

**CHOLAMANDALAM DBS FINANCE 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, 2007**

(Rupees in lakhs)

Particulars	Standalone					Consolidated				
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
	Three months ended		Six months ended		Previous year ended	Three months ended		Six months ended		Previous year ended
	30.09.2007	30.09.2006	30.09.2007	30.09.2006	31.03.2007	30.09.2007	30.09.2006	30.09.2007	30.09.2006	31.03.2007
1. Income from operations (Note 3 below)	38,220	13,953	38,220	13,953	40,745	40,199	15,470	40,199	15,470	43,551
2. Other income	-	24	-	24	169	13	35	13	35	214
3. Total Income (1+2)	38,220	13,977	38,220	13,977	40,914	40,212	15,505	40,212	15,505	43,765
4. Expenditure										
a) Employees cost	3,355	1,340	3,355	1,340	3,805	4,619	2,079	4,619	2,079	5,357
b) Business origination outsourcing	5,784	1,655	5,784	1,655	5,943	5,929	1,877	5,929	1,877	6,142
c) Other operating expenses	3,166	1,236	3,166	1,236	3,411	4,119	1,789	4,119	1,789	4,518
d) Depreciation (Note 4 below)	772	251	772	251	560	838	304	838	304	708
e) Provisions, loan losses and other charges	4,472	1,140	4,472	1,140	3,575	4,475	1,140	4,475	1,140	3,590
f) Total	17,549	5,622	17,549	5,622	17,294	19,980	7,189	19,980	7,189	20,315
5. Interest	16,605	7,067	16,605	7,067	18,893	16,626	7,068	16,626	7,068	18,895
6. Exceptional items	-	-	-	-	-	-	-	-	-	-
7. Profit from Ordinary Activities before tax (3) - (4+5+6)	4,066	1,288	4,066	1,288	4,727	3,606	1,248	3,606	1,248	4,555
8. Tax expense (including FBT and net of deferred tax)	1,428	458	1,428	458	1,625	1,529	524	1,529	524	1,816
9. Net Profit from Ordinary Activities after tax (7 - 8)	2,638	830	2,638	830	3,102	2,077	724	2,077	724	2,739
10. Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-	-	-	-
11. Net Profit for the period (9 - 10)	2,638	830	2,638	830	3,102	2,077	724	2,077	724	2,739
12. Paid-up equity share capital (Rs.10/- per share)	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801
13. Reserves excluding revaluation reserves					28,834					27,085
14. Earnings Per Share (EPS) - Basic and Diluted - not annualised										
a) before extraordinary items	6.95	2.19	6.95	2.19	8.17	5.47	1.91	5.47	1.91	7.22
b) after extraordinary items	6.95	2.19	6.95	2.19	8.17	5.47	1.91	5.47	1.91	7.22
15. Public shareholding										
- Number of shares	9,502,506	9,502,506	9,502,506	9,502,506	9,502,506	9,502,506	9,502,506	9,502,506	9,502,506	9,502,506
- Percentage of shareholding	25.04	25.04	25.04	25.04	25.04	25.04	25.04	25.04	25.04	25.04

- The above statement of Unaudited Financial Results (Provisional) for the quarter and six months ended September 30, 2007 was reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 24, 2007.
- The Statutory Auditors of the Company have carried out a Limited Review of the Unaudited Standalone and the Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2007. The Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2006 have not been subjected to Limited Review by the Statutory Auditors.
- Income from Operations for the quarter and six months ended September 30, 2007 is net of derecognition of a portion of upfront gain amounting to Rs 467 lakhs on repurchase of receivables sold under a bilateral agreement to a bank in 2006-07, consequent to certain developments during the current period.
- Depreciation for the quarter and six months ended September 30, 2007 includes accelerated depreciation of Rs 423 lakhs due to revision of estimated useful life of certain assets by the management.
- During the quarter, the Compensation and Nomination Committee at its meeting held on July 30, 2007 approved grant of 765,900 options, to certain employees of the Company and some of its subsidiaries. Each option is exercisable for one equity share of a face value of Rs.10 each fully paid-up on payment of the requisite exercise price to the Company being a price of Rs.193.40 per share.
- The rights issue of 14,229,929 equity shares of Rs.10 each at a premium of Rs 130 per share aggregating to Rs 199.22 crores in the ratio of three equity shares for every eight existing equity shares held on the record date i.e., September 18, 2007 opened for subscription on September 28, 2007. For every one equity share which will be allotted on rights basis, the allottee will also receive one detachable warrant. The issue is scheduled to close on October 29, 2007.
- 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" issued by the Institute of Chartered Accountants of India. The Segmental Reporting in respect of the Consolidated Accounts is given in Appendix 1.
- During the quarter ended September 30, 2007, one investor complaint was received and resolved. There were no unresolved complaints either in the beginning or at the end of the current quarter.
- Previous period figures have been regrouped wherever necessary to conform to the current quarter presentation.

On behalf of the Board

Place : Chennai  
Date : October 24, 2007

**Atul Pande**  
Managing Director

visit us at [www.choladbs.com](http://www.choladbs.com)

# CHOLAMANDALAM DBS FINANCE LIMITED

Appendix 1

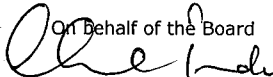
## Segment wise Revenue, Results and Capital Employed for consolidated results under clause 41 of the listing agreement

(Rupees in lakhs)

Particulars	Consolidated				
	Unaudited				Audited
	Quarter ended		Six months ended		Previous year ended
	30.09.2007	30.09.2006	30.09.2007	30.09.2006	31.03.2007
<b>1. Segment Revenue</b>					
Financing	21,409	7,855	38,220	13,953	40,745
Distribution	483	504	768	767	1,314
Asset Management	356	161	537	333	711
Others	439	160	679	418	936
<b>Total</b>	<b>22,687</b>	<b>8,680</b>	<b>40,204</b>	<b>15,471</b>	<b>43,706</b>
Less: Inter-Segment revenue	5	9	(5)	(1)	(155)
<b>Net Revenue</b>	<b>22,692</b>	<b>8,689</b>	<b>40,199</b>	<b>15,470</b>	<b>43,551</b>
<b>2. Segment Results (Profit before tax)</b>					
Financing	2,746	702	4,066	1,264	4,374
Distribution	(366)	71	(585)	127	300
Asset Management	33	(220)	(75)	(281)	(571)
Others	147	25	187	103	238
<b>Total</b>	<b>2,560</b>	<b>578</b>	<b>3,593</b>	<b>1,213</b>	<b>4,341</b>
<b>Add: Other unallocable income net of unallocable expenditure</b>	<b>6</b>	<b>21</b>	<b>13</b>	<b>35</b>	<b>214</b>
<b>Net Profit before Tax</b>	<b>2,566</b>	<b>599</b>	<b>3,606</b>	<b>1,248</b>	<b>4,555</b>
<b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>					
Financing			28,875	26,924	26,509
Distribution			(377)	275	360
Asset Management			1,563	1,253	1,643
Others			1,258	1,130	1,069
Other Unallocable assets net of unallocable liabilities			1,643	1,354	1,305
<b>Total</b>			<b>32,962</b>	<b>30,936</b>	<b>30,886</b>

Note:  
With effect from April 1, 2007, the Management of the Company has identified the above reportable segments. Accordingly, the segment data for the previous periods has been restated to conform to the current quarter presentation.

Place : Chennai  
Date : October 24, 2007

On Behalf of the Board  
  
**Atul Pande**  
Managing Director

visit us at [www.choladbs.com](http://www.choladbs.com)