)
Dividend	8,01.52	2,30.00	25.00	1,00.00	1,12.50	-	-	-	-

* Represents Debit balance in P&L account

The subsidiary, Sundaram Securities Services Limited is yet to close its books of accounts for the first financial year.

The Sundaram Finance Branch Network

TAMIL NADU	: Chennai (Adyar, Ambattur, Anna Nagar, Ashok Nagar, Chromepet, Kilpauk, Maraimalai Nagar, Manapakkam, Mylapore, Pammal, Parry's Corner, Perungudi, Whites Road - two branches, T. Nagar, Tambaram, Trustpuram, Villivakkam), Attur, Arantangi, Arni, Ariyalur, Chengalpattu, Coimbatore (Avanashi Road, R S Puram, Vadavalli), Cuddalore, Dharapuram, Dharmapuri, Dindigul, Erode (two branches), Gobichettipalayam, Gudiyattam, Hosur, Kallakurchi, Kancheepuram, Karaikudi, Karur, Katpadi, Kovilpatti, Krishnagiri, Kumbakonam, Madurai (four branches), Mayiladuthurai, Mettur, Mettupalayam, Nagercoil, Namakkal, Nanganallur, Ooty, Pappakurichi kattur, Pattukottai, Perambalur, Pollachi, Pudukkottai, Rajapalayam, Ramanathapuram, Ranipet, Rasipuram, Saibaba Colony, Salem, Salem city, Sankari, Sivakasi, Sriperumpudur, Srirangam, Tenkasi, Thanjavur, Theni, Thiruvanniyur, Tirupattur, Tiruvannamalai, Tiruvallur, Tiruchengode, Tiruchy, Tirunelveli, Tiruppur, Tiruttani, Tiruvellore, Turaiyur, Tiruturaipundi, Tuticorin, Valasarawakkam, Vellore, Villupuram, Virudhachalam.
PONDICHERRY	: Pondicherry, Karaikal.
ANDHRA PRADESH	: Adoni, Amalapuram, Anakapalle, Anantapur, A S Rao Nagar, Bhimavaram, Bobbili, Chirala, Chittoor, Cuddapah, Dharmavaram, Gadwal, Gudivada, Gudur, Guntakal, Guntur, Hanuman Junction, Hindpur, Hyderabad (L B Nagar, Somajiguda (three branches)), Jagtial, Jangareddygudem, Kakinada, Kanchikacherala, Karimnagar, Khammam, Kothagudem, Kukatpally, Kurnool, Machilipatnam, Madanapalle, Mahabubabad, Mahabubnagar, Mancherla, Mandapeta, Mehidipatnam, Miriyalguda, Nalgonda, Nallakunta, Nandyal, Narsaraopet, Narsapur, Nellore (Dargamitta), Nirmal, Nizamabad, Ongole, Palasa, Productur, Rajahmundry, Ramagundam, Samalkot, Sathupalli, Secunderabad (Bowenpally), Shamshabad, Siddipet, Singarayakonda, Srikakulam, Tadipatri, Tanuku, Tenali, Tirupathi, Vijayawada – (Chandramoulipuram (two branches), Benz Circle), Tuni, Visakhapatnam (Dwaraka Nagar (two branches), Gajuwaka, Waltair Uplands), Vikarabad, Vizianagaram, Warangal, Zaheerabad.
KARNATAKA	: Bangalore – (Bannerghatta Road, Electronics City, Fraser Town, J P Nagar, Hosakerahalli, Wilson Garden (three branches), Yelehanka), Bagalkot, Banaswadi, Bidar, Basavakalyan, Belgaum, Bellary, Bijapur, Chikodi, Chickmagalur, Chitradurga, Davengere, Dharwad, Gokak, Gadag, Gonikoppal, Gulbarga, Hassan, Hospet, Hubli, Jalahalli Circle, Karwar, Kundapura, Mangalore, Marathahalli, Mysore, Raichur, Ranibennur, Shahapur, Sindhanur, Shimoga, Sirsi, Udipi, Tiptur, Tumkur.
KERALA	: Alapuzha, Adur, Angamaly, Attingal, Ernakulam (Irimbanam, P T Usha Road, Chittoor Road, Vytilla), Irinjalakuda, Kanhangad, Kannur (two branches), Kattapana, Kayamkulam, Kollam (two branches), Kottakal, Kottarakara, Kottayam (two branches), Koyilandi, Kozhencherry, Kozhikode (three branches), Kunnamkulam, Manjeri, Mavelikara, Muvattupuzha, Neyyattinkara, Nilambur, Ottaapalam, Pala, Palakkad, Pathanamthitta, Perinthalmanna, Sulthan Bathery, Thalassery, Thiruvananthapuram (four branches), Thodupuzha, Thrissoor (two branches), Tirur, Tiruvalla, Vadakara, Varkala
MAHARASHTRA	: Mumbai - R.O (Carnac Bunder, Chembur (two branches), Santa Cruz, Vashi (Navi Mumbai)), Ahmednagar, Akola, Amaravathi, Aundh, Aurangabad, Baramati, Chandrapur, Dhule, Gondia, Jalna, Jalgaon, Kalyan, Kankavali, Karad, Kolhapur, Nagpur, Nanded, Nasik, Pimpri, Pune, Ratnagiri, Sangamner, Sangli, Sholapur, Thane, Vasai, Yavatmal.
GOA	: Madgaon, Mapusa, Panjim.
GUJARAT	: Ahmedabad (two branches), Anand, Baroda, Bharuch, Bhuj, Bhavnagar, Gandhidham, Gandhi Nagar, Himatnagar, Jamnagar, Junagadh, Mehsana, Kadi, Morbi, Palanpur, Rajkot, Surat, Surendra Nagar, Vapi.
MADHYA PRADESH	: Bhopal – RO (M P Nagar, Bairagarh), Aastha, Ashok Nagar, Betul, Chhatarpur, Chhindwara, Datia, Dewas, Dhar, Guna, Gwalior, Hoshangabad, Indore (South Tukoganj, Geetha Bhavan Square, Vijai nagar), Jabalpur, Katni, Khargaoon, Khandwa, Kukshi, Mandsaur, Morena, Narsingpur, Ratlam, Rewa, Sagar, Satna, Sehore, Sendhwa, Shahdol, Shajapur, Shivpuri, Sidhi, Tikamgarh, Ujjain, Vidisha.
NEW DELHI	: New Delhi - R.O (Central Delhi, East Delhi & Punjabi Bagh), Dilshad Garden, Dwarka, Rohini
HARYANA	: Ambala, Faridabad, Gurgaon, Hisar, Jind, Kurukshetra, Rohtak, Sirsa, Sonapat, Yamunanagar.
PUNJAB	: Amritsar, Bhatinda, Faridkot, Hoshiarpur, Jullundhar, Ludhiana, Moga, Pathankot, Sangrur.
CHANDIGARH	: Chandigarh, Mohali.
RAJASTHAN	: Ajmer, Alwar, Banswara, Baran, Beawar, Bijainagar, Bhilwara, Boondi, Chittorgarh, Dungarpur, Jaipur (four branches), Jhalawar, Jhunjunu, Jodhpur, Kishangarh, Kota, Kotputli, Mertacity, Pali, Rajsamand, Sawai Madhopur, Sikar, Sirohi, Udaipur (two branches).
UTTAR PRADESH	: Agra, Aligarh, Allahabad, Bareilly, Kanpur, Lucknow, Mathura, Meerut, Noida, Varanasi.
WEST BENGAL	: Kolkata – R.O (Lake Town, Loudon Street) Asansol, Durgapur, Howrah, Kharagpur, Siliguri.
JARKHAND	: Jamshedpur.
UTTARANCHAL	: Dehra Dun, Haldwani, Kashipur, Rudarpur, Sittarganj.
ORISSA	: Angul, Balasore, Berhampur, Cuttack, Bhubaneswar, Jeypore, Jharsuguda, Paradip, Rourkela, Sambalpur.
HIMACHAL PRADESH	: Mandi, Solan
JAMMA & KASHMIR	: Jammu