

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Registered Office: "DARE HOUSE", No. 2, N.S.C. Bose Road, Parrys, Chennai - 600 001.
Tel: +91-44-30007172 Fax: +91-44-25346464 Website: www.cholafinance.com

November 1, 2012

Dear Shareholders,

I have pleasure in sharing with you the performance of the Company during the half-year ended 30th September 2012. In line with my message to you in the annual report 2011-12, the Company continues to focus on 'strengthening our core' in the first half of this year. Vehicle finance rolled out 'Hi-Per Drive' a salesforce performance improvement initiative in April and the rollout will continue through the year. The vehicle finance business as well as the home equity business increased its disbursements while maintaining portfolio quality.

The Company disbursed Rs.4168 Cr. (as against Rs.3022 Cr. during the half-year ended 2011-12) in Vehicle Finance (VF) assets and Rs.998 Cr. (as against Rs.712 Cr. during the half-year ended 2011-12) by way of Home Equity (HE) loans. The aggregate disbursements of the Company including other businesses for the half-year ended 30th September 2012 is higher at Rs.5197 Cr. (as against Rs.3734 Cr. during the half-year ended 2011-12) registering a growth of 39%.

Total income was higher at Rs.1163 Cr. compared to Rs.794 Cr. during the half-year ended 2011-12 registering a growth of 46%.

Profit before tax is Rs.205.91 Cr. as against Rs.130.08 Cr. during the half-year ended 2011-12 registering a growth of 58%.

Financial performance - Summary:

(Rs. in Crores)

2011-12 H1	Particulars	2012-13 H1	Growth Over H1 Pr. Yr.
3,733.86	Disbursements (VF & HE)	5,197.29	39%
794.22	Total Income	1,163.18	46%
152.04	Profit Before Tax and Exceptional Items	205.91	35%
(21.96)	Exceptional Items	–	
130.08	Profit Before Tax	205.91	58%
2.08%	Gross Non Performing Assets / Total Assets	1.06%	
0.38%	Net Non Performing Assets / Total Assets	0.57%	

Balance Sheet (Business assets are shown net of provisions):

(Rs. in Crores)

2011-12 H1	Particulars	2012-13 H1	Growth Over H1 Pr. Yr.
7,378.55	Vehicle Finance	10,961.02	49%
2,275.64	Home Equity	3,464.84	52%
841.41	Business Finance	320.46	-62%
–	Gold Loans	35.44	100%
21.38	Personal Loans	1.68	-92%
984.62	Other Assets	1,239.71	26%
11,501.60	Balance Sheet Assets	16,023.14	39%
454.78	Off Balance Sheet Assets	847.68	86%
11,956.38	Total Fund Base	16,870.82	41%

- The Company has expanded its presence to 484 branches as on 30th September 2012 compared to 375 as on 31st March 2012. The new branches opened during the half-year are in Tier III and Tier IV locations across India.
- During the half-year ended 30th September 2012, the Company had raised Tier II capital aggregating to Rs.388 Cr. in the form of perpetual debt instrument and subordinated debt. The Capital Adequacy Ratio of the Company stood at 18.18% as on 30th September 2012 compared to 16.32% as on 30th September 2011.

The Board of Directors at its meeting held on 30th October 2012 considered and approved a Scheme of Amalgamation of the Company's wholly owned subsidiary viz. Cholamandalam Factoring Ltd. with the Company, subject to the approval of shareholders, creditors, regulatory authorities, etc. and sanction of the Scheme by the Hon'ble High Court of Judicature at Madras.

Consolidated Results:

The consolidated profit after tax for the period ended 30th September 2012 was Rs.138.99 Cr. as against a profit after tax of Rs.67.66 Cr. in the previous year registering a growth of 105%.

I wish to take this opportunity to thank all of you and other stakeholders for the continued confidence reposed in the management and operations of the Company.

Season's Greetings and Warm Regards,



VELLAYAN SUBBIAH

Managing Director

P.S.:

- a) Prior period figures have been regrouped wherever necessary to conform to the current period presentation.
 - b) Please see the half-yearly audited financial results and quarterly limited review financial results for the period ended 30th September 2012 as published under clause 41 of the listing agreement given in the annexure. The same is also available in our website: www.cholafinance.com.
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CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Registered Office: "DARE HOUSE", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001.

Financial Results for the six months and quarter ended September 30, 2012

(Rupees in lakhs)

Particulars	Standalone						Consolidated					
	Unaudited			Audited			Unaudited			Audited		
	Three months ended 30.09.2012	Preceding three months ended 30.06.2012	Corresponding three months ended 30.09.2011 in Previous year	Six months ended 30.09.2012	Six months ended 30.09.2011 in Previous year	Audited Previous year ended 31.03.2012	Three months ended 30.09.2012	Preceding three months ended 30.06.2012	Corresponding three months ended 30.09.2011 in Previous year	Six months ended 30.09.2012	Unaudited Six months ended 30.09.2011 in Previous year	Audited Previous year ended 31.03.2012
1. Income from operations	58,673	53,632	40,112	112,305	75,022	171,529	59,006	53,974	40,464	112,980	75,667	172,910
b) Other operating income	1,778	2,160	1,139	3,938	2,200	5,009	1,782	2,164	1,144	3,946	2,206	5,019
2. Expenditure												
a) Interest (Financing Charges)	34,334	31,374	23,927	65,708	43,631	98,818	34,318	31,378	23,931	65,696	43,806	99,002
b) Employees cost	3,745	3,157	2,751	6,902	5,157	11,037	3,940	3,370	3,001	7,310	5,609	11,919
c) Business origination outsourcing	4,259	3,713	3,020	7,972	5,347	12,694	4,358	3,830	3,175	8,188	5,589	13,219
d) Other operating expenses	5,086	5,467	4,129	10,553	7,999	19,058	5,170	5,553	4,238	10,723	8,234	19,488
e) Depreciation	453	377	217	830	382	880	485	409	253	884	452	1,038
f) Provisions and loan losses	2,333	1,429	498	3,762	1,702	3,967	2,404	1,396	513	3,800	7,230	9,961
g) Total	50,210	45,517	34,542	95,727	64,218	146,464	50,675	45,936	35,111	96,611	70,920	154,627
3. Profit from Operations before Other Income & Exceptional Items (1-2)	10,241	10,275	6,709	20,516	13,004	30,074	10,113	10,202	6,497	20,315	6,953	23,302
4. Other income	61	14	29	75	220	2283	137	103	101	240	2,342	2,630
5. Profit before Exceptional Items (3+4)	10,302	10,289	6,738	20,591	15,204	32,357	10,250	10,305	6,598	20,555	9,295	25,932
6. Exceptional items	-	-	-	-	(2,196)	(3,346)	-	-	-	-	3,000	3,000
7. Profit / (Loss) from Ordinary Activities before Tax (5+6)	10,302	10,289	6,738	20,591	13,008	29,011	10,250	10,305	6,598	20,555	12,295	28,932
8. Tax expense (including deferred tax)	3,332	3,324	2,765	6,656	5,247	11,757	3,332	3,324	3,068	6,656	5,529	12,033
9. Net Profit / (Loss) from Ordinary Activities after Tax (7 - 8)	6,970	6,965	3,973	13,935	7,761	17,254	6,918	6,981	3,530	13,899	6,766	16,899
10. Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	-	-	-	-	-
11. Net Profit / (Loss) for the Period (9 - 10)	6,970	6,965	3,973	13,935	7,761	17,254	6,918	6,981	3,530	13,899	6,766	16,899
12. Paid-up equity share capital (Rs.10/- per share)	13,262	13,262	11,936	13,262	11,936	13,262	13,262	13,262	11,936	13,262	11,936	13,262
13. Reserves excluding revaluation reserves	-	-	-	-	-	128,466	-	-	-	-	-	-
14. Earnings per Share (EPS) - not annualised - before and after extraordinary items (in Rs.)												
a) Basic	5.26	5.25	3.33	10.51	6.51	14.39	5.22	5.27	2.96	10.49	5.67	14.10
b) Diluted	5.25	5.25	3.33	10.50	6.50	14.39	5.22	5.26	2.96	10.48	5.67	14.10
15. Public shareholding												
- Number of shares	49,999,326	50,013,864	36,801,593	49,999,326	36,801,593	50,011,864	49,999,326	50,013,864	36,801,593	49,999,326	36,801,593	50,011,864
- Percentage of shareholding as a% of the total shareholding of the promoter / promoter group	37.72	37.73	30.85	37.72	30.85	37.73	37.72	37.73	30.85	37.72	30.85	37.73
16. Promoters and Promoter group shareholding												
a) Pledged / encumbered	-	-	-	-	-	-	-	-	-	-	-	-
- Number of shares	-	-	-	-	-	-	-	-	-	-	-	-
- Percentage of shares as a% of the total shareholding of the promoter / promoter group	-	-	-	-	-	-	-	-	-	-	-	-
b) Non encumbered	-	-	-	-	-	-	-	-	-	-	-	-
- Number of shares	82,558,656	82,542,685	82,490,204	82,558,656	82,490,204	82,542,685	82,558,656	82,542,685	82,490,204	82,558,656	82,490,204	82,542,685
- Percentage of shares as a% of the total shareholding of the promoter / promoter group	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares as a% of the total share capital of the company	62.28%	62.27%	69.15%	62.28%	69.15%	62.27%	62.28%	62.27%	69.15%	62.28%	69.15%	62.27%

1. Statement of Assets and Liabilities as on September 30, 2012 is given below.

(Rupees in lakhs)

Particulars	Standalone		Consolidated	
	As at 30.09.2012	As at 31.03.2012	As at 30.09.2012	As at 31.03.2012
A. EQUITY AND LIABILITIES				
1. Shareholders' funds				
(a) Share capital	13,262	13,262	13,262	13,262
(b) Reserves and surplus	142,406	128,466	141,014	127,110
(c) Money received against share warrants	-	-	-	-
Sub-total - Shareholders' funds	155,668	141,728	154,276	140,372
2. Share application money pending allotment	-	-	-	-
3. Minority interest	-	-	-	-
4. Non-current liabilities				
(a) Long-term borrowings	726,329	715,455	726,329	715,455
(b) Deferred tax liabilities (net)	-	-	-	-
(c) Other long-term liabilities	4,165	1,937	4,165	1,937
(d) Long-term provisions	5,468	5,295	5,471	5,301
Sub-total - Non-current liabilities	735,962	722,687	735,965	722,693
5. Current liabilities				
(a) Short-term borrowings	371,192	154,806	370,165	154,806
(b) Trade payables	9,433	8,952	10,245	9,924
(c) Other current liabilities	328,486	302,507	328,596	302,555
(d) Short-term provisions	9,771	11,580	16,658	18,543
Sub-total - Current liabilities	718,882	477,845	725,664	485,828
TOTAL - EQUITY AND LIABILITIES	1,610,512	1,342,260	1,615,905	1,348,893
B. ASSETS				
1. Non-current assets				
(a) Fixed assets	5,938	5,316	6,202	5,649
(b) Goodwill on consolidation	-	-	-	-
(c) Non-current investments	5,874	5,769	389	389
(d) Deferred tax assets (net)	4,178	5,113	4,178	5,113
(e) Receivable under Financing Activity	1,001,999	834,290	1,002,002	834,296
(f) Long-term loans and advances	5,429	4,486	5,954	5,158
(g) Trade Receivables	-	-	-	-
(h) Other non-current assets	12,635	12,174	12,640	12,174
Sub-total - Non-current assets	1,036,053	867,148	1,031,365	862,779
2. Current assets				
(a) Current investments	17,000	400	17,200	627
(b) Inventories	-	-	-	-
(c) Trade receivables	-	-	507	737
(d) Cash and cash equivalents	41,735	50,137	43,138	53,124
(e) Receivable under Financing Activity	484,544	397,902	491,357	404,796
(f) Short-term loans and advances	2,315	3,050	3,431	3,152
(g) Other current assets	28,865	23,623	28,907	23,678
Sub-total - Current assets	574,459	475,112	584,540	486,114
TOTAL - ASSETS	1,610,512	1,342,260	1,615,905	1,348,893

- The audited financial results for the six months ended September 30, 2012 and unaudited financial results for the quarter ended September 30, 2012 have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on October 30, 2012. The statutory auditors have audited the financial results for the six months ended September 30, 2012 and have conducted a limited review for the quarter ended September 30, 2012. The financial results of two subsidiaries, for the six months ended September 30, 2012 have been audited and for the quarter ended September 30, 2012 have been subjected to a limited review, by the statutory auditors of the respective companies.
- The Board considered and approved a Scheme of Amalgamation of the Company's wholly owned subsidiary viz. M/s.Cholamandalam Factoring Limited with the Company, subject to the approval of shareholders, creditors, regulatory authorities, etc. and sanction of the Scheme by the Hon'ble High Court of Judicature at Madras.
- The total outstanding employee stock options as at September 30, 2012 is 11,39,919.
- Segmental Reporting: The Company is primarily engaged in the business of financing. All the activities of the Company revolve around the main business in India. As such there are no separate reportable segments as per Accounting Standard (AS) 17 "Segment Reporting" in respect of the Company. The Segmental Reporting in respect of the Consolidated Accounts is given in Appendix 1.
- During the quarter ended September 30, 2012, two investor complaints were received and resolved. There were no unresolved investor complaints pending either at the beginning or end of the quarter.
- Prior period figures have been regrouped wherever necessary to conform to the current period presentation.

On behalf of the Board

Place : Chennai
Date : October 30, 2012

Vellayan Subbiah
Managing Director

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Segment wise Revenue, Results and Capital Employed for consolidated results under clause 41 of the listing agreement

(Rupees in lakhs)

Particulars	Consolidated					
	Unaudited			Audited	Unaudited	Audited
	Three months ended 30.09.2012	Preceding three months ended 30.06.2012	Corresponding three months ended 30.09.2011 in Previous year	Six months ended 30.09.2012	Six months ended 30.09.2011 in Previous year	Previous year ended 31.03.2012
1. Segment Revenue						
Financing	60,450	55,793	41,252	116,243	77,222	176,538
Distribution	206	213	259	419	399	910
Stock Broking	155	160	114	315	287	557
Total	60,811	56,166	41,625	116,977	77,908	178,005
Less: Inter-Segment revenue	(23)	(28)	(17)	(51)	(35)	(76)
Net Revenue	60,788	56,138	41,608	116,926	77,873	177,929
2. Segment Results (Profit / (Loss) before tax)						
Financing	10,344	10,340	6,737	20,684	7,309	22,882
Distribution	31	1	(77)	32	(86)	(37)
Stock Broking	(20)	(36)	(62)	(56)	(124)	(259)
Total	10,355	10,305	6,598	20,660	7,099	22,586
Add: Other unallocable income net of unallocable expenditure	(105)	-	-	(105)	5,196	6,346
Net Profit / (Loss) before Tax	10,250	10,305	6,598	20,555	12,295	28,932
3. Capital Employed (Segment Assets - Segment Liabilities)						
Financing				125,819	96,125	127,192
Distribution				1,962	2,201	2,372
Stock Broking				997	1,135	889
Other Unallocable assets net of unallocable liabilities				25,498	13,205	9,919
Total				154,276	112,666	140,372

Note: Management of the Company has identified the above reportable segments. Segment data for the previous periods, has been restated, wherever necessary, to conform to the current quarter presentation.

On behalf of the Board

Place : Chennai
Date : October 30, 2012

Vellayan Subbiah
Managing Director

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