

EW/Sec/2012/13

January 24, 2012

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

Dear Sir,

**Sub: Outcome of the 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 ended December 31, 2011. A copy of the results and the Limited Review Report of the Auditors of the Company under Clause 41 of the Listing Agreement is enclosed; and
2. Declared an interim dividend of Re. 0.30 per equity share of the face value of Re. 1/- each for the year 2011-12. The Interim Dividend will be paid on February 14, 2012.

Kindly take the above on the record.

Thanking you,

**For Edelweiss Financial Services 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**

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

**Consolidated Financial Results for the quarter and nine months ended 31 December 2011**

(Rs. in Crores)

| Particulars                                                                                 | Quarter Ended                 |                                |                               | Nine months Ended             |                               |                          |
|---------------------------------------------------------------------------------------------|-------------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------|
|                                                                                             | December 31, 2011 (Unaudited) | September 30, 2011 (Unaudited) | December 31, 2010 (Unaudited) | December 31, 2011 (Unaudited) | December 31, 2010 (Unaudited) | March 31, 2011 (Audited) |
| Fee and commission income                                                                   | 80.58                         | 88.88                          | 114.71                        | 243.80                        | 325.97                        | 427.76                   |
| Interest and treasury income                                                                | 373.19                        | 279.04                         | 306.52                        | 950.00                        | 730.96                        | 993.29                   |
| <b>1 Income from Operations</b>                                                             | <b>453.77</b>                 | <b>367.92</b>                  | <b>421.23</b>                 | <b>1,193.80</b>               | <b>1,056.93</b>               | <b>1,421.05</b>          |
| 2 Other Operating Income                                                                    | 1.23                          | 4.28                           | 7.08                          | 9.42                          | 12.92                         | 19.17                    |
| <b>3 Total Income (1+2)</b>                                                                 | <b>455.00</b>                 | <b>372.20</b>                  | <b>428.31</b>                 | <b>1,203.22</b>               | <b>1,069.85</b>               | <b>1,440.22</b>          |
| Expenditure                                                                                 |                               |                                |                               |                               |                               |                          |
| a. Operating cost                                                                           | 91.97                         | 83.78                          | 88.06                         | 248.67                        | 225.00                        | 302.20                   |
| b. Employees cost                                                                           | 69.72                         | 62.27                          | 60.76                         | 193.14                        | 171.22                        | 235.42                   |
| c. Interest and Finance charges                                                             | 234.52                        | 176.14                         | 175.11                        | 595.05                        | 374.18                        | 532.18                   |
| d. Depreciation                                                                             | 12.31                         | 8.50                           | 6.34                          | 26.55                         | 13.66                         | 20.40                    |
| <b>4 Total expenditure</b>                                                                  | <b>408.52</b>                 | <b>330.69</b>                  | <b>330.27</b>                 | <b>1,063.41</b>               | <b>784.06</b>                 | <b>1,090.20</b>          |
| <b>5 Profit / (Loss) before tax (3-4)</b>                                                   | <b>46.48</b>                  | <b>41.51</b>                   | <b>98.04</b>                  | <b>139.81</b>                 | <b>285.79</b>                 | <b>350.02</b>            |
| 6 Tax expenses                                                                              | 16.23                         | 13.05                          | 33.44                         | 45.45                         | 86.85                         | 103.10                   |
| <b>7 Net Profit / (Loss) after tax and before minority interest (5-6)</b>                   | <b>30.25</b>                  | <b>28.46</b>                   | <b>64.60</b>                  | <b>94.36</b>                  | <b>198.94</b>                 | <b>246.92</b>            |
| 8 Share of minority interest in profits                                                     | 0.81                          | 2.14                           | 2.30                          | 5.38                          | 9.18                          | 13.90                    |
| <b>9 Net Profit / (Loss) after minority interest (7-8)</b>                                  | <b>29.44</b>                  | <b>26.32</b>                   | <b>62.30</b>                  | <b>88.98</b>                  | <b>189.76</b>                 | <b>233.02</b>            |
| 10 Paid-up equity share capital (Face Value of Re. 1/- Per Share)                           | 75.66                         | 75.66                          | 75.17                         | 75.66                         | 75.17                         | 75.20                    |
| 11 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year |                               |                                |                               |                               |                               | 2,362.62                 |
| <b>12 Earnings Per Share (EPS) in Rupees</b>                                                |                               |                                |                               |                               |                               |                          |
| - Basic (Not annualised)                                                                    | 0.39                          | 0.35                           | 0.83                          | 1.18                          | 2.53                          | 3.10                     |
| - Diluted (Not annualised)                                                                  | 0.38                          | 0.34                           | 0.80                          | 1.16                          | 2.43                          | 3.00                     |
| <b>13 Public shareholding</b>                                                               |                               |                                |                               |                               |                               |                          |
| - Number of shares                                                                          | 470,930,590                   | 470,930,590                    | 466,008,990                   | 470,930,590                   | 466,008,990                   | 466,310,590              |
| - Percentage of shareholding                                                                | 62.24%                        | 62.24%                         | 61.99%                        | 62.24%                        | 61.99%                        | 62.01%                   |
| <b>14 Promoters &amp; promoter group shareholding</b>                                       |                               |                                |                               |                               |                               |                          |
| a) Pledged/ Encumbered                                                                      |                               |                                |                               |                               |                               |                          |
| - Number of shares                                                                          | 35,216,667                    | 30,800,000                     | 32,100,000                    | 35,216,667                    | 32,100,000                    | 32,600,000               |
| - Percentage of shares (as a % of total shareholding of promoter and promoter group)        | 12.33%                        | 10.78%                         | 11.23%                        | 12.33%                        | 11.23%                        | 11.41%                   |
| - Percentage of shares (as a % of total share capital of the company)                       | 4.65%                         | 4.07%                          | 4.27%                         | 4.65%                         | 4.27%                         | 4.33%                    |
| b) Non-encumbered                                                                           |                               |                                |                               |                               |                               |                          |
| - Number of shares                                                                          | 250,499,023                   | 254,915,690                    | 253,615,690                   | 250,499,023                   | 253,615,690                   | 253,115,690              |
| - Percentage of shares (as a % of total shareholding of promoter and promoter group)        | 87.67%                        | 89.22%                         | 88.77%                        | 87.67%                        | 88.77%                        | 88.59%                   |
| - Percentage of shares (as a % of total share capital of the company)                       | 33.11%                        | 33.69%                         | 33.74%                        | 33.11%                        | 33.74%                        | 33.66%                   |

**Standalone Financial Results for the quarter and nine months ended 31 December 2011**

(Rs. in Crores)

| Particulars                                                                                | Quarter Ended                 |                                |                               | Nine months Ended             |                               |                          |
|--------------------------------------------------------------------------------------------|-------------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------|
|                                                                                            | December 31, 2011 (Unaudited) | September 30, 2011 (Unaudited) | December 31, 2010 (Unaudited) | December 31, 2011 (Unaudited) | December 31, 2010 (Unaudited) | March 31, 2011 (Audited) |
| <b>1 Income from Operations</b>                                                            | <b>26.89</b>                  | <b>24.85</b>                   | <b>159.11</b>                 | <b>105.83</b>                 | <b>332.66</b>                 | <b>448.74</b>            |
| 2 Other Operating Income                                                                   | 19.15                         | 28.44                          | 0.00                          | 48.42                         | 0.06                          | 0.00                     |
| <b>3 Total Income</b>                                                                      | <b>46.04</b>                  | <b>53.29</b>                   | <b>159.11</b>                 | <b>154.25</b>                 | <b>332.72</b>                 | <b>448.74</b>            |
| Expenditure                                                                                |                               |                                |                               |                               |                               |                          |
| a. Operating cost                                                                          | 10.64                         | 8.52                           | 8.77                          | 26.68                         | 28.14                         | 46.99                    |
| b. Employees cost                                                                          | 9.25                          | 10.78                          | 9.56                          | 29.57                         | 27.86                         | 37.85                    |
| c. Interest and Finance charges (Net) (Refer note 5)                                       | 14.43                         | 11.12                          | 114.47                        | 36.41                         | 222.76                        | 300.11                   |
| d. Depreciation                                                                            | 0.42                          | 0.48                           | 0.48                          | 1.24                          | 0.97                          | 1.42                     |
| <b>4 Total expenditure</b>                                                                 | <b>34.74</b>                  | <b>30.90</b>                   | <b>133.28</b>                 | <b>93.90</b>                  | <b>279.73</b>                 | <b>386.37</b>            |
| <b>5 Profit / (Loss) before tax (3-4)</b>                                                  | <b>11.30</b>                  | <b>22.39</b>                   | <b>25.83</b>                  | <b>60.35</b>                  | <b>52.99</b>                  | <b>62.37</b>             |
| 6 Tax expenses                                                                             | 0.68                          | 4.81                           | 3.04                          | 7.25                          | 7.90                          | 3.65                     |
| <b>7 Net Profit / (Loss) after tax (5-6)</b>                                               | <b>10.62</b>                  | <b>17.58</b>                   | <b>22.79</b>                  | <b>53.10</b>                  | <b>45.09</b>                  | <b>58.72</b>             |
| 8 Paid-up equity share capital (Face Value of Re. 1/- Per Share)                           | 75.66                         | 75.66                          | 75.17                         | 75.66                         | 75.17                         | 75.20                    |
| 9 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year |                               |                                |                               |                               |                               | 1,245.67                 |
| <b>10 Earnings Per Share (EPS) in Rupees</b>                                               |                               |                                |                               |                               |                               |                          |
| - Basic (Not annualised)                                                                   | 0.14                          | 0.23                           | 0.30                          | 0.70                          | 0.60                          | 0.78                     |
| - Diluted (Not annualised)                                                                 | 0.14                          | 0.23                           | 0.29                          | 0.69                          | 0.58                          | 0.76                     |
| <b>11 Public shareholding</b>                                                              |                               |                                |                               |                               |                               |                          |
| - Number of shares                                                                         | 470,930,590                   | 470,930,590                    | 466,008,990                   | 470,930,590                   | 466,008,990                   | 466,310,590              |
| - Percentage of shareholding                                                               | 62.24%                        | 62.24%                         | 61.99%                        | 62.24%                        | 61.99%                        | 62.01%                   |
| <b>12 Promoters &amp; promoter group shareholding</b>                                      |                               |                                |                               |                               |                               |                          |
| a) Pledged/ Encumbered                                                                     |                               |                                |                               |                               |                               |                          |
| - Number of shares                                                                         | 35,216,667                    | 30,800,000                     | 32,100,000                    | 35,216,667                    | 32,100,000                    | 32,600,000               |
| - Percentage of shares (as a % of total shareholding of promoter and promoter group)       | 12.33%                        | 10.78%                         | 11.23%                        | 12.33%                        | 11.23%                        | 11.41%                   |
| - Percentage of shares (as a % of total share capital of the company)                      | 4.65%                         | 4.07%                          | 4.27%                         | 4.65%                         | 4.27%                         | 4.33%                    |
| b) Non-encumbered                                                                          |                               |                                |                               |                               |                               |                          |
| - Number of shares                                                                         | 250,499,023                   | 254,915,690                    | 253,615,690                   | 250,499,023                   | 253,615,690                   | 253,115,690              |
| - Percentage of shares (as a % of total shareholding of promoter and promoter group)       | 87.67%                        | 89.22%                         | 88.77%                        | 87.67%                        | 88.77%                        | 88.59%                   |
| - Percentage of shares (as a % of total share capital of the company)                      | 33.11%                        | 33.69%                         | 33.74%                        | 33.11%                        | 33.74%                        | 33.66%                   |

**Edelweiss Financial Services 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

**Notes:**

- The consolidated and standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter and nine months ended 31 December 2011 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 24 January 2012.
- The financial results for the quarter and nine months ended 31 December 2011 of EFSL, on standalone basis, have been subjected to a 'Limited Review' by the Statutory Auditors of the Company and the auditors have issued an unqualified review report.
- 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.
- CRISIL has assigned the rating of 'CRISIL A1+' (pronounced 'CRISIL A one Plus') to the Short Term Debt Programmes of EFSL for Rs.4,850 crores and the rating of 'CRISIL AA-/stable' (pronounced 'CRISIL double A minus rating with Stable Outlook') to the long term debt programme of EFSL for Rs.10 crores. ICRA has assigned the rating 'ICRA AA-' (pronounced 'ICRA double A minus with Stable Outlook') to the Long Term Debt Programme of EFSL for Rs.450 crores, the rating 'PP-MLD [ICRA] AA-' (pronounced 'double P - MLD - ICRA double A minus rating with Stable Outlook') 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 with Stable Outlook') 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.
- 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. 99.72 crores for the current quarter ended 31 December 2011 and Rs. 293.19 crores for the nine months then ended has been netted against interest and finance charges.
- 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 31 December 2011 and Rs. 32.85 crores for the nine months then ended.
- During the quarter, the Company has granted 410,000 options under Employee Stock Option Scheme; no stock options have been exercised and no equity shares have been allotted. 95,405,000 stock options are outstanding as at the end of the quarter.
- From the current quarter, fee and commission income figures in the consolidated financial results are disclosed net of (i) service tax collected on the broking fee, and (ii) sub-brokerage expenses incurred thereon.
- The Board of Directors at its meeting dated 24 January 2012, has declared an interim dividend of Re. 0.30 per share (on a face value of Re. 1 per equity share) for the financial year 2011-12.

**10 Standalone Segment Results**

| Particulars                                                      | Quarter Ended                    |                                   |                                  | Nine months Ended                |                                  | (Rs. in Crores)             |
|------------------------------------------------------------------|----------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------------|
|                                                                  | December 31, 2011<br>(Unaudited) | September 30, 2011<br>(Unaudited) | December 31, 2010<br>(Unaudited) | December 31, 2011<br>(Unaudited) | December 31, 2010<br>(Unaudited) | March 31, 2011<br>(Audited) |
| <b>1 Segment revenue [Total income]</b>                          |                                  |                                   |                                  |                                  |                                  |                             |
| Agency                                                           | 14.45                            | 11.10                             | 36.15                            | 32.74                            | 108.86                           | 132.01                      |
| Holding Company activities                                       | 31.59                            | 42.19                             | 122.96                           | 121.51                           | 223.86                           | 316.73                      |
| Others                                                           | -                                | -                                 | -                                | -                                | -                                | -                           |
| <b>Total income</b>                                              | <b>46.04</b>                     | <b>53.29</b>                      | <b>159.11</b>                    | <b>154.25</b>                    | <b>332.72</b>                    | <b>448.74</b>               |
| <b>2 Segment results [Profit / (Loss) before tax]</b>            |                                  |                                   |                                  |                                  |                                  |                             |
| Agency                                                           | 8.60                             | 5.40                              | 30.49                            | 14.83                            | 90.77                            | 105.86                      |
| Holding Company activities                                       | 5.45                             | 19.55                             | (2.01)                           | 53.49                            | (30.76)                          | (32.03)                     |
| Others                                                           | (2.75)                           | (2.56)                            | (2.65)                           | (7.97)                           | (7.02)                           | (11.46)                     |
| <b>Profit / (Loss) before tax</b>                                | <b>11.30</b>                     | <b>22.39</b>                      | <b>25.83</b>                     | <b>60.35</b>                     | <b>52.99</b>                     | <b>62.37</b>                |
| <b>3 Capital employed [Segment assets - Segment liabilities]</b> |                                  |                                   |                                  |                                  |                                  |                             |
| Agency                                                           | 4.19                             | 7.60                              | 16.68                            | 4.19                             | 16.68                            | 11.25                       |
| Holding Company activities                                       | 1,349.06                         | 1,322.61                          | 1,316.35                         | 1,349.06                         | 1,316.35                         | 1,295.00                    |
| Others                                                           | 27.18                            | 40.37                             | 22.29                            | 27.18                            | 22.29                            | 16.76                       |
| <b>Total capital employed</b>                                    | <b>1,380.43</b>                  | <b>1,370.58</b>                   | <b>1,355.32</b>                  | <b>1,380.43</b>                  | <b>1,355.32</b>                  | <b>1,323.01</b>             |

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

- There were no investor complaints outstanding at the beginning of the quarter. During the quarter, the Company received 7 investor complaints and has resolved all of these.
- The previous financial year/period figures have been regrouped/reclassified wherever necessary.
- 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, 24 January 2012.

**Review report****To the Board of Directors of  
Edelweiss Financial Services Limited***(formerly known as 'Edelweiss Capital Limited')*

We have reviewed the accompanying statement of unaudited financial results ('the statement') of Edelweiss Financial Services Limited ('the Company') for the quarter ended 31 December 2011 and the nine months ended on that date except for the disclosures regarding 'Public shareholding' and 'Promoters and promoter group shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 24 January 2012. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Associates**  
Chartered Accountants  
Firm's Registration No: 116231W



**N Sampath Ganesh**  
Partner

Membership No: 042554

24 January 2012