

EW/Sec/2012/64

May 16, 2012

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:

- i. approved the audited financial results of the Company (both standalone and consolidated) for the financial year ended March 31, 2012; and
- ii. recommended payment of final dividend of Re. 0.30/- per share (on the face value of Re. 1/-) for the financial year 2011-12. The payment of final dividend is subject to the approval of the members at the ensuing Annual General Meeting (AGM) of the Company. The dividend, if declared, will be credited/dispatched between August 6, 2012 and August 11, 2012.

You are requested to take on record the aforesaid items.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited


B. Renganathan
Sr. Vice President & Company Secretary

cc.:
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

Consolidated Financial Results for the quarter and year ended 31 March 2012

(Rs. in Crores)

Particulars	Quarter Ended			Year Ended	
	March 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)	March 31, 2011 (Unaudited)	March 31, 2012 (Audited)	March 31, 2011 (Audited)
1 Income from operations					
(a) Fee and commission income	92.27	76.93	102.33	321.31	414.05
(b) Interest and treasury income	365.48	369.69	274.87	1,309.95	1,006.84
(c) Premium from Life Insurance business	7.49	2.46	0.00	10.72	0.00
(d) Other operating income	4.12	2.03	4.28	10.98	14.72
Total income from operations	469.36	451.11	381.48	1,652.96	1,435.61
2 Expenses					
(a) Employee benefits expense	78.07	69.72	64.20	271.21	235.42
(b) Depreciation and amortisation expense	15.64	12.31	6.74	42.19	20.40
(c) Other expenses	91.80	90.76	79.45	328.94	290.21
Total expenses	185.51	172.79	150.39	642.34	546.03
3 Profit / (Loss) from operations before other income and finance costs (1-2)	283.85	278.32	231.09	1,010.62	889.58
4 Other income	5.63	(0.82)	1.10	8.19	3.58
5 Profit / (Loss) from ordinary activities before finance costs (3+4)	289.48	277.50	232.19	1,018.81	893.16
6 Finance costs	234.60	234.52	158.67	829.65	532.85
7 Profit / (Loss) before tax (5-6)	54.88	42.98	73.52	189.16	360.31
8 Tax expense	22.64	16.23	16.25	68.09	103.10
9 Net Profit / (Loss) after tax (7-8)	32.24	26.75	57.27	121.07	257.21
10 Share of profit / (loss) of associates	4.01	3.50	(9.29)	9.54	(10.29)
11 Minority interest	(2.51)	0.81	4.72	2.87	13.90
12 Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (9+10-11)	38.76	29.44	43.26	127.74	233.02
13 Paid-up equity share capital (Face Value of Re. 1/- Per Share)	75.68	75.66	75.20	75.68	75.20
14 Reserves excluding Revaluation Reserves				2,559.17	2,364.68
15 Earnings Per Share (EPS) in Rupees (Face Value of Re. 1/- Per Share)					
- Basic (Not annualised)	0.51	0.39	0.58	1.69	3.10
- Diluted (Not annualised)	0.50	0.38	0.56	1.66	3.00
16 PARTICULARS OF SHAREHOLDING					
a Public shareholding					
- Number of shares	471,083,590	470,930,590	466,310,590	471,083,590	466,310,590
- Percentage of shareholding	62.25%	62.24%	62.01%	62.25%	62.01%
b Promoters & promoter group shareholding					
a) Pledged/ Encumbered					
- Number of shares	35,216,667	35,216,667	32,600,000	35,216,667	32,600,000
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	12.33%	12.33%	11.41%	12.33%	11.41%
- Percentage of shares (as a % of total share capital of the company)	4.65%	4.65%	4.33%	4.65%	4.33%
b) Non-encumbered					
- Number of shares	250,499,023	250,499,023	253,115,690	250,499,023	253,115,690
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	87.67%	87.67%	88.59%	87.67%	88.59%
- Percentage of shares (as a % of total share capital of the company)	33.10%	33.11%	33.66%	33.10%	33.66%

Standalone Financial Results for the quarter and year ended 31 March 2012

(Rs. in Crores)

Particulars	Quarter Ended			Year Ended	
	March 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)	March 31, 2011 (Unaudited)	March 31, 2012 (Audited)	March 31, 2011 (Audited)
1 Income from operations	52.79	46.04	111.52	206.95	439.55
2 Expenses					
(a) Employee benefits expense	7.78	9.25	9.99	37.35	37.85
(b) Depreciation and amortisation expense	0.47	0.42	0.45	1.71	1.42
(c) Other expenses	5.95	10.64	14.30	32.83	37.75
Total expenses	14.20	20.31	24.74	71.69	77.02
3 Profit / (Loss) from operations before other income and finance costs (1-2)	38.59	25.73	86.78	135.26	362.53
4 Other income	0.26	0.00	0.00	0.34	0.00
5 Profit / (Loss) from ordinary activities before finance costs (3+4)	38.85	25.73	86.78	135.60	362.53
6 Finance costs	23.21	14.43	77.40	59.62	300.16
7 Profit / (Loss) before tax (5-6)	15.64	11.30	9.38	75.98	62.37
8 Tax expense	0.09	0.68	(4.25)	7.34	3.65
9 Net Profit / (Loss) after tax (7-8)	15.55	10.62	13.63	68.64	58.72
10 Paid-up equity share capital (Face Value of Re. 1/- Per Share)	75.68	75.66	75.20	75.68	75.20
11 Reserves excluding Revaluation Reserves				1,274.95	1,247.73
12 Earnings Per Share (EPS) in Rupees (Face Value of Re. 1/- Per Share)					
- Basic (Not annualised)	0.21	0.14	0.18	0.91	0.78
- Diluted (Not annualised)	0.20	0.14	0.18	0.89	0.76
13 Debt Service Coverage Ratio (DSCR) *				0.06	0.10
14 Interest Service Coverage Ratio (ISCR) **				2.27	1.21
15 PARTICULARS OF SHAREHOLDING					
a Public shareholding (Refer note 6)					
- Number of shares	471,083,590	470,930,590	466,310,590	471,083,590	466,310,590
- Percentage of shareholding	62.25%	62.24%	62.01%	62.25%	62.01%
b Promoters & promoter group shareholding (Refer note 6)					
a) Pledged/ Encumbered					
- Number of shares	35,216,667	35,216,667	32,600,000	35,216,667	32,600,000
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	12.33%	12.33%	11.41%	12.33%	11.41%
- Percentage of shares (as a % of total share capital of the company)	4.65%	4.65%	4.33%	4.65%	4.33%
b) Non-encumbered					
- Number of shares	250,499,023	250,499,023	253,115,690	250,499,023	253,115,690
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	87.67%	87.67%	88.59%	87.67%	88.59%
- Percentage of shares (as a % of total share capital of the company)	33.10%	33.11%	33.66%	33.10%	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:

- The consolidated and standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter and year ended 31 March 2012 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 16 May 2012.
- 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.22 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 'PP-MLD-ICRA double A minus 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 Pncipal 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. 107.09 crores for the current quarter ended 31 March 2012 and Rs. 400.28 crores for the year 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 March 2012 and Rs. 43.80 crores for the year then ended.
- During the quarter, the Company has granted 300,000 options under Employee Stock Option Scheme, 153,000 stock options have been exercised and allotted during the quarter. 92,408,000 stock options are outstanding as at the end of the quarter.
- During the year, the Company had declared and paid interim dividend of Re. 0.30 per share (on a face value of Re. 1 per equity share). Further, the Board of Directors has recommended final dividend of Re. 0.30 per share (on face value of Re. 1) for the financial year 2011-12. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

8 Consolidated Segment Results

(Rs. in Crores)

Particulars	Quarter Ended			Year Ended	
	March 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)	March 31, 2011 (Unaudited)	March 31, 2012 (Audited)	March 31, 2011 (Audited)
1 Segment revenue [Total income]					
Agency	119.16	128.64	88.24	375.13	446.62
Capital Based	337.25	311.60	280.59	1,231.18	975.27
Unallocated	22.59	13.55	4.46	64.38	7.01
Total income	479.00	453.79	373.29	1,670.69	1,428.90
2 Segment results [Profit / (Loss) before tax]					
Agency	15.81	11.73	28.97	33.62	147.69
Capital Based	73.33	54.48	69.42	244.05	371.69
Unallocated	(30.25)	(19.73)	(34.16)	(78.97)	(169.36)
Profit / (Loss) before tax	58.89	46.48	64.23	198.70	350.02
3 Capital employed [Segment assets - Segment liabilities]					
Agency	561.52	536.44	783.18	561.52	783.18
Capital Based	1,695.27	1,687.94	1,640.01	1,695.27	1,640.01
Unallocated	379.24	412.20	16.77	379.24	16.77
Total capital employed	2,636.03	2,636.58	2,439.96	2,636.03	2,439.96

The Company has made its consolidated segment reporting to meaningfully represent its business lines. Agency includes broking, advisory, product distribution and other fee based businesses. Capital includes income from treasury operations, investment income and wholesale financing. Segment data for previous financial year/period has been reclassified to conform to current financial year/period presentation.

9 Standalone Segment Results

(Rs. in Crores)

Particulars	Quarter Ended			Year Ended	
	March 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)	March 31, 2011 (Unaudited)	March 31, 2012 (Audited)	March 31, 2011 (Audited)
1 Segment revenue [Total income]					
Agency	11.52	14.45	23.15	44.26	132.01
Holding Company activities	41.53	31.59	88.37	163.03	307.54
Others	0.00	0.00	0.00	0.00	0.00
Total income	53.05	46.04	111.52	207.29	439.55
2 Segment results [Profit / (Loss) before tax]					
Agency	3.00	8.59	15.09	17.83	105.86
Holding Company activities	16.63	5.47	(1.27)	70.11	(32.03)
Others	(3.99)	(2.76)	(4.44)	(11.96)	(11.46)
Profit / (Loss) before tax	15.64	11.30	9.38	75.98	62.37
3 Capital employed [Segment assets - Segment liabilities]					
Agency	9.77	4.19	11.25	9.77	11.25
Holding Company activities	1,339.69	1,349.06	1,295.00	1,339.69	1,295.00
Others	2.35	27.18	16.76	2.35	16.76
Total capital employed	1,351.81	1,380.43	1,323.01	1,351.81	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.

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10 Consolidated statement of assets and liabilities as at 31 March 2012

		(Rs. in Crores)	
		As at	
		March 31, 2012 (Audited)	March 31, 2011 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	75.68	75.20
	(b) Reserves and surplus	2,559.17	2,364.68
	Sub-total - Shareholders' funds	2,634.85	2,439.88
2	Share application money pending allotment	1.18	0.08
3	Minority interest	238.78	115.50
4	Non-current liabilities		
	(a) Long-term borrowings	1,077.46	461.69
	(b) Other long-term liabilities	11.58	8.17
	(c) Long-term provisions	34.42	29.01
	Sub-total - Non-current liabilities	1,123.46	498.87
5	Current liabilities		
	(a) Short-term borrowings	9,047.21	7,223.45
	(b) Trade payables	783.32	4,078.22
	(c) Other current liabilities	634.14	684.88
	(d) Short-term provisions	82.81	85.07
	Sub-total - Current liabilities	10,547.48	12,071.62
	TOTAL - EQUITY AND LIABILITIES	14,545.75	15,125.95
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	523.30	478.05
	(b) Goodwill on consolidation	139.47	139.47
	(c) Non-current investments	731.61	235.38
	(d) Deferred tax assets (net)	25.98	52.75
	(e) Long-term loans and advances	1,926.93	837.87
	(f) Other non-current assets	134.89	1,273.99
	Sub-total - Non-current assets	3,482.18	3,017.51
2	Current assets		
	(a) Current investments	669.46	153.34
	(b) Inventories	3,383.04	1,417.17
	(c) Trade receivables	188.86	3,693.31
	(d) Cash and cash equivalents	3,274.76	2,410.96
	(e) Short-term loans and advances	2,796.38	4,159.42
	(f) Other current assets	751.07	274.24
	Sub-total - Current assets	11,063.57	12,108.44
	TOTAL - ASSETS	14,545.75	15,125.95

11 Standalone statement of assets and liabilities as at 31 March 2012

		(Rs. in Crores)	
		As at	
		March 31, 2012 (Audited)	March 31, 2011 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	75.68	75.20
	(b) Reserves and surplus	1,274.95	1,247.73
	Sub-total - Shareholders' funds	1,350.63	1,322.93
2	Share application money pending allotment	1.18	0.08
3	Non-current liabilities		
	(a) Long-term borrowings	252.55	53.83
	Sub-total - Non-current liabilities	252.55	53.83
4	Current liabilities		
	(a) Short-term borrowings	2,130.06	3,496.60
	(b) Trade payables	9.41	16.41
	(c) Other current liabilities	78.90	106.26
	(d) Short-term provisions	31.15	36.09
	Sub-total - Current liabilities	2,249.52	3,655.36
	TOTAL - EQUITY AND LIABILITIES	3,853.88	5,032.20
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	5.69	3.75
	(b) Non-current investments	1,440.69	1,196.67
	(c) Deferred tax assets (net)	2.00	4.23
	(d) Long-term loans and advances	210.06	222.82
	(e) Other non-current assets	0.00	0.31
	Sub-total - Non-current assets	1,658.44	1,427.78
2	Current assets		
	(a) Current investments	23.79	2.86
	(b) Trade receivables	20.48	17.12
	(c) Cash and cash equivalents	1.48	10.97
	(d) Short-term loans and advances	2,084.60	3,554.06
	(e) Other current assets	65.09	19.41
	Sub-total - Current assets	2,195.44	3,604.42
	TOTAL - ASSETS	3,853.88	5,032.20

12 Investor Complaints

Particulars	Quarter
	Ended March
Pending at the beginning of the quarter	31, 2012
Received during the quarter	Nii
Disposed of during the quarter	12
Remaining unresolved at the end of the quarter	12
	Nii

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

14 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, 16 May 2012.

B S R & Associates

(Registered)
Chartered Accountants

Lodha Excelus
1st Floor, Apollo Mills Compound
N. M. Joshi Marg
Mahalakshmi
Mumbai - 400 011
India

Telephone +91(22) 3989 6000
Fax +91(22) 3983 6000

Auditor's Report

To the Board of Directors of Edelweiss Financial Services Limited

(formerly known as Edelweiss Capital Limited)

We have audited the accompanying annual financial results of Edelweiss Financial Services Limited ('the Company') for the year ended 31 March 2012, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2012 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results up to the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the year ended 31 March 2012.

Auditor's Report (Continued)

Edelweiss Financial Services Limited

(formerly known as Edelweiss Capital Limited)

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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



N Sampath Ganesh
Partner
Membership No: 042554

16 May 2012