

**SUNDARAM FINANCE***Enduring values. New age thinking.*

SEC:0092:10/PAL

May 28, 2010

✓ The Manager - Listing
National Stock Exchange of India Limited
Capital Market – Listing
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051

Dear Sir,

Re: Audited results for the year ended 31st March 2010

We are enclosing the scanned copy of the press release, after correcting an error in first line of the fourth paragraph (the final dividend which is Rs.4/- per share was typographically mentioned as Rs.6/- per share, though the percentage was mentioned correctly as 40%). Kindly replace this press-release.

Kindly arrange to post the same on your website.

Thanking you,

Yours truly,
for Sundaram Finance Limited


P. Viswanathan
Deputy Secretary &
Compliance Officer

CC: ✓ The Corporate Relationship
Department of Corporate Services
Bombay Stock Exchange Limited
Floor 25, P J Towers
Dalal Street
Mumbai 400 001

Sundaram Finance Limited



Sundaram Finance registers Net Profit of Rs.226.74 cr

Continued Focus on Asset Quality and Profitability contributes to industry best in class Net NPA of 0.45%

Board Recommends 40% Final Dividend

Chennai 28th May 2010: Chennai based NBFC Sundaram Finance Limited (SFL), a strong player in the Commercial Vehicle and Car Finance segments, has registered a Net Profit of Rs. 226.74cr for the year ended 31st March 2010. However, the Net Profit figures for 2009-10 and 2008-09 are not comparable as the Net Profit relating to 2009-10 includes a one-time profit of Rs.25.39cr on account of sale of shares in Wabco TVS.

Net Profit from continuing operations rises 34%

Net Profit from continuing operations (excluding the above one time profit) for the year ended 31st March 2010 increased 34% to Rs.201.35cr as compared to Rs.150.73cr registered for the year ended 31st March 2009.

The disbursements for the year ended 31st March 2010 increased by 29% to Rs.5845 as against Rs.4540cr registered for the year ended 31st March 2009.

Industry Best Net NPA

Net NPA as on 31st March 2010 stood at an industry best 0.45% as against 0.75% as on 31st March 2009. Capital Adequacy at 17 % as on 31st March 2010 was well above the statutory requirement of 12%.

Recommends 40% Final Dividend

The board, which met in Chennai today, recommended a final dividend of 40% (Rs. 4 per share) for the year ended 31st March 2010. The final dividend, along with the interim dividend of 60% (Rs.6 per share), takes the total dividend for 2009-10 to 100% (Rs.10 per share).

Commenting on the company's performance in 2009-10, T.T. Srinivasaraghavan, Managing Director, Sundaram Finance Ltd., said, "The highlight of the year for the industry was the revival of the Commercial Vehicle Sector in the 2nd half of the year and the strong growth in the car segment. We achieved a 51% growth in disbursements in the Medium & Heavy Commercial Vehicle (M & HCV) segment, against the industry growth of 33%, resulting in significant market share gains during the year. We also achieved a strong 25% year on year growth in the Car Finance segment."

On the company's growth path, Srinivasaraghavan said, "The fact that we have posted strong growth numbers, while maintaining best in class asset quality is a clear reflection of our philosophy of 'Growth with Quality and Profitability'."

Financial Highlights

Particulars	2009-10	2008-09	% growth
Disbursements	Rs.5845cr	Rs.4540cr	29%
Net Profit from continuing ops	Rs.201.35cr*	Rs.150.73cr	34%
Net Worth	Rs.1316cr	Rs.1153cr	14%
Receivables under management	Rs.11457cr	Rs.9203cr	24%
Total Dividend (incl. Interim)	100%	65%	

* Excluding one time profit on sale of shares in Wabco TVS

Business Highlights

Sundaram Finance opened 50 new branches during the year, taking the total branch network to over 500, across the country. As part of this Pan India expansion, the company expanded its presence into new locations in the Northern and Eastern Regions, as well.

Sundaram Finance, which has prided itself on a large middle class retail customer base, achieved another significant milestone with its deposit base crossing Rs.1000crores during the year. The company currently has over 2.25Lakh Fixed Deposit customers.

Mutual Fund Business PAT doubles

Average Assets under Management (AUM) of Sundaram BNP Paribas Asset Management was at Rs.13878cr as on 31st March 2010 as compared to Rs.9267cr as on 31st March 2009, thus registering a significant growth of 50%. Profit after Tax (PAT) of the mutual fund business almost doubled to Rs.20.83cr from Rs.10.67cr registered last year.

Home Finance Business Disbursements rise 39%

The disbursements of Sundaram BNP Paribas Home Finance Ltd for FY10 shot up by 39% to Rs.742Cr as against Rs.532cr recorded in 2008-09. The Receivables under Management as on 31st March 2010 stood at Rs.2213Cr. The NPA for the home Finance business was once again at an industry best of 0.11 %. The Home Finance business has a strong customer base of over 23000 customers.

Insurance business GWP grows 13%

The Gross Written Premium of Royal Sundaram as on 31st March 2010 was at Rs.912cr, an increase of 13% over Rs.804cr registered in 2008-09. Retail business contributed to over 63% of the portfolio.

Current Market Scenario

Commenting on the current market scenario, Srinivasaraghavan said, "We have started the year on a positive note. The auto sector seems to be continuing on the growth trajectory that we witnessed in the 2nd half of last year."

Outlook for the year

Looking ahead to 2010-11, Srinivasaraghavan said, "The general tone for the business is optimistic and most indicators, including the recovery in the Commercial Vehicle and car segments, are positive. It is to be hoped that the irrational exuberance of a few years ago, which led to excess capacity creation in the CV segment, is not repeated. Uncertainties in terms of global events and volatility in commodity and oil prices are things to watch out for, while domestically, inflation continues to be a worry. As always, the behaviour of the monsoon will have an important bearing on overall growth."

"On the CV front, we will have to await the implementation of the new emission norms, that will become applicable from October 1, 2010 and the resultant impact on truck prices. We are hopeful that the strong growth in the car segment and the momentum we saw last year will be maintained, especially with the slew of launches that we have witnessed in recent months, with a few more to follow. Given this overall scenario, we are cautiously optimistic on the growth prospects for the current year."

About Sundaram Finance

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

Media Contact: S.Prabhu @ 94440 40748 or proPR.prabhu@gmail.com