

1. The above statement of Unaudited Financial Results (Provisional) for the quarter and six months ended September 30, 2008 was reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 24, 2008. The same has also been subjected to a limited review by the Statutory Auditors.
2. The Standalone Results of the Company for the quarter and six months ended September 30, 2008 have been adversely affected by external market factors resulting in lower personal loan business volumes and higher financing charges.
3. a) During the current quarter, in the light of the recent global financial environment, the Management, as part of its overall cost management exercise, has decided to consolidate the Company's operations in certain locations and accordingly, has initiated action for downsizing some of the branches and its workforce. The Management has estimated the costs / loss on account of such initiative and accordingly, has provided Rs. 1,250 lakhs for the same as at September 30, 2008, which is shown under Exceptional Items.
b) Mark to Market (MTM) adjustments with respect to Derivatives shown under Exceptional Items have been made in accordance with the accounting policy of the Company and is a reflection of the high volatility in the foreign exchange rates.
4. The Board of Directors vide their resolution dated July 14, 2008 called for the conversion of the warrants at an exercise price of Rs 95 per warrant computed in line with the warrant conversion formula specified in the Rights Issue Offer Document dated September 15, 2007. During the current quarter, the warrants were converted into 14,229,929 equity shares of Rs 10 each for an aggregate value of Rs 13,518 lakhs.
5. During the current quarter, the Compensation and Nomination Committee at its meeting held on July 30, 2008 approved a grant of 10,070 options to certain employees of the Company and its subsidiaries. Each option is exercisable for one equity share of Rs 10 each on payment of the requisite exercise price to the Company being a price of Rs 105 per share. All these options vest over a period of 4 years. The total outstanding options as at September 30, 2008 including those granted in the earlier periods are 1,273,794.
6. Basic and Diluted Earnings Per Share has been computed in accordance with Accounting Standard (AS) 20 on Earnings per Share.
7. During the current quarter, the Company made an additional equity investment of Rs 2,000 lakhs in one of its subsidiaries, DBS Cholamandalam Asset Management Limited.
8. 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 AS-17 "Segment Reporting" in respect of the Company. The Segmental Reporting in respect of the Consolidated Accounts is given in Appendix 1.
9. One investor complaint received during the quarter ended 30th September 2008 and pending at the end of the quarter has been since resolved. There were no unresolved investor complaints pending at the beginning of the quarter.
10. Prior period figures have been regrouped wherever necessary to conform to the current quarter presentation.

Place : Chennai

Date : October 24, 2008

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On behalf of the Board

Atul Pande

Managing Director



CHOLAMANDALAM DBS FINANCE LIMITED

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

Appendix 1

(Rupees in lakhs)

| Particulars | Consolidated | | | | |
|---|--------------------|---------------|------------------|---------------|---------------------|
| | Unaudited | | Unaudited | | Audited |
| | Three months ended | | Six months ended | | Previous year ended |
| | 30.09.2008 | 30.09.2007 | 30.09.2008 | 30.09.2007 | 31.03.2008 |
| 1. Segment Revenue | | | | | |
| Financing | 28,048 | 21,409 | 59,986 | 38,220 | 89,128 |
| Distribution | 288 | 483 | 590 | 768 | 2,217 |
| Asset Management | 106 | 356 | 278 | 537 | 1,238 |
| Stock Broking | 343 | 439 | 868 | 679 | 2,057 |
| Others | - | - | - | - | 6 |
| Total | 28,785 | 22,687 | 61,722 | 40,204 | 94,646 |
| Less: Inter-Segment revenue | (49) | 5 | (92) | (5) | (100) |
| Net Revenue | 28,736 | 22,692 | 61,630 | 40,199 | 94,546 |
| 2. Segment Results (Profit / (Loss) before tax) | | | | | |
| Financing | (1,826) | 2,746 | (1,324) | 4,066 | 8,860 |
| Distribution | (527) | (366) | (645) | (585) | (707) |
| Asset Management | (1,364) | 33 | (1,634) | (75) | (115) |
| Stock Broking | (98) | 147 | (502) | 187 | (316) |
| Others | (1) | - | (3) | - | 31 |
| Total | (3,816) | 2,560 | (4,108) | 3,593 | 7,753 |
| Add: Other unallocable income net of unallocable expenditure | 8 | 6 | 17 | 13 | 64 |
| Net (Loss) / Profit before Tax | (3,808) | 2,566 | (4,091) | 3,606 | 7,817 |
| 3. Capital Employed (Segment Assets - Segment Liabilities) | | | | | |
| Financing | | | 54,976 | 28,875 | 47,307 |
| Distribution | | | (793) | (377) | 10 |
| Asset Management | | | 1,839 | 1,563 | 1,474 |
| Stock Broking | | | 462 | 1,258 | 1,047 |
| Others | | | (8) | 1,643 | (7) |
| Other Unallocable assets net of unallocable liabilities | | | 6,189 | - | 3,079 |
| Total | | | 62,665 | 32,962 | 52,910 |

Note:

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

Place : Chennai
Date : October 24, 2008

On behalf of the Board

Atul Pande
Managing Director

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