

Q4 Results:

The January 2009 – March 2009 Quarter remained tough for NBFCs. Even though the quarter witnessed some easing of Liquidity due to the several measures taken by RBI, the disbursements did not pick up as the demand for commercial vehicles and home loans continued to be poor. The businesses continued to face challenges of increased delinquencies.

Disbursement during the quarter was Rs. 475 crores as against Rs. 1360 Crores during the same period last year. Profit after tax for the quarter was Rs. 77.83 crores as against the profit of Rs.12.74 crores during the same period last year, after setting off loan losses / write offs to the extent of Rs.123.53 crores, out of the securities premium account, as per the Capital Restructuring scheme approved by the Honorable High Court of Madras.

The Company continued to take several operational and strategic initiatives during the quarter including aggressive cost reduction, manpower / branch rationalisation, and improving productivity and efficiency.

In this background, the performance for the year may be summarized as follows:

The company disbursed Rs 2951 crores during the year ended 31st March 2009 and closed the year with managed assets of Rs. 6001 crores. The Company posted a profit after tax of Rs. 42.75 crores for the year ended 31st March 2009.

The business profits during the financial year 2008-09 declined due to lesser than planned disbursements, increased cost of funds and higher delinquencies in the Personal Loan portfolio. Other major businesses, such as Vehicle finance, Home Equity Loans and Business finance continue to demonstrate superior portfolio performance and profitability.

Capital Infusion: In March 2009, the Company raised Rs 300 crores by way of a preferential issue of Fully convertible cumulative preference shares to the promoters. This capital infusion has helped the Company further improve its Capital adequacy and augment the liquidity position of the company.

Capital restructuring: Further to the approval of the shareholders obtained in March 2009, the Company had obtained the confirmation of Hon'ble High Court of Judicature at Madras for the Capital restructuring proposal under Sec 78 and 100 to 103 of the Companies Act, 1956. The Scheme provided for the following, in brief:

- 1) Creation of Special Standard assets provision of Rs 200 crores
- 2) Setting off Loan losses / write offs to the extent of Rs 100 crores.
- 3) Adjustment of impairment in investment in one of the subsidiaries of the company, DBS Cholamandalam Distribution Ltd for an amount not exceeding Rs.23.53 crores.

In order not to impact the current earnings due to potential losses caused by the extraordinary turn of events in the financial market / economy, the approval was obtained for setting off the above adjustments aggregating to Rs 323.53 crores out of the balance standing to the credit of the Securities Premium Account of the Company as at 31st March 2008. The Company has completed all formalities relating to this capital restructuring scheme.

The Shareholders' funds post the above restructuring and capital infusion has increased to Rs.781.01 crores as on 31st March 2009, as against Rs. 558.62 crores as on 31st March 2008.

About Cholamandalam DBS Finance Limited

Cholamandalam Investment & Finance Company Limited (CIFCL) was incorporated in 1978 as the financial services arm of the Murugappa Group. In 2005, post the joint venture partnership between the Murugappa Group and DBS Bank Limited, Singapore, the Company was renamed as **Cholamandalam DBS Finance Limited (CDFL)**. The Company that commenced business as an equipment financing company has now emerged as a comprehensive financial services solution provider that offers vehicle finance, business finance, home equity loans, mutual funds, stock broking and distribution of financial products to its customers. The Company operates from over 150 branches across India with an asset under management of about Rs.7000 Crores. The subsidiaries of Cholamandalam DBS include DBS Cholamandalam Asset Management Limited (DCAM), DBS Cholamandalam Securities Limited (DCsec) and DBS Cholamandalam Distribution Limited (DCDL).

About the Murugappa Group

Headquartered in Chennai, the Rs. 15,646 crores (USD 3 billion) Murugappa Group is one of India's leading business conglomerates. Market leaders in diverse areas of business including Engineering, Abrasives, Finance, General Insurance, Cycles, Sugar, Farm Inputs, Fertilizers, Plantations, Bio-products and Nutraceuticals, its 29 companies have manufacturing facilities spread across 13 states in India. The organization fosters an environment of professionalism and has a workforce of over 32,000 employees. The Group has forged strong joint venture alliances with leading international companies like DBS Bank, Mitsui Sumitomo, Cargill, Foskor and Groupe Chimique Tunisien, and has consolidated its status as one of the fastest growing diversified business houses in India

About DBS

DBS Bank Ltd. Singapore is a 100% subsidiary of DBS Group Holdings Ltd. DBS is one of the largest financial services groups in Asia with operations in 16 markets. Headquartered in Singapore, DBS' "AA-" and "Aa1" credit ratings are among the highest in the Asia-Pacific region.

As a bank that specialises in Asia, DBS leverages its deep understanding of the region, local culture and insights to serve and build lasting relationships with its clients. DBS provides the full range of services in corporate, SME, consumer and wholesale banking activities across Asia and the Middle East. The bank is committed to expanding its pan-Asia franchise by leveraging its growing presence in mainland China, Hong Kong and Taiwan to intermediate the increasing trade and investment flows between these markets. Likewise, DBS is focused on extending its end-to-end services to facilitate capital within fast-growing countries in Indonesia and India.

DBS acknowledges the passion, commitment and can-do spirit in each of its 15,000 staff, representing over 30 nationalities. For more information, please visit www.dbs.com.

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