

**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 nine months ended December 31, 2010

*(Rupees in lakhs)*

Particulars	Standalone					Consolidated				
	Unaudited				Audited	Unaudited				Audited
	Three months ended		Nine months ended		Previous Year ended	Three months ended		Nine months ended		Previous Year ended
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
1. a) Income from operations	28,102	23,251	79,931	63,578	85,873	28,626	23,871	81,417	65,414	88,262
b) Other operating income	1,369	996	3,676	5,541	7,077	1,410	1,047	3,790	5,690	7,264
2. Expenditure										
a) Interest (Financing Charges)	14,741	12,737	41,935	38,461	50,359	14,893	12,742	42,433	38,478	50,385
b) Employees cost	2,318	1,656	6,903	5,607	7,653	2,497	2,145	7,426	7,065	9,324
c) Business origination outsourcing	2,217	1,713	6,385	3,948	5,745	2,256	1,768	6,498	4,101	5,931
d) Other operating expenses	1,528	1,025	4,516	3,825	5,105	1,622	1,235	4,798	4,413	5,770
e) Depreciation	181	414	640	1,112	1,528	218	464	751	1,260	1,715
f) Provisions, loan losses and other charges	5,673	6,434	15,180	14,864	19,137	5,674	6,439	15,291	14,876	20,002
g) Total	26,658	23,979	75,559	67,817	89,527	27,160	24,793	77,197	70,193	93,127
3. Profit from Operations before Other Income & Exceptional Items (1-2)	2,813	268	8,048	1,302	3,423	2,876	125	8,010	911	2,399
4. Other income	-	869	1,127	878	-	5	879	1,135	924	120
5. Profit before Exceptional Items (3+4)	2,813	1,137	9,175	2,180	3,423	2,881	1,004	9,145	1,835	2,519
6. Exceptional items										
- Provision for dimunition in value of investment in Mutual Fund subsidiary	-	(150)	-	(4,450)	-	-	-	-	-	-
- Provision for Standard Assets (Note 3 below)	(1,810)	-	(1,810)	-	-	(1,810)	-	(1,810)	-	-
- Others (Note 3 below)	-	-	-	-	(290)	-	(126)	-	(931)	4,463
7. Profit / (Loss) from Ordinary Activities before Tax (5+6)	1,003	987	7,365	(2,270)	3,133	1,071	878	7,335	904	6,982
8. Tax expense (net of deferred tax)	336	235	2,495	(544)	1,592	358	252	2,526	(418)	1,705
9. Net Profit / (Loss) from Ordinary Activities after Tax (7 - 8)	667	752	4,870	(1,726)	1,541	713	626	4,809	1,322	5,277
10. Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-	-	-	-
11. Net Profit / (Loss) for the Period (9 - 10)	667	752	4,870	(1,726)	1,541	713	626	4,809	1,322	5,277
12. Paid-up equity share capital (Rs.10/- per share) (Refer Note 2 below)	11,935	6,647	11,935	6,647	6,647	11,935	6,647	11,935	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	0.56	0.87	4.58	(2.86)	1.79	0.60	0.68	4.52	1.73	7.42
b) Diluted	0.56	0.87	4.58	(2.86)	1.79	0.60	0.68	4.52	1.73	7.42
15. Public shareholding										
- Number of shares	36,898,230	16,629,378	36,898,230	16,629,378	16,629,378	36,898,230	16,629,378	36,898,230	16,629,378	16,629,378
- Percentage of shareholding	30.93	25.04	30.93	25.04	25.04	30.93	25.04	30.93	25.04	25.04
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	-	-	-	-	-	-	-	-	-	-
as a% of the total share capital of the company	-	-	-	-	-	-	-	-	-	-
b) Non encumbered										
- Number of shares	82,385,651	49,776,956	82,385,651	49,776,956	49,776,956	82,385,651	49,776,956	82,385,651	49,776,956	49,776,956
- 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%
as a% of the total share capital of the company	69.07%	74.96%	69.07%	74.96%	74.96%	69.07%	74.96%	69.07%	74.96%	74.96%

1. The above statement of Unaudited Financial Results (Provisional) for the quarter and nine months ended December 31, 2010 was reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 27, 2011. 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 nine months ended December 31, 2010, has been carried out by the statutory auditors of the respective companies.
2. Pursuant to the approval of the shareholders at an extraordinary general meeting held on October 6, 2010, the Company on October 12, 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.
3.
  - a) The Reserve Bank of India (RBI) vide its Notification No.DNBS.222/CGM(US)-2011 dated 17.01.2011 has issued directions to all NBFC's to make a provision of 0.25% on the standard assets with immediate effect. Accordingly, the Company has made a first time provision during the quarter of Rs.1,810 lacs on the standard assets excluding personal loans outstanding as at December 31, 2010 as an exceptional item. The above includes provision for the quarter of Rs.248 lacs. Apart from this, the Company has provision of Rs.3,000 lakhs on the standard assets of personal loans outstanding as at December 31, 2010 which is well above the RBI requirements.
  - b) 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.
  - c) 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.
  - d) Exceptional item (Others) for the nine months ended December 31, 2009 for consolidated results consists of loss on account of securities under AMC Operations Rs.671 lakhs and write off of Goodwill on Consolidation of Subsidiaries Rs.260 lakhs. Exceptional item (Others) for the quarter ended December 31, 2009 relates to loss on account of securities under AMC operations
4. During the current quarter, the Compensation and Nomination Committee at its meeting held on January 27, 2011, approved a grant of 504,300 options to certain employees of the Company and its Subsidiaries. Each option is exercisable for 1 equity share of Rs.10 each on payment of the requisite exercise price to the Company being a price of Rs.187.60 per share. All these options vest over a period of 4 years. The total outstanding employee stock options (net of cancellation / lapses) as at December 31, 2010 is 498,762.
5. 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.
6. During the quarter ended December 31, 2010, no investor complaint was received. There were no unresolved investor complaints pending either at the beginning or end of the quarter.
7. Prior period figures have been regrouped wherever necessary to conform to the current period presentation.

On behalf of the Board

Place : Chennai

Date : January 27, 2011

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

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# 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		Nine months ended		Previous Year Ended
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
<b>1. Segment Revenue</b>					
Financing	29,471	24,245	83,608	69,117	92,950
Distribution	283	296	868	754	1,100
Asset Management	-	85	-	245	268
Stock Broking	323	307	826	1,045	1,298
Others	-	1	-	4	4
<b>Total</b>	<b>30,077</b>	<b>24,934</b>	<b>85,302</b>	<b>71,165</b>	<b>95,620</b>
Less: Inter-Segment revenue	(41)	(16)	(95)	(61)	(94)
<b>Net Revenue</b>	<b>30,036</b>	<b>24,918</b>	<b>85,207</b>	<b>71,104</b>	<b>95,526</b>
<b>2. Segment Results (Profit / (Loss) before tax)</b>					
Financing	831	917	6,707	1,951	4,641
Distribution	168	169	531	403	689
Asset Management	-	(355)	-	(1,016)	(1,774)
Stock Broking	72	48	97	226	348
Others	-	-	-	-	-
<b>Total</b>	<b>1,071</b>	<b>779</b>	<b>7,335</b>	<b>1,564</b>	<b>3,904</b>
<b>Add: Other unallocable income net of unallocable expenditure</b>	<b>-</b>	<b>99</b>	<b>-</b>	<b>(660)</b>	<b>3,078</b>
<b>Net Profit / (Loss) before Tax</b>	<b>1,071</b>	<b>878</b>	<b>7,335</b>	<b>904</b>	<b>6,982</b>
<b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>					
Financing			82,997	51,578	54,907
Distribution			2,167	482	1,743
Asset Management			-	1,307	-
Stock Broking			1,303	1,101	1,228
Others			-	3	-
Other Unallocable assets net of unallocable liabilities			18,166	18,196	17,381
<b>Total</b>			<b>104,633</b>	<b>72,667</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 : January 27, 2011

**Vellayan Subbiah**  
Managing Director

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