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EW/Sec/2011/206

October 18, 2011

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 Consolidated and Standalone Financial Results of Edelweiss Financial Services Limited (formerly known as Edelweiss Capital Limited) for the second quarter and half year ended September 30, 2011, 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,

For Edelweiss Financial Services Limited
(formerly known as Edelweiss Capital Limited)

B. Renganathan
Sr. Vice President & Company Secretary

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

Edelweiss Financial Services Limited
(formerly Edelweiss Capital Limited)
Registered Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098
Tel: +91-22-40094400 Fax: +91-22-42273838
Website : www.edelweissfin.com

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Consolidated Financial Results for the quarter and half year ended 30 September 2011

(Rs. in Crores)

	Particulars	Quarter Ended			Half Year Ended		
		September 30, 2011 (Unaudited)	June 30, 2011 (Unaudited)	September 30, 2010 (Unaudited)	September 30, 2011 (Unaudited)	September 30, 2010 (Unaudited)	March 31, 2011 (Audited)
	Fee and commission income	104.76	97.10	143.70	201.86	237.11	500.12
	Interest and treasury income	276.28	288.21	231.29	564.49	417.19	971.85
1	**Income from Operations**	**381.04**	**385.31**	**374.99**	**766.35**	**654.30**	**1,471.97**
2	Other Operating Income	4.28	3.91	1.15	8.19	5.84	19.17
3	**Total Income (1+2)**	**385.32**	**389.22**	**376.14**	**774.54**	**660.14**	**1,491.14**
	Expenditure						
	a. Operating cost	96.90	86.13	91.86	183.03	155.54	353.12
	b. Employees cost	62.27	61.15	60.62	123.42	110.46	235.42
	c. Interest and Finance charges	176.14	184.39	121.50	360.53	199.07	532.18
	d. Depreciation	8.50	5.74	3.65	14.24	7.32	20.40
4	**Total expenditure**	**343.81**	**337.41**	**277.63**	**681.22**	**472.39**	**1,141.12**
5	**Profit / (Loss) before tax (3-4)**	**41.51**	**51.81**	**98.51**	**93.32**	**187.75**	**350.02**
6	Tax expenses	13.05	16.17	29.66	29.22	53.41	103.10
7	**Net Profit / (Loss) after tax and before minority interest (5-6)**	**28.46**	**35.64**	**68.85**	**64.10**	**134.34**	**246.92**
8	Share of minority interest in profits	2.14	2.43	2.75	4.57	6.88	13.90
9	**Net Profit / (Loss) after minority interest (7-8)**	**26.32**	**33.21**	**66.10**	**59.53**	**127.46**	**233.02**
10	Paid-up equity share capital (Face Value of Re. 1/- Per Share)	75.66	75.23	75.10	75.66	75.10	75.20
11	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						2,362.62
12	Earnings Per Share (EPS) in Rupees						
	- Basic (Not annualised)	0.35	0.44	0.88	0.79	1.70	3.10
	- Diluted (Not annualised)	0.34	0.43	0.85	0.77	1.64	3.00
13	Public shareholding						
	- Number of shares	470,930,590	466,553,590	465,311,990	470,930,590	465,311,990	466,310,590
	- Percentage of shareholding	62.24%	62.02%	61.96%	62.24%	61.96%	62.01%
14	Promoters & promoter group shareholding						
	a) Pledged/ Encumbered						
	- Number of shares	30,800,000	33,130,000	32,100,000	30,800,000	32,100,000	32,600,000
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	10.78%	11.60%	11.23%	10.78%	11.23%	11.41%
	- Percentage of shares (as a % of total share capital of the company)	4.07%	4.40%	4.27%	4.07%	4.27%	4.33%
	b) Non-encumbered						
	- Number of shares	254,915,690	252,585,690	253,615,690	254,915,690	253,615,690	253,115,690
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	89.22%	88.40%	88.77%	89.22%	88.77%	88.59%
	- Percentage of shares (as a % of total share capital of the company)	33.69%	33.58%	33.77%	33.69%	33.77%	33.66%

Standalone Financial Results for the quarter and half year ended 30 September 2011

(Rs. in Crores)

	Particulars	Quarter Ended			Half Year Ended		
		September 30, 2011 (Unaudited)	June 30, 2011 (Unaudited)	September 30, 2010 (Unaudited)	September 30, 2011 (Unaudited)	September 30, 2010 (Unaudited)	March 31, 2011 (Audited)
1	**Income from Operations**	24.85	54.09	103.14	78.94	173.55	448.74
2	Other Operating Income	28.44	0.83	(4.17)	29.27	0.06	0.00
3	**Total Income**	**53.29**	**54.92**	**98.97**	**108.21**	**173.61**	**448.74**
	Expenditure						
	a. Operating cost	8.52	7.52	11.97	16.04	19.37	46.99
	b. Employees cost	10.78	9.54	9.02	20.32	18.30	37.85
	c. Interest and Finance charges (Net) (Refer note 5)	11.12	10.86	68.76	21.98	108.29	300.11
	d. Depreciation	0.48	0.34	0.26	0.82	0.49	1.42
4	**Total expenditure**	**30.90**	**28.26**	**90.01**	**59.16**	**146.45**	**386.37**
5	**Profit / (Loss) before tax (3-4)**	**22.39**	**26.66**	**8.96**	**49.05**	**27.16**	**62.37**
6	Tax expenses	4.81	1.76	2.00	6.57	4.86	3.65
7	**Net Profit / (Loss) after tax (5-6)**	**17.58**	**24.90**	**6.96**	**42.48**	**22.30**	**58.72**
8	Paid-up equity share capital (Face Value of Re. 1/- Per Share)	75.66	75.23	75.10	75.66	75.10	75.20
9	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						1,245.67
10	Earnings Per Share (EPS) in Rupees						
	- Basic (Not annualised)	0.23	0.33	0.09	0.56	0.30	0.78
	- Diluted (Not annualised)	0.23	0.32	0.09	0.55	0.29	0.76
11	Debt Service Coverage Ratio (DSCR) *				0.07	0.04	0.10
12	Interest Service Coverage Ratio (ISCR) **				1.22	1.25	1.21
13	Public shareholding						
	- Number of shares	470,930,590	466,553,590	465,311,990	470,930,590	465,311,990	466,310,590
	- Percentage of shareholding	62.24%	62.02%	61.96%	62.24%	61.96%	62.01%
14	Promoters & promoter group shareholding						
	a) Pledged/ Encumbered						
	- Number of shares	30,800,000	33,130,000	32,100,000	30,800,000	32,100,000	32,600,000
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	10.78%	11.60%	11.23%	10.78%	11.23%	11.41%
	- Percentage of shares (as a % of total share capital of the company)	4.07%	4.40%	4.27%	4.07%	4.27%	4.33%
	b) Non-encumbered						
	- Number of shares	254,915,690	252,585,690	253,615,690	254,915,690	253,615,690	253,115,690
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	89.22%	88.40%	88.77%	89.22%	88.77%	88.59%
	- Percentage of shares (as a % of total share capital of the company)	33.69%	33.58%	33.77%	33.69%	33.77%	33.66%

* 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 Effective 1 August 2011, the name of the Company changed from Edelweiss Capital Limited to Edelweiss Financial Services Limited ("EFSL" or "the Company"). The consolidated and standalone financial results of EFSL for the quarter and half year ended 30 September 2011 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 18 October 2011.

2 The financial results for the quarter and half year ended 30 September 2011 of EFSL, 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.

4 CRISIL has assigned the rating of 'A1+' (pronounced 'A one Plus') to the Short Term Debt Programmes of EFSL for Rs.4,850 crores and the rating of 'AA-/stable' (Pronounced 'double A minus rating with stable outlook) to the long term debt programme of EFSL for Rs.10 crores. ICRA has assigned the rating 'LAA-' (pronounced 'L double A minus') to the Long Term Debt Programme of EFSL for Rs.450 crores, the rating 'LAA- pp' (pronounced 'L double A Minus Principal Protected') to the Long Term Equity Linked Debenture Programme of EFSL 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 EFSL for Rs.80 crores. The ratings as mentioned for these Programmes / Issues continue to remain in force.

5 From 1 April 2011, the Company by virtue of its holding company activities has adopted the practice of charging its actual borrowing cost on the loans extended to its group companies. Consequently, in the standalone financial results, interest income amounting to Rs. 97.42 crores for the current quarter ended 30 September 2011 and Rs. 193.47 crores for the half year then ended has been netted against interest and finance charges.

6 The Company has ceased to charge brand usage fees to its subsidiaries from 1 April 2011. Had the Company continued to charge these fees, Income from Operations in the standalone financial results would have been higher by Rs. 10.95 crores for the current quarter ended 30 September 2011 and Rs. 21.90 crores for the half year then ended.

7 During the quarter, the Company has not granted any options under Employee Stock Option Scheme; 75,000 stock options have been exercised and 4,377,000 equity shares have been allotted. 101,201,250 stock options are outstanding as at the end of the quarter.

8 **Standalone Segment Results**

(Rs. in Crores)

Particulars	Quarter Ended			Half Year Ended		
	September 30, 2011 (Unaudited)	June 30, 2011 (Unaudited)	September 30, 2010 (Unaudited)	September 30, 2011 (Unaudited)	September 30, 2010 (Unaudited)	March 31, 2011 (Audited)
1 Segment revenue [Total income]						
Agency	11.10	7.19	46.86	18.29	72.71	132.01
Holding Company activities	42.11	47.73	52.11	89.84	100.90	316.73
Others	0.08	-	-	0.08	-	-
Total income	**53.29**	**54.92**	**98.97**	**108.21**	**173.61**	**448.74**
2 Segment results [Profit / (Loss) before tax]						
Agency	5.40	0.83	39.97	6.23	60.28	105.86
Holding Company activities	19.55	28.49	(29.36)	48.04	(28.75)	(32.03)
Others	(2.56)	(2.66)	(1.65)	(5.22)	(4.37)	(11.46)
Profit / (Loss) before tax	**22.39**	**26.66**	**8.96**	**49.05**	**27.16**	**62.37**
3 Capital employed [Segment assets - Segment liabilities]						
Agency	7.60	11.54	21.49	7.60	21.49	11.25
Holding Company activities	1,322.61	1,327.60	1,289.51	1,322.61	1,289.51	1,295.00
Others	40.37	14.04	19.79	40.37	19.79	16.76
Total capital employed	**1,370.58**	**1,353.18**	**1,330.79**	**1,370.58**	**1,330.79**	**1,323.01**

Agency includes investment banking; Holding Company activities comprise of development, managerial and financial support to the businesses of subsidiaries/associates; Others include unallocated items.

9 **Consolidated statement of assets and liabilities as at 30 September 2011**

(Rs. in Crores)

	As at		
	September 30, 2011 (Unaudited)	March 31, 2011 (Audited)	September 30, 2010 (Unaudited)
SOURCES OF FUNDS			
Shareholders' funds			
(a) Share capital	75.66	75.20	75.10
(b) Stock options outstanding	2.05	2.06	1.95
(c) Share application money	-	0.08	-
(d) Reserves and surplus	2,527.05	2,362.63	2,298.26
Loan funds	8,049.71	7,836.95	6,106.04
Minority Interest	240.48	115.50	573.64
TOTAL	**10,894.95**	**10,392.42**	**9,054.99**
APPLICATION OF FUNDS			
Fixed assets	507.61	478.05	436.04
Goodwill on account of consolidation	139.47	139.47	139.47
Investments	1,539.26	388.72	507.33
Deferred tax asset (net)	53.74	52.75	64.42
Current assets, loans and advances			
(a) Stock in trade	1,871.68	1,417.17	1,862.24
(b) Sundry debtors	302.78	3,586.96	297.20
(c) Cash and bank balances	3,221.83	3,662.49	1,505.99
(d) Other Current Assets	291.97	347.72	101.07
(e) Loans and advances	4,100.12	5,061.15	7,250.41
Less: Current liabilities and provisions			
(a) Current liabilities	(1,095.43)	(4,659.67)	(3,038.81)
(b) Provisions	(38.08)	(82.39)	(70.37)
Net current assets	**8,654.87**	**9,333.43**	**7,907.73**
TOTAL	**10,894.95**	**10,392.42**	**9,054.99**

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10 **Standalone statement of assets and liabilities as at 30 September 2011**

(Rs. in Crores)

	As at		
	September 30, 2011 (Unaudited)	March 31, 2011 (Audited)	September 30, 2010 (Unaudited)
SOURCES OF FUNDS			
Shareholders' funds			
(a) Share capital	75.66	75.20	75.10
(b) Stock options outstanding	2.05	2.06	1.95
(c) Share application money	-	0.08	-
(d) Reserves and surplus	1,292.87	1,245.67	1,253.74
Loan funds	3,921.47	3,596.12	3,803.77
TOTAL	**5,292.05**	**4,919.13**	**5,134.56**
APPLICATION OF FUNDS			
Fixed assets	5.31	3.75	3.09
Investments	1,484.60	1,199.52	1,235.60
Deferred tax asset (net)	4.27	4.23	7.07
Current assets, loans and advances			
(a) Sundry debtors	5.28	17.12	23.96
(b) Cash and bank balances	1.40	11.23	21.69
(c) Loans and advances	3,833.49	3,796.33	3,974.30
Less: Current liabilities and provisions			
(a) Current liabilities	(41.10)	(76.97)	(121.17)
(b) Provisions	(1.20)	(36.08)	(9.98)
Net current assets	**3,797.87**	**3,711.63**	**3,888.80**
TOTAL	**5,292.05**	**4,919.13**	**5,134.56**

11 There were no investor complaints outstanding at the beginning of the quarter. During the quarter, the Company received 9 investor complaints and has resolved all of these.

12 The previous financial year/period figures have been regrouped/reclassified wherever necessary.

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

On behalf of the Board of Directors

Rashesh Shah
Chairman

Mumbai, 18 October 2011.