

Edelweiss Financial Services Limited

 Registered Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098
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 Website : www.edelweissfin.com

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

Particulars	(Rs. in Crores)					
	Quarter Ended			Nine months Ended		Year 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
1 Income from Operations	453.77	367.92	421.23	1,193.80	1,056.93	1,421.05
2 Other Operating Income	1.23	4.28	7.08	9.42	12.92	19.17
3 Total Income (1+2)	455.00	372.20	428.31	1,203.22	1,069.85	1,440.22
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
4 Total expenditure	408.52	330.69	330.27	1,063.41	784.06	1,090.20
5 Profit / (Loss) before tax (3-4)	46.48	41.51	98.04	139.81	285.79	350.02
6 Tax expenses	16.23	13.05	33.44	45.45	86.85	103.10
7 Net Profit / (Loss) after tax and before minority interest (5-6)	30.25	28.46	64.60	94.36	198.94	246.92
8 Share of minority interest in profits	0.81	2.14	2.30	5.38	9.18	13.90
9 Net Profit / (Loss) after minority interest (7-8)	29.44	26.32	62.30	88.98	189.76	233.02
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
12 Earnings Per Share (EPS) in Rupees						
- 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
13 Public shareholding						
- 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%
14 Promoters & promoter group shareholding						
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

Particulars	(Rs. in Crores)					
	Quarter Ended			Nine months Ended		Year 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)
1 Income from Operations	26.89	24.85	159.11	105.83	332.66	448.74
2 Other Operating Income	19.15	28.44	0.00	48.42	0.06	0.00
3 Total Income	46.04	53.29	159.11	154.25	332.72	448.74
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
4 Total expenditure	34.74	30.90	133.28	93.90	279.73	386.37
5 Profit / (Loss) before tax (3-4)	11.30	22.39	25.83	60.35	52.99	62.37
6 Tax expenses	0.68	4.81	3.04	7.25	7.90	3.65
7 Net Profit / (Loss) after tax (5-6)	10.62	17.58	22.79	53.10	45.09	58.72
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
10 Earnings Per Share (EPS) in Rupees						
- 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
11 Public shareholding						
- 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%
12 Promoters & promoter group shareholding						
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%

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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	(Rs. in Crores)					
	Quarter Ended			Nine months Ended		Year 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)
1 Segment revenue [Total income]						
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	-	-	-	-	-	-
Total income	46.04	53.29	159.11	154.25	332.72	448.74
2 Segment results [Profit / (Loss) before tax]						
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)
Profit / (Loss) before tax	11.30	22.39	25.83	60.35	52.99	62.37
3 Capital employed [Segment assets - Segment liabilities]						
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
Total capital employed	1,380.43	1,370.58	1,355.32	1,380.43	1,355.32	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.

- 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.