

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED**

Registered Office : DARE HOUSE, 2, NSC Bose Road, Chennai - 600 001.

**Unaudited Financial Results (Provisional)**  
for the quarter and six months ended September 30, 2010

(Rupees in lakhs)

Particulars	Standalone					Consolidated				
	Unaudited				Audited	Unaudited				Audited
	Three months ended		Six months ended		Previous Year ended	Three months ended		Six months ended		Previous Year ended
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
1. a) Income from operations	27,663	19,138	51,829	40,327	85,873	28,169	19,793	52,791	41,543	88,262
b) Other operating income	1,028	1,846	2,307	4,545	7,077	1,061	1,898	2,380	4,643	7,264
2. Expenditure										
a) Interest (Financing Charges)	13,715	11,532	27,194	25,724	50,359	13,881	11,539	27,540	25,736	50,385
b) Employees cost	2,323	2,215	4,585	3,951	7,653	2,511	2,708	4,929	4,920	9,324
c) Business origination outsourcing	2,076	1,094	4,168	2,235	5,745	2,118	1,140	4,242	2,333	5,931
d) Other operating expenses	1,675	1,443	2,988	2,800	5,105	1,770	1,640	3,176	3,178	5,770
e) Depreciation	175	369	459	698	1,528	211	416	533	796	1,715
f) Provisions, loan losses and other charges	4,704	3,798	9,507	8,430	19,137	4,792	3,799	9,617	8,437	20,002
g) Total	24,668	20,451	48,901	43,838	89,527	25,283	21,242	50,037	45,400	93,127
3. Profit from Operations before Other Income & Exceptional Items (1-2)	4,023	533	5,235	1,034	3,423	3,947	449	5,134	786	2,399
4. Other income	-	3	1,127	9	-	-	4	1,130	45	120
5. Profit before Exceptional Items (3+4)	4,023	536	6,362	1,043	3,423	3,947	453	6,264	831	2,519
6. Exceptional Items										
- Provision for diminution in value of investment in Mutual Fund subsidiary		(4,300)		(4,300)		-	-	-	-	
- Goodwill on Consolidation of Mutual Fund subsidiary written off	-	-					(260)	-	(260)	
- Others (Note 6 below)		-			(290)		(330)	-	(545)	4,463
7. Profit / (Loss) from Ordinary Activities before Tax (5+6)	4,023	(3,764)	6,362	(3,257)	3,133	3,947	(137)	6,264	26	6,982
8. Tax expense (net of deferred tax)	1,398	(961)	2,159	(779)	1,592	1,397	(903)	2,168	(670)	1,705
9. Net Profit / (Loss) from Ordinary Activities after Tax (7 - 8)	2,625	(2,803)	4,203	(2,478)	1,541	2,550	766	4,096	696	5,277
10. Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-	-	-	-
11. Net Profit / (Loss) for the Period (9 - 10)	2,625	(2,803)	4,203	(2,478)	1,541	2,550	766	4,096	696	5,277
12. Paid-up equity share capital (Rs.10/- per share) (Refer Note 3 & 4 below)	10,997	6,647	10,997	6,647	6,647	10,997	6,647	10,997	6,647	6,647
13. Reserves excluding revaluation reserves					41,853					38,612
14. Earnings per Share (EPS) - not annualised- before and after extraordinary items (in Rs.)										
a) Basic	2.39	(4.35)	4.20	(4.00)	1.79	2.32	1.02	4.09	0.78	7.42
b) Diluted	2.39	(4.35)	4.20	(4.00)	1.79	2.32	1.02	4.09	0.78	7.42
15. Public shareholding										
- Number of shares	27,523,230	16,629,378	27,523,230	16,629,378	16,629,378	27,523,230	16,629,378	27,523,230	16,629,378	16,629,378
- Percentage of shareholding	25.04	25.04	25.04	25.04	25.04	25.04	25.04	25.04	25.04	25.04
16. Promoters and Promoter group shareholding										
a) Pledged / encumbered										
- Number of shares		29,600		29,600			29,600		29,600	
- Percentage of shares										
as a% of the total shareholding of the promoter / promoter group		0.06%		0.06%			0.06%		0.06%	
as a% of the total share capital of the company		0.04%		0.04%			0.04%		0.04%	
b) Non encumbered										
- Number of shares	82,385,651	49,747,356	82,385,651	49,747,356	49,776,956	82,385,651	49,747,356	82,385,651	49,747,356	49,776,956
- Percentage of shares										
as a% of the total shareholding of the promoter / promoter group	100.00%	99.94%	100.00%	99.94%	100.00%	100.00%	99.94%	100.00%	99.94%	100.00%
as a% of the total share capital of the company	74.96%	74.91%	74.96%	74.91%	74.96%	74.96%	74.91%	74.96%	74.91%	74.96%

1. Statement of Assets and Liabilities as on September 30, 2010 is given below.

Particulars	(Rs.in lakhs)			
	Standalone		Consolidated	
	As at 30.09.2010 Unaudited	As at 30.09.2009 Unaudited	As at 30.09.2010 Unaudited	As at 30.09.2009 Unaudited
<b>SOURCES OF FUNDS</b>				
Share Capital (Refer Note 3 below)	10,997	36,647	10,997	36,647
Reserves & Surplus (Refer Note 3 below)	81,544	38,976	78,196	35,394
Loan Funds	635,593	490,223	641,143	490,223
<b>Total</b>	<b>728,134</b>	<b>565,846</b>	<b>730,336</b>	<b>562,264</b>
<b>APPLICATION OF FUNDS</b>				
Fixed Assets (Net)	2,767	2,901	3,272	3,821
Goodwill on Consolidation	-	-	59	-
Investments	24,426	36,859	17,576	31,192
Deferred Tax Asset (Net)	14,292	15,804	14,587	16,113
<b>Current Assets, Loans and Advances</b>				
Receivables under Financing Activity	670,208	487,720	678,362	487,720
Stock in Trade	-	-	-	-
Sundry Debtors	-	-	891	1,060
Cash and Bank Balances	50,602	69,916	51,645	71,174
Other Current Assets	13,454	14,721	13,512	14,785
Other Loans and Advances	26,521	11,833	27,362	13,113
<b>Less: Current Liabilities and Provisions</b>				
Current Liabilities	(31,405)	(26,531)	(33,162)	(29,211)
Provisions	(42,731)	(47,377)	(43,768)	(47,503)
<b>Total</b>	<b>728,134</b>	<b>565,846</b>	<b>730,336</b>	<b>562,264</b>

2. The above statement of Unaudited Financial Results (Provisional) for the quarter and six months ended September 30, 2010 was reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 27, 2010. The same has also been subjected to a limited review by the Statutory Auditors. The limited review of the financial results of two subsidiaries for the quarter and six months ended September 30, 2010, has been carried out by the statutory auditors of the respective companies.
3. Share Capital of the Company as at Sep 30, 2009 included Rs 300 crores of fully convertible cumulative preference shares of Rs.100/- each which has been converted into 32,608,695 equity shares of Rs 10/- each (Rs 32.61 crores) at a premium of Rs.82/- per share (Rs 267.39 crores) on May 17, 2010. The Company also allotted 10,893,852 equity shares of Rs.10/- each (Rs 10.89 crores) at a premium of Rs.82/- per share (Rs 89.33 crores) to International Finance Corporation (IFC, Washington) on preferential basis on May 17, 2010
4. Pursuant to the approval of the shareholders at an extraordinary general meeting held on 6<sup>th</sup> October 2010, the Company on 12<sup>th</sup> October 2010 allotted 93,75,000 equity shares of Rs.10/- each at Rs.160/- per share aggregating to Rs.150 crores to 6 investors including International Finance Corporation (IFC Washington) on a preferential basis.
5. During the quarter ended September 30, 2010, the Company made an additional equity investment of Rs 1,500 lakhs in M/s Cholamandalam Factoring Limited to meet the requirements relating to Net Owned Funds.
6. a) Exceptional Item (Others) for the year ended March 31, 2010 for standalone results is net of Loss on sale of investment in subsidiaries - Rs 4,722 lakhs, Reversal of Provision for diminution in value of investment in subsidiary-Rs 2,353 lakhs and Profit on Sale of Land and Building-Rs 2,079 lakhs.
- b) Exceptional Item (Others) for the year ended March 31, 2010 for consolidated results is net of Profit on sale of investment in subsidiaries-Rs 3,078 lakhs, Profit on sale of land and building - Rs 2,079 lakhs and Loss on account of securities under AMC Operations - Rs 694 lakhs.
- c) Exceptional item (Others) for the period ended September 30, 2009 for consolidated results relate to loss on account of securities under AMC Operations.
7. No employee stock option was granted during the quarter ended September 30, 2010. The total outstanding employee stock options (net of cancellation / lapses) as at September 30, 2010 is 527,498.
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 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.
9. During the quarter ended September 30, 2010, no investor complaint was received and resolved. There were no unresolved investor complaints pending either at the beginning or end of the quarter.
10. Prior period figures have been regrouped wherever necessary to conform to the current period presentation.

On behalf of the Board

Place : Chennai  
Date : October 27, 2010

**Vellayan Subbiah**  
**Managing Director**

# CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Appendix 1

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

(Rupees in lakhs)

Particulars	Consolidated				
	Unaudited		Unaudited		Audited
	Three months ended		Six months ended		Previous Year Ended
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
<b>1. Segment Revenue</b>					
Financing	28,693	20,984	54,137	44,872	92,950
Distribution	311	276	585	458	1,100
Asset Management	-	75	-	160	268
Stock Broking	255	364	503	738	1,298
Others	-	2	-	3	4
<b>Total</b>	<b>29,259</b>	<b>21,701</b>	<b>55,225</b>	<b>46,231</b>	<b>95,620</b>
Less: Inter-Segment revenue	(29)	(10)	(54)	(45)	(94)
<b>Net Revenue</b>	<b>29,230</b>	<b>21,691</b>	<b>55,171</b>	<b>46,186</b>	<b>95,526</b>
<b>2. Segment Results (Profit / (Loss) before tax)</b>					
Financing	3,748	534	5,876	1,034	4,641
Distribution	193	174	363	234	689
Asset Management	-	(129)	-	(661)	(1,774)
Stock Broking	6	85	25	178	348
Others	-	-	-	-	-
<b>Total</b>	<b>3,947</b>	<b>664</b>	<b>6,264</b>	<b>785</b>	<b>3,904</b>
<b>Add: Other unallocable income net of unallocable expenditure</b>	<b>-</b>	<b>(801)</b>	<b>-</b>	<b>(759)</b>	<b>3,078</b>
<b>Net Profit / (Loss) before Tax</b>	<b>3,947</b>	<b>(137)</b>	<b>6,264</b>	<b>26</b>	<b>6,982</b>
<b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>					
Financing			67,813	50,815	54,907
Distribution			2,032	317	1,743
Asset Management			-	1,489	-
Stock Broking			1,246	1,050	1,228
Others			-	3	-
Other Unallocable assets net of unallocable liabilities			18,102	18,367	17,381
<b>Total</b>			<b>89,193</b>	<b>72,041</b>	<b>75,259</b>

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 27, 2010

**Vellayan Subbiah**  
Managing Director

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