

CHOLAMANDALAM DBS FINANCE LIMITED

Registered Office : DARE HOUSE, 2, N.S.C. Bose Road, Parrys, Chennai - 600 001.

**UNAUDITED FINANCIAL RESULTS (PROVISIONAL)
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2009**

(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
	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009
1. a) Income from operations	23,251	23,846	63,578	80,544	103,837	23,871	24,168	65,414	82,381	106,034
b) Other operating income	996	2,025	5,541	5,313	7,683	1,047	2,100	5,690	5,517	7,941
2. Expenditure										
a) Employees cost	1,656	1,739	5,607	6,596	7,970	2,145	2,465	7,065	9,011	10,808
b) Business origination outsourcing	1,713	986	3,948	7,704	8,327	1,768	1,182	4,101	7,981	8,847
c) Other operating expenses	1,025	1,476	3,825	5,764	7,536	1,235	2,229	4,413	7,862	10,090
d) Depreciation	414	568	1,112	1,485	1,953	464	640	1,260	1,714	2,256
e) Provisions, loan losses and other charges	6,434	8,859	14,864	22,156	23,908	6,439	9,507	14,876	23,316	24,093
f) Total	11,242	13,628	29,356	43,705	49,594	12,051	16,023	31,715	50,484	56,094
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	13,005	12,243	39,763	42,152	61,926	12,867	10,245	39,389	37,414	57,881
4. Other income (Refer Note 3 below)	869	-	878	-	543	879	32	924	49	579
5. Profit before Interest & Exceptional Items (3+4)	13,874	12,243	40,641	42,152	62,469	13,746	10,277	40,313	37,463	58,460
6. Interest (Financing Charges)	12,737	15,723	38,461	45,633	59,410	12,742	15,728	38,478	45,655	59,432
7. Profit / (Loss) after Interest but before Exceptional Items (5-6)	1,137	(3,480)	2,180	(3,481)	3,059	1,004	(5,451)	1,835	(8,192)	(972)
8. Exceptional Items										
- Provision for diminution in value of investment (Refer Note 4 below)	(150)	-	(4,450)	-	-	-	-	-	-	-
- Goodwill on Consolidation written off	-	-	-	-	-	-	-	(260)	-	-
- Branch Closure Costs / Losses	-	(101)	-	(1,351)	(1,351)	-	(416)	-	(1,766)	(2,192)
- Others (Refer Note 5 below)	-	-	-	-	-	-	(126)	-	(671)	(1,611)
9. Profit / (Loss) from Ordinary Activities before Tax (7-8)	987	(3,581)	(2,270)	(4,832)	1,708	878	(5,867)	904	(9,958)	(4,775)
10. Tax expense (including fringe benefit tax and deferred tax)	235	(808)	(544)	(1,324)	(2,567)	252	(792)	(418)	(1,119)	(2,893)
11. Net Profit / (Loss) from Ordinary Activities after Tax (9-10)	752	(2,773)	(1,726)	(3,508)	4,275	626	(5,075)	1,322	(8,839)	(1,882)
12. Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-	-	-	-
13. Net Profit / (Loss) for the Period (11 - 12)	752	(2,773)	(1,726)	(3,508)	4,275	626	(5,075)	1,322	(8,839)	(1,882)
14. Paid-up equity share capital (Rs.10/- per share)	6,647	6,647	6,647	6,647	6,647	6,647	6,647	6,647	6,647	6,647
15. Reserves excluding revaluation reserves	-	-	-	-	41,454	-	-	-	-	34,699
16. Earnings per Share (EPS) - not annualised - before and after extraordinary items (in Rs.)										
a) Basic	0.87	(4.18)	(2.86)	(5.96)	7.05	0.68	(7.64)	1.73	(15.03)	(3.15)
b) Diluted	0.87	(4.18)	(2.86)	(5.96)	6.83	0.68	(7.64)	1.73	(15.03)	(3.15)
17. Public shareholding										
- Number of shares	16,629,378	16,629,378	16,629,378	16,629,378	16,629,378	16,629,378	16,629,378	16,629,378	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
18. Promoters and Promoter group shareholding										
a) Pledged / unencumbered										
- Number of shares	-	-	-	-	157,413	-	-	-	-	157,413
- Percentage of shares as a % of the total shareholding of the promoter / promoter group as a % of the total share capital of the company	-	-	-	-	0.32%	-	-	-	-	0.32%
b) Non encumbered										
- Number of shares	49,776,956	49,776,956	49,776,956	49,619,543	49,776,956	-	-	49,776,956	-	49,619,543
- Percentage of shares as a % of the total shareholding of the promoter / promoter group as a % of the total share capital of the company	100.00%	74.96%	100.00%	74.96%	99.68%	100.00%	74.96%	100.00%	74.96%	99.68%

- The above statement of Unaudited Financial Results (Provisional) for the quarter and nine months ended December 31, 2009 was reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 27, 2010. The same has also been subjected to a limited review by the Statutory Auditors.
- During the quarter ended December 31, 2009, the Company made an additional equity investment of Rs. 300 lakhs in M/s DBS Cholamandalam Asset Management Limited to maintain the required network.
- Other Income for the quarter and nine months ended 31st December 2009 includes Profit on Sale of Land of Rs. 685 lakhs.
- As per the Share Purchase Agreement executed by the Company with L & T Finance Limited (LTF), the Company sold its entire equity investment in its mutual fund subsidiaries, M/s DBS Cholamandalam Asset Management Limited (DCAM) and DBS Cholamandalam Trustees Limited (DCTL) to LTF for a total sale consideration of Rs.45 crores on 20th Jan 2010, subject to closing audit adjustments. An amount of Rs. 1.50 crores for the quarter and Rs. 44.50 crores for the nine months ended 31st December 2009 is provided towards the expected loss on the sale and has been reported as an Exceptional item.
- Exceptional item - Others in Consolidated results represents amortisation of expenses amounting to Rs. 126 lakhs for the quarter and Rs. 671 lakhs for the nine months ended 31.12.2009 of mutual fund schemes absorbed by DCAM.
- 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.
- No employee stock option was granted during the quarter ended December 31, 2009. The total outstanding employee stock options (net of cancellation / lapses) as at December 31, 2009 is 648,810.
- During the three months ended December 31, 2009, no investor complaint was received. There were no unresolved investor complaints either at the beginning or end of the quarter.
- Prior period figures have been regrouped wherever necessary to conform to the current period presentation.

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				Audited
	Three months ended		Nine months ended		Previous Year ended
	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009
1. Segment Revenue					
Financing	24,896	25,871	69,768	85,857	111,520
Distribution	256	88	754	678	811
Asset Management	85	109	245	387	487
Stock Broking	307	256	1,045	1,124	1,363
Others	1	5	4	5	6
Total	25,585	26,329	71,816	88,051	114,187
Less: Inter-Segment revenue	(16)	(61)	(61)	(153)	(212)
Net Revenue	25,569	26,268	71,755	87,898	113,975
2. Segment Results (Profit / (Loss) before tax)					
Financing	917	(3,566)	1,951	(4,890)	1,290
Distribution	169	(684)	403	(1,329)	(1,756)
Asset Management	(355)	(1,325)	(1,016)	(2,959)	(3,994)
Stock Broking	48	(323)	226	(825)	(895)
Others	-	-	-	-	(4)
Total	779	(5,899)	1,564	(10,007)	(5,354)
Add: Other unallocable income net of unallocable expenditure	99	32	(660)	49	579
Net Profit / (Loss) before Tax	878	(5,867)	904	(9,958)	(4,775)
3. Capital Employed (Segment Assets - Segment Liabilities)					
Financing			51,578	50,100	52,420
Distribution			482	(1,483)	80
Asset Management			1,307	1,583	1,696
Stock Broking			1,101	130	868
Others			-	(7)	(7)
Other unallocable assets net of unallocable liabilities			18,196	7,268	16,289
Total			72,667	57,591	71,346

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.

Place : Chennai
Date : January 27, 2010

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On behalf of the Board
N Srinivasan
Director