

EW/Sec/2011/8

January 21, 2011

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

Dear Sir,

Sub: Outcome of Board Meeting

This is to inform you that the Board of Directors of the Company at its meeting held today, have:

1. Approved the Unaudited Standalone and Consolidated Financial Results for the third quarter and nine months period ended December 31, 2010. A copy of the results under Clause 41 of the Listing Agreement is enclosed.
2. Declared an interim dividend of Re. 0.25 per equity share of the face value of Re.1/- each for the year 2010-11. The Interim Dividend will be paid on February 14, 2011.

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


Consolidated Financial Results for the quarter and nine months ended 31 December 2010

Particulars	Quarter Ended		Nine months Ended		(Rs. in Crores)
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	March 31, 2010 (Audited)
Fee and commission income	135.31	85.92	372.42	233.20	350.40
Income from treasury operations	64.26	60.73	168.69	211.52	245.46
Income from investments and dividend	0.24	5.38	8.78	34.16	34.26
Interest income	237.85	74.38	542.07	230.66	338.91
1 Income from Operations	437.66	226.41	1,091.96	709.54	969.03
2 Other Operating Income	7.08	3.80	12.92	5.84	8.77
3 Total Income (1+2)	444.74	230.21	1,104.88	715.38	977.80
Expenditure					
a. Operating cost	104.49	68.53	260.03	195.95	276.30
b. Employees cost	60.76	37.23	171.22	115.70	162.17
c. Interest and Finance charges	175.11	46.41	374.18	137.34	194.28
d. Depreciation	6.34	2.65	13.66	8.32	12.25
4 Total expenditure	346.70	154.82	819.09	457.31	645.00
5 Profit / (Loss) before tax (3-4)	98.04	75.39	285.79	258.07	332.80
6 Tax expenses	33.44	17.46	86.85	69.52	87.92
7 Net Profit / (Loss) after tax and before minority interest (5-6)	64.60	57.93	198.94	188.55	244.88
8 Share of minority interest in profits	2.30	4.35	9.18	11.65	15.72
9 Net Profit / (Loss) after minority interest (7-8)	62.30	53.58	189.76	176.90	229.16
10 Paid-up equity share capital (Face Value of Re. 1/- Per Share) (Refer note 6)	75.17	37.52	75.17	37.52	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)					
- Basic (Not annualised)	0.83	0.71	2.53	2.36	3.06
- Diluted (Not annualised)	0.80	0.69	2.43	2.28	2.94
13 Public shareholding (Refer note 6)					
- Number of shares	466,008,990	46,466,124	466,008,990	46,466,124	46,500,324
- Percentage of shareholding	61.99%	61.92%	61.99%	61.92%	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)	33.74%	38.08%	33.74%	38.08%	34.38%

Standalone Financial Results for the quarter and nine months ended 31 December 2010

Particulars	Quarter Ended		Nine months Ended		(Rs. in Crores)
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	March 31, 2010 (Audited)
1 Income from Operations (Refer note 5)	159.11	53.68	332.66	170.93	244.12
2 Other Operating Income	-	-	0.06	1.38	1.41
3 Total Income	159.11	53.68	332.72	172.31	245.53
Expenditure					
a. Operating cost	8.77	9.14	28.14	22.95	36.15
b. Employees cost	9.56	7.21	27.86	21.65	28.14
c. Interest and Finance charges	114.47	33.21	222.76	101.14	137.22
d. Depreciation	0.48	0.31	0.97	1.18	1.67
4 Total expenditure	133.28	49.87	279.73	146.92	203.18
5 Profit / (Loss) before tax (3-4)	25.83	3.81	52.99	25.39	42.35
6 Tax expenses	3.04	(0.29)	7.90	4.74	8.14
7 Net Profit / (Loss) after tax (5-6)	22.79	4.10	45.09	20.65	34.21
8 Paid-up equity share capital (Face Value of Re. 1/- Per Share) (Refer note 6)	75.17	37.52	75.17	37.52	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)					
- Basic (Not annualised)	0.30	0.05	0.60	0.28	0.46
- Diluted (Not annualised)	0.29	0.05	0.58	0.27	0.44
11 Public shareholding (Refer note 6)					
- Number of shares	466,008,990	46,466,124	466,008,990	46,466,124	46,500,324
- Percentage of shareholding	61.99%	61.92%	61.99%	61.92%	61.94%
12 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)	33.74%	38.08%	33.74%	38.08%	34.38%

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**Notes:**

- 1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter and nine months ended 31 December 2010 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 21 January 2011.
- 2 The financial results for the quarter and nine months ended 31 December 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. The investment in associates is accounted on "Equity Method". The consolidated financial statements are prepared by applying uniform accounting policies.
- 4 CRISIL has assigned the rating of 'P1+' (pronounced 'P one Plus') to the Short Term Debt Programmes of ECL for Rs.3,250 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. Further CRISIL had assigned the rating of 'P1+' (pronounced 'P one Plus') to the Short Term Debt Programmes of ECL for Rs.300 crores on 20 December 2010, the rating had maturity date of 4 January 2011 and has been withdrawn as on date.
- 5 The Company has decided to charge brand usage fees to its subsidiaries beginning from this financial year. Accordingly, Income from Operations of standalone financial results for the quarter ended 31 December 2010 includes an amount of Rs.27.87 crores (includes Rs.18.58 crores for earlier quarters) being brand usage fee charged by the Company to its subsidiaries for the 9 months period ended on that date.
- 6 With effect from the Record Date of 11 August 2010, equity shares of the face value of Rs. 5 each of the Company had been sub-divided into equity shares of face value of Re. 1 each. Also, 1 bonus share of face value of Re. 1 each had been issued for every equity share of face value of Re. 1 each held in the Company as on the Record Date. The previous period / year earnings per share numbers have been adjusted to take the effect of corporate actions.
- 7 During the quarter, the Company has granted 1,080,000 options under Employee Stock Option Scheme, 745,000 stock options have been exercised and 697,000 equity shares have been allotted. 92,279,420 stock options are outstanding as at the end of the quarter.
- 8 The Board of Directors at its meeting dated 21 January 2011, has declared an interim dividend of Re. 0.25 per share (on a face value of Re. 1 per equity share) for the financial year 2010-11.

9 Standalone Segment Results

Particulars	(Rs. in Crores)				
	Quarter Ended		Nine months Ended		Year Ended
	December 31, 2010 (Unaudited)	December 31, 2009 (Unaudited)	December 31, 2010 (Unaudited)	December 31, 2009 (Unaudited)	March 31, 2010 (Audited)
1 Segment revenue [Total income]					
Agency	36.15	20.18	108.86	42.79	90.09
Holding Company activities	122.96	33.50	223.86	128.13	154.03
Others	-	-	-	1.39	1.41
Total income	159.11	53.68	332.72	172.31	245.53
2 Segment results [Profit / (Loss) before tax]					
Agency	30.49	15.69	90.77	32.14	71.05
Holding Company activities	(2.01)	(8.62)	(30.76)	1.12	(17.27)
Others	(2.65)	(3.26)	(7.02)	(7.87)	(11.43)
Profit / (Loss) before tax	25.83	3.81	52.99	25.39	42.35
3 Capital employed [Segment assets - Segment liabilities]					
Agency	16.68	1.85	16.68	1.85	19.31
Holding Company activities	1,316.35	1,347.79	1,316.35	1,347.79	1,332.94
Others	22.29	14.21	22.29	14.21	(42.12)
Total capital employed	1,355.32	1,363.85	1,355.32	1,363.85	1,310.13

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

- 10 There were no investor complaints outstanding at the beginning of the quarter. During the quarter, the Company received 13 investor complaints and has resolved all of these, with no complaint pending as at the end of the quarter.
- 11 The previous period / year figures have been regrouped/reclassified wherever necessary to conform to current quarter's presentation.
- 12 The standalone and consolidated results will be available on the Company's website - www.edelcap.com

On behalf of the Board of Directors

Roshesh Shah
Chairman

Mumbai, 21 January 2011.