

CHOLAMANDALAM DBS FINANCE 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, 2007



(Rupees in lakhs)

Particulars	Standalone					Consolidated				
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
	Quarter ended		Nine months ended		Previous year ended	quarter ended		Nine months ended		Previous year ended
	31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.03.2007	31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.03.2007
1. Income from operations (Note 3 below)	24,255	10,795	62,475	24,748	40,745	26,231	11,646	66,430	27,116	43,551
2. Other income	-	152	-	176	169	7	154	20	189	214
3. Total Income (1+2)	24,255	10,947	62,475	24,924	40,914	26,238	11,800	66,450	27,305	43,765
4. Expenditure										
a) Employees cost	2,023	1,061	5,378	2,401	3,805	2,885	1,424	7,504	3,503	5,357
b) Business origination outsourcing	3,556	1,872	9,340	3,527	5,943	3,851	2,084	9,780	3,961	6,142
c) Other operating expenses	1,791	955	4,957	2,191	3,411	2,650	1,068	6,769	2,857	4,518
d) Depreciation (Note 4 below)	200	138	972	389	560	259	178	1,097	482	708
e) Provisions, loan losses and other charges	4,053	905	8,525	2,045	3,575	4,059	925	8,534	2,065	3,590
f) Total	11,623	4,931	29,172	10,553	17,294	13,704	5,679	33,684	12,868	20,315
5. Interest	9,262	4,938	25,867	12,005	18,893	9,278	4,940	25,904	12,008	18,895
6. Exceptional items	-	-	-	-	-	-	-	-	-	-
7. Profit from Ordinary Activities before tax (3) - (4+5+6)	3,370	1,078	7,436	2,366	4,727	3,256	1,181	6,862	2,429	4,555
8. Tax expense (including FBT and net of deferred tax)	1,345	355	2,773	813	1,625	1,419	371	2,948	895	1,816
9. Net Profit from Ordinary Activities after tax (7 - 8)	2,025	723	4,663	1,553	3,102	1,837	810	3,914	1,534	2,739
10. Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-	-	-	-
11. Net Profit for the period (9 - 10)	2,025	723	4,663	1,553	3,102	1,837	810	3,914	1,534	2,739
12. Paid-up equity share capital (Rs.10/- per share)	5,224	3,801	5,224	3,801	3,801	5,224	3,801	5,224	3,801	3,801
13. Reserves excluding revaluation reserves					28,834					27,085
14. Earnings Per Share (EPS) - not annualised- before and after extraordinary items										
a) Basic	4.16	1.78	10.76	3.82	7.63	3.77	1.99	9.03	3.77	6.74
b) Diluted	3.92	1.78	10.51	3.82	7.63	3.55	1.99	8.82	3.77	6.74
15. Public shareholding										
- Number of shares	13,065,942	9,502,506	13,065,942	9,502,506	9,502,506	13,065,942	9,502,506	13,065,942	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 nine months ended December 31, 2007 was reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 25, 2008.
- 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 nine months ended December 31, 2007. The Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2006 have not been subjected to Limited Review by the Statutory Auditors.
- Income from Operations for the nine months ended December 31, 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 nine months ended December 31, 2007.
- Depreciation for the nine months ended December 31, 2007 includes accelerated depreciation of Rs 422 lakhs due to revision of estimated useful life of certain assets by the Management.
- The Company allotted on rights basis 14,229,929 shares of Rs 10 each at a premium of Rs 130 per share aggregating to Rs 19,921.90 lakhs on November 06, 2007. The allottees also received one detachable warrant for every equity share allotted. Earnings Per Share has been restated for the quarter and nine months ended December 31, 2006 and the year ended March 31, 2007 and the dilutive effect of warrants has been given effect to for the quarter and nine months ended December 31, 2007 in accordance with Accounting Standard (AS) 20 on Earnings Per Share.
- The Compensation and Nomination Committee at its meeting held on July 30, 2007 had approved a grant of 765,900 options to certain employees of the Company and its subsidiaries at an exercise price of Rs. 193.40 per equity share of Rs. 10 each. Further, 54,433 options have been additionally granted to these employees and the exercise price of these options as well as the 765,900 options originally granted has been fixed at Rs. 178.70 per equity share of Rs. 10 each based on the Corporate Action consequent to the rights issue during the quarter which has been approved by the Compensation and Nomination Committee on January 25, 2008.
 - During the current quarter, the Compensation and Nomination Committee at its meeting held on October 24, 2007 approved a grant of 70,400 options to certain employees of the Company. 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 149.90 per share.
 - All the above options vest over a period of 4 years. Dilutive effect of the options has been given effect to in the computation of Earnings Per Share for the quarter and nine months ended December 31, 2007 in accordance with Accounting Standard (AS) 20 on Earnings Per Share.
- During the current quarter, an amount of Rs 176.56 lakhs has been adjusted against the Share Premium account in respect of rights issue expenses.
- During the current quarter, the Company made an additional equity investment of Rs 750 lakhs in one of its subsidiaries, DBS Cholamandalam Distribution Limited.
- 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 current quarter, 19 investor complaints were received and 14 resolved within the quarter. 5 unresolved complaints at the end of the quarter have since been resolved. There was no unresolved investor complaint at the beginning 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 : January 25, 2008

Atul Pandey
Managing Director