

Cholamandalam DBS Finance Ltd – Q3 Performance
Disbursements up by 77% for the nine months ended 31st
December 09 and the Profit before tax and Exceptional
items for the quarter is at Rs 11.37Crs

Q3 Performance:

Buoyed by economic recovery and improvement in vehicle sales, aggregate disbursements of the Company for the quarter ended Dec 09 was at Rs.1081 Crs. Disbursements across the products improved and the Company continued to disburse only in the secured lines of businesses. The main lines of businesses namely, Vehicle finance, Home Equity Loans and Business finance continue to demonstrate superior portfolio performance and profitability.

Continued and focused efforts to collect / liquidate the Consumer loan receivables resulted in the Loan book being reduced to Rs.536 Crs as at 31st Dec 2009 as against Rs.1803 Crs as at 31st Dec 2008.

Profit before tax and exceptional items were at Rs 11.37 crs as against the loss of Rs 34.80 crores reported for the corresponding quarter of the previous year.

Profit after tax for the quarter was at Rs.7.52 crs as against a loss of Rs.27.73 crs. reported for the corresponding quarter of the previous year.

During the quarter the company infused Tier II capital of Rs.100 Crs into the business and Capital Adequacy as on 31-12-09 stood at 15.50%.

Performance for the nine months ended 31 12 09:

- Disbursements on a comparable basis (excluding consumer loans) were higher at Rs.2685 Crs compared to Rs. 1518 Crs. for the corresponding period last year. The Vehicle Finance business grew its assets by 15%; the Home equity business increased its assets by 82%, as compared to the same period last year.
- Total expenditure was lower by 33% as compared to the corresponding period of previous year on account of various cost reduction initiatives undertaken.

- Profit before tax and exceptional items were significantly higher at Rs.21.80 Crs as compared to a loss of Rs.34.81 Crs reported for the corresponding period last year.

Exceptional item - Sale of Mutual Fund Business:

- The company had signed a share purchase agreement with Larsen & Toubro Finance Ltd for the sale of the Mutual Fund business, subject to necessary statutory approvals. The Sale was completed on 20th January 2010 and pending certain closing formalities the likely loss for impairment on the transaction aggregating to Rs.44.50 Crores has been provided for.

Performance of Subsidiaries:

Significant cost cutting and rationalization of business lines / locations enabled the subsidiaries - DBS Cholamandalam Securities and DBS Cholamandalam Distribution report a turnaround in their performance and come back to profits.

Performance of subsidiaries for the nine months ended 31 12 09 are as follows:

Rs. Crs

	DCSec		DCDL	
	31 12 09	31 12 08	31 12 09	31 12 08
Total Income	10.67	11.55	7.78	6.89
Total expenses	8.20	20.03	3.54	20.9
Profit / (Loss) before Tax	2.47	-8.48	4.24	-14.01
Tax	1.26	1.83		0.09
Profit / (Loss) after Tax	1.21	-10.31	4.24	-14.10

About Cholamandalam DBS Finance Limited

Cholamandalam Investment & Finance Company Limited (CIFCL) was incorporated in 1978 as the financial services arm of the Murugappa Group. In 2005, post the joint venture partnership between the Murugappa Group and DBS Bank Limited, Singapore, the Company was renamed as **Cholamandalam DBS Finance Limited (CDFL)**. The Company that commenced business as an equipment financing company has now emerged as a comprehensive financial services solution provider that offers vehicle finance, business finance, home equity loans, stock broking and distribution of financial products to its customers. The Company operates from over 150 branches across India with an asset under management of about Rs.8546 Crores. The subsidiaries of Cholamandalam DBS includes DBS Cholamandalam Securities Limited (DCsec) and DBS Cholamandalam Distribution Limited (DCDL).

About Murugappa Group: Headquartered in Chennai, the Rs. 15,907 crores (USD 3.14 billion) Murugappa Group is one of India's leading business conglomerates. Market leaders in diverse areas of business including Engineering, Abrasives, Finance, General Insurance, Cycles, Sugar, Farm Inputs, Fertilizers, Plantations, Bio-products and Nutraceuticals, its 29 companies have manufacturing facilities spread across 13 states in India. The organization fosters an environment of professionalism and has a workforce of over 32,000 employees. The Group has forged strong joint venture alliances with leading international companies like DBS Bank, Mitsui Sumitomo, Foskor, Cargill and Groupe Chimique Tunisien has consolidated its status as one of the fastest growing diversified business houses in India.

About DBS

DBS Bank Ltd. Singapore is a 100% subsidiary of DBS Group Holdings Ltd. DBS is one of the largest financial services groups in Asia with operations in 16 markets. Headquartered in Singapore, DBS' "AA-" and "Aa1" credit ratings are among the highest in the Asia-Pacific region.

As a bank that specialises in Asia, DBS leverages its deep understanding of the region, local culture and insights to serve and build lasting relationships with its clients. DBS provides the full range of services in corporate, SME, consumer and wholesale banking activities across Asia and the Middle East. The bank is committed to expanding its pan- Asia franchise by leveraging its growing presence in mainland China, Hong Kong and Taiwan to intermediate the increasing trade and investment flows between these markets. Likewise, DBS is focused on extending its end-to-end services to facilitate capital within fast-growing countries in Indonesia and India.

DBS acknowledges the passion, commitment and can-do spirit in each of its 15,000 staff, representing over 30 nationalities. For more information, please visit www.dbs.com.
