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EW/Sec/2010/252

October 23, 2010

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai-400051

Dear Sir,

Sub: Outcome of Board Meeting

Pursuant to Clause 41 of the Listing Agreement, enclosed is a copy of the Unaudited Standalone and Consolidated Financial Results of Edelweiss Capital Limited for the second quarter and the half year ended September 30, 2010, approved at the meeting of the Board of Directors of the Company held today.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Capital Limited

B. Renganathan
Vice President & Company Secretary

cc.:

The Bombay Stock Exchange Limited
P J Towers, Dalal Street
Fort, Mumbai - 400 001.

Edelweiss Capital Limited
Registered Office: 14th Floor, Express Towers, Nariman Point, Mumbai - 400 021
Tel: +91-22-22864400 Fax: +91-22-22864278
Website : www.edelcap.com

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Consolidated Financial Results for the quarter and half year ended 30 September 2010

(Rs. in Crores)

	Particulars	Quarter Ended		Half Year Ended		Year Ended
		September 30, 2010 (Unaudited)	September 30, 2009 (Unaudited)	September 30, 2010 (Unaudited)	September 30, 2009 (Unaudited)	March 31, 2010 (Audited)
	Fee and commission income	143.70	80.23	237.11	147.28	350.40
	Income from treasury operations	48.21	71.77	104.43	150.79	245.46
	Income from investments and dividend	4.52	20.46	8.54	28.78	34.26
	Interest income	178.56	88.03	304.22	156.28	338.91
1	**Income from Operations**	374.99	260.49	654.30	483.13	969.03
2	Other Operating Income	1.15	0.08	5.84	2.04	8.77
3	**Total Income (1+2)**	376.14	260.57	660.14	485.17	977.80
	Expenditure					
	a. Operating cost	91.86	62.27	155.54	127.42	276.30
	b. Employees cost	60.62	39.32	110.46	78.47	162.17
	c. Interest and Finance charges	121.50	59.83	199.07	90.93	194.28
	d. Depreciation	3.65	2.91	7.32	5.67	12.25
4	**Total expenditure**	277.63	164.33	472.39	302.49	645.00
5	**Profit / (Loss) before tax (3-4)**	98.51	96.24	187.75	182.68	332.80
6	Tax expenses	29.66	27.13	53.41	52.06	87.92
7	**Net Profit / (Loss) after tax and before minority interest (5-6)**	68.85	69.11	134.34	130.62	244.88
8	Share of minority interest in profits	2.75	4.04	6.88	7.30	15.72
9	**Net Profit / (Loss) after minority interest (7-8)**	66.10	65.07	127.46	123.32	229.16
10	Paid-up equity share capital (Face Value of Re. 1/- Per Share) (Refer note 6)	75.10	37.50	75.10	37.50	37.54
11	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					2,217.94
12	Earnings Per Share (EPS) in Rupees (Refer note 6 and 7)					
	- Basic (Not annualised)	0.88	0.87	1.70	1.65	3.06
	- Diluted (Not annualised)	0.85	0.84	1.64	1.59	2.94
13	Public shareholding (Refer note 6)					
	- Number of shares	465,311,990	46,432,672	465,311,990	46,432,672	46,500,324
	- Percentage of shareholding	61.96%	61.91%	61.96%	61.91%	61.94%
14	Promoters & promoter group shareholding (Refer note 6)					
	a) Pledged/ Encumbered					
	- Number of shares	32,100,000	Nil	32,100,000	Nil	2,760,000
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	11.23%	Nil	11.23%	Nil	9.66%
	- Percentage of shares (as a % of total share capital of the company)	4.27%	Nil	4.27%	Nil	3.68%
	b) Non-encumbered					
	- Number of shares	253,615,690	28,571,569	253,615,690	28,571,569	25,811,569
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	88.77%	100.00%	88.77%	100.00%	90.34%
	- Percentage of shares (as a % of total share capital of the company)	33.77%	38.09%	33.77%	38.09%	34.38%

Standalone Financial Results for the quarter and half year ended 30 September 2010

(Rs. in Crores)

	Particulars	Quarter Ended		Half Year Ended		Year Ended
		September 30, 2010 (Unaudited)	September 30, 2009 (Unaudited)	September 30, 2010 (Unaudited)	September 30, 2009 (Unaudited)	March 31, 2010 (Audited)
1	**Income from Operations**	103.14	61.14	173.55	117.25	244.12
2	Other Operating Income	(4.17)	-	0.06	1.38	1.41
3	**Total Income**	98.97	61.14	173.61	118.63	245.53
	Expenditure					
	a. Operating cost	11.97	4.64	19.37	13.81	36.15
	b. Employees cost	9.02	7.06	18.30	14.44	28.14
	c. Interest and Finance charges	68.76	41.16	108.29	67.93	137.22
	d. Depreciation	0.26	0.54	0.49	0.87	1.67
4	**Total expenditure**	90.01	53.40	146.45	97.05	203.18
5	**Profit / (Loss) before tax (3-4)**	8.96	7.74	27.16	21.58	42.35
6	Tax expenses	2.00	2.68	4.86	5.03	8.14
7	**Net Profit / (Loss) after tax (5-6)**	6.96	5.06	22.30	16.55	34.21
8	Paid-up equity share capital (Face Value of Re. 1/- Per Share) (Refer note 6)	75.10	37.50	75.10	37.50	37.54
9	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					1,270.70
10	Earnings Per Share (EPS) in Rupees (Refer note 6 and 7)					
	- Basic (Not annualised)	0.09	0.07	0.30	0.22	0.46
	- Diluted (Not annualised)	0.09	0.07	0.29	0.21	0.44
11	Debt Service Coverage Ratio (DSCR) *			0.04	0.15	0.18
12	Interest Service Coverage Ratio (ISCR) **			1.25	1.32	1.31
13	Public shareholding (Refer note 6)					
	- Number of shares	465,311,990	46,432,672	465,311,990	46,432,672	46,500,324
	- Percentage of shareholding	61.96%	61.91%	61.96%	61.91%	61.94%
14	Promoters & promoter group shareholding (Refer note 6)					
	a) Pledged/ Encumbered					
	- Number of shares	32,100,000	Nil	32,100,000	Nil	2,760,000
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	11.23%	Nil	11.23%	Nil	9.66%
	- Percentage of shares (as a % of total share capital of the company)	4.27%	Nil	4.27%	Nil	3.68%
	b) Non-encumbered					
	- Number of shares	253,615,690	28,571,569	253,615,690	28,571,569	25,811,569
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	88.77%	100.00%	88.77%	100.00%	90.34%
	- Percentage of shares (as a % of total share capital of the company)	33.77%	38.09%	33.77%	38.09%	34.38%

* DSCR = Profit before interest and tax / (Gross interest expense + Principal repayment in next six months)

** ISCR = Profit before interest and tax / Gross Interest expense

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Notes:

1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter and half year ended 30 September 2010 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 23 October 2010.

2 The financial results for the quarter and half year ended 30 September 2010 of ECL, on standalone basis, have been subjected to a 'Limited Review' by the Statutory Auditors of the Company.

3 The Company conducts its operations along with its subsidiaries and associates. The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standards (AS 21 and AS 23) prescribed by Companies (Accounting Standards) Rules, 2006. The financial statements of the holding company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances, transactions and resulting unrealised gains / losses. The investment in associates is accounted on "Equity Method". The consolidated financial statements are prepared by applying uniform accounting policies.

4 With effect from 16 July 2010, Anagram Capital Limited (ACL) and its subsidiaries became the subsidiaries of the Company. The consolidated financial results include the financial results of ACL and its subsidiaries from the said date.

5 CRISIL has assigned the rating of 'P1+' (pronounced 'P one Plus') to the Short Term Debt Programmes of ECL for Rs.3,000 crores. ICRA has assigned the rating 'LAA-' (pronounced 'L double A minus') to the Long Term Debt Programme of ECL for Rs.450 crores, the rating 'LAA- pp' (pronounced 'L double A Minus Principal Protected') to the Long Term Equity Linked Debenture Programme of ECL for Rs.25 crores and the rating 'LAA- pn' (pronounced 'L double A Minus Principal Not Protected') to the Long Term Equity Linked Debenture Programme of ECL for Rs.80 crores. The ratings as mentioned for these Programmes / Issues continue to remain in force.

6 With effect from the Record Date of 11 August 2010, equity shares of the face value of Rs. 5 each of the Company have been sub-divided into equity shares of face value of Re. 1 each. Also, 1 bonus share of face value of Re. 1 each has been issued for every equity share of face value of Re. 1 each held in the Company as on the Record Date.

7 The previous period / year earnings per share numbers have been adjusted to take the effect of corporate actions.

8 During the quarter, the Company has granted 2,075,000 options under Employee Stock Option Scheme. Prior to the sub-division of the equity shares and issue of bonus share, 3,050 stock options were exercised and 2,400 equity shares allotted. Further, 9,000 stock options adjusted for corporate actions were exercised and 36,500 equity shares allotted consequent to the sub-division and bonus shares. As at the end of the quarter, 92,533,420 stock options are outstanding.

9 **Standalone Segment Results**

(Rs. in Crores)

Particulars	Quarter Ended		Half Year Ended		Year Ended
	September 30, 2010 (Unaudited)	September 30, 2009 (Unaudited)	September 30, 2010 (Unaudited)	September 30, 2009 (Unaudited)	March 31, 2010 (Audited)
1 Segment revenue [Total income]					
Agency	46.86	13.97	72.71	22.61	90.09
Holding Company activities	52.11	47.17	100.90	94.63	154.03
Others	-	-	-	1.39	1.41
Total income	**98.97**	**61.14**	**173.61**	**118.63**	**245.53**
2 Segment results [Profit / (Loss) before tax]					
Agency	39.97	10.50	60.28	16.45	71.05
Holding Company activities	(29.36)	0.59	(28.75)	9.74	(17.27)
Others	(1.65)	(3.35)	(4.37)	(4.61)	(11.43)
Profit / (Loss) before tax	**8.96**	**7.74**	**27.16**	**21.58**	**42.35**
3 Capital employed [Segment assets - Segment liabilities]					
Agency	21.49	(2.12)	21.49	(2.12)	19.31
Holding Company activities	1,289.51	1,340.44	1,289.51	1,340.44	1,332.94
Others	19.79	36.36	19.79	36.36	(42.12)
Total capital employed	**1,330.79**	**1,374.68**	**1,330.79**	**1,374.68**	**1,310.13**

Agency includes investment banking; Holding Company activities include group funds management; Others include unallocated items.

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10 **Consolidated statement of assets and liablities as at 30 September 2010**

(Rs. in Crores)

	As at		
	September 30, 2010 (Unaudited)	March 31, 2010 (Audited)	September 30, 2009 (Unaudited)
SOURCES OF FUNDS			
Shareholders' funds			
(a) Share capital	75.10	37.54	37.50
(b) Stock options outstanding	1.95	1.89	1.53
(c) Reserves and surplus *	2,158.79	2,217.94	2,194.68
Loan funds	6,106.04	2,713.82	1,624.57
Minority Interest	573.64	213.20	222.19
TOTAL	8,915.52	5,184.39	4,080.47
APPLICATION OF FUNDS			
Fixed assets	436.04	58.88	53.67
Investments	507.33	156.03	195.50
Deferred tax asset (net)	64.42	60.28	55.16
Current assets, loans and advances			
(a) Stock in trade	1,862.24	1,150.58	1,403.42
(b) Sundry debtors	297.20	84.83	51.01
(c) Cash and bank balances	1,505.99	1,699.89	1,615.79
(d) Other Current Assets	101.07	48.34	72.60
(e) Loans and advances	7,250.41	2,636.94	1,218.57
Less: Current liabilities and provisions			
(a) Current liabilities	(3,038.81)	(571.84)	(507.00)
(b) Provisions	(70.37)	(139.54)	(78.25)
Net current assets	7,907.73	4,909.20	3,776.14
TOTAL	8,915.52	5,184.39	4,080.47

* Capital reserve arising on consolidation has been adjusted with goodwill arising on consolidation of Rs. 146.56 crores for the half year ended 30 September 2010.

11 **Standalone statement of assets and liablities as at 30 September 2010**

(Rs. in Crores)

	As at		
	September 30, 2010 (Unaudited)	March 31, 2010 (Audited)	September 30, 2009 (Unaudited)
SOURCES OF FUNDS			
Shareholders' funds			
(a) Share capital	75.10	37.54	37.50
(b) Stock options outstanding	1.95	1.89	1.53
(c) Reserves and surplus	1,253.74	1,270.70	1,335.65
Loan funds	3,803.77	1,453.41	1,145.53
TOTAL	5,134.56	2,763.54	2,520.21
APPLICATION OF FUNDS			
Fixed assets	3.09	3.10	3.77
Investments	1,235.60	1,153.61	1,176.14
Deferred tax asset (net)	7.07	6.74	8.03
Current assets, loans and advances			
(a) Sundry debtors	23.96	58.39	16.36
(b) Cash and bank balances	21.69	31.44	31.35
(c) Loans and advances	3,974.30	1,689.65	1,363.44
Less: Current liabilities and provisions			
(a) Current liabilities	(121.17)	(98.68)	(63.05)
(b) Provisions	(9.98)	(80.71)	(15.83)
Net current assets	3,888.80	1,600.09	1,332.27
TOTAL	5,134.56	2,763.54	2,520.21

12 There were no investor complaints outstanding at the beginning of the quarter. During the quarter, the Company received 18 investor complaints and has resolved all of these, with no complaint pending as at the end of the quarter.

13 The previous financial year/period figures have been regrouped/reclassified wherever necessary to conform to current quarter's presentation.

14 The standalone and consolidated results will be available on the Company's website - www.edelcap.com

On behalf of the Board of Directors

Rashesh Shah
Chairman

Mumbai, 23 October 2010.