

EW/Sec/2012/174

November 6, 2012

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051.

BSE Limited
P J Towers, Dalal Street,
Fort, Mumbai - 400 001.

Dear Sir,

Sub: Outcome of the Board Meeting

Pursuant to Clause 41 of the Listing Agreement, the Board of Directors of the Company at their meeting held today have approved the Unaudited Consolidated and Standalone Financial Results for the second quarter and half-year ended September 30, 2012. The copies of the Results are enclosed.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited


B. Renganathan
Sr. Vice President & Company Secretary

Encl.: as above.

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 half year ended 30 September 2012

Part I		(Rs. in Crores)					
		Quarter Ended			Half Year Ended		
	Particulars	September 30, 2012 (Unaudited)	June 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	September 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	March 31, 2012 (Audited)
1	Income from operations						
	(a) Fee and commission income	79.58	66.97	84.04	146.55	152.11	321.31
	(b) Interest and treasury income	416.97	449.57	277.87	866.54	574.78	1,309.95
	(c) Premium from Life Insurance business	6.31	3.46	0.77	9.77	0.77	10.72
	(d) Other operating income	6.21	7.50	2.02	13.71	4.83	10.98
	Total income from operations	509.07	527.50	364.70	1,036.57	732.49	1,652.96
2	Expenses						
	(a) Employee benefits expense	83.26	78.37	62.27	161.63	123.42	271.21
	(b) Depreciation and amortisation expense	12.30	11.54	8.50	23.84	14.24	42.19
	(c) Other expenses	91.88	91.92	79.71	183.80	146.38	328.94
	Total expenses	187.44	181.83	150.48	369.27	284.04	642.34
3	Profit / (Loss) from operations before other income and finance costs (1-2)	321.63	345.67	214.22	667.30	448.45	1,010.62
4	Other income	1.03	1.68	2.26	2.71	3.36	8.19
5	Profit / (Loss) from ordinary activities before finance costs (3+4)	322.66	347.35	216.48	670.01	451.81	1,018.81
6	Finance costs	263.02	294.57	176.14	557.59	360.53	829.65
7	Profit / (Loss) before tax (5-6)	59.64	52.78	40.34	112.42	91.28	189.16
8	Tax expense	19.69	17.48	13.05	37.17	29.22	68.09
9	Net Profit / (Loss) after tax (7-8)	39.95	35.30	27.29	75.25	62.06	121.07
10	Share of profit / (Loss) of associates	0.87	3.97	1.17	4.84	2.04	9.54
11	Minority interest	(0.76)	(0.51)	2.14	(1.27)	4.57	2.87
12	Net Profit / (Loss) after taxes, minority interest and share of profit / (Loss) of associates (9+10-11)	41.58	39.78	26.32	81.36	59.53	127.74
13	Paid-up equity share capital (Face Value of Re. 1/- Per Share)	75.92	75.90	75.66	75.92	75.66	75.68
14	Reserves excluding Revaluation Reserves						2,559.17
15	Earnings Per Share (EPS) in Rupees (Face Value of Re. 1/- Per Share)						
	- Basic (Not annualised)	0.55	0.53	0.35	1.08	0.79	1.69
	- Diluted (Not annualised)	0.54	0.52	0.34	1.06	0.77	1.66

Part II - Select Information for the quarter and half year ended 30 September 2012

A PARTICULARS OF SHAREHOLDING							
1	Public shareholding						
	- Number of shares	473,513,590	473,243,590	470,930,590	473,513,590	470,930,590	471,083,590
	- Percentage of shareholding	62.37%	62.35%	62.24%	62.37%	62.24%	62.25%
2	Promoters & promoter group shareholding						
a)	Pledged/ Encumbered						
	- Number of shares	35,216,667	35,216,667	30,800,000	35,216,667	30,800,000	35,216,667
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	12.33%	12.33%	10.78%	12.33%	10.78%	12.33%
	- Percentage of shares (as a % of total share capital of the company)	4.64%	4.64%	4.07%	4.64%	4.07%	4.65%
b)	Non-encumbered						
	- Number of shares	250,499,023	250,499,023	254,915,690	250,499,023	254,915,690	250,499,023
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	87.67%	87.67%	89.22%	87.67%	89.22%	87.67%
	- Percentage of shares (as a % of total share capital of the company)	32.99%	33.01%	33.69%	32.99%	33.69%	33.10%
B INVESTOR COMPLAINTS							Quarter ended Sept 30, 2012
	Pending at the beginning of the quarter						Nil
	Received during the quarter						19
	Disposed off during the quarter						19
	Remaining unresolved at the end of the quarter						Nil

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Standalone Financial Results for the quarter and half year ended 30 September 2012

Part I		(Rs. in Crores)					
		Quarter Ended			Half Year Ended		Year Ended
		September 30, 2012 (Unaudited)	June 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	September 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	March 31, 2012 (Audited)
1	Income from operations						
	(a) Income from operations	19.87	50.35	24.85	70.22	78.94	166.32
	(b) Other operating income	0.48	5.01	28.36	5.49	29.19	40.63
	Total income from operations	20.35	55.36	53.21	75.71	108.13	206.95
2	Expenses						
	(a) Employee benefits expense	8.52	9.18	10.78	17.70	20.32	37.35
	(b) Depreciation and amortisation expense	0.46	0.44	0.48	0.90	0.82	1.71
	(c) Other expenses	2.01	15.20	8.51	17.21	16.03	32.63
	Total expenses	10.99	24.82	19.77	35.81	37.17	71.69
3	Profit / (Loss) from operations before other income and finance costs (1-2)	9.36	30.54	33.44	39.90	70.96	135.26
4	Other income	0.01	-	0.08	0.01	0.08	0.34
5	Profit / (Loss) from ordinary activities before finance costs (3+4)	9.37	30.54	33.52	39.91	71.04	135.60
6	Finance costs	7.81	13.63	11.13	21.44	21.99	59.62
7	Profit / (Loss) before tax (5-6)	1.56	16.91	22.39	18.47	49.05	75.98
8	Tax expense	-	-	4.81	-	6.57	7.34
9	Net Profit / (Loss) after tax (7-8)	1.56	16.91	17.58	18.47	42.48	68.64
10	Paid-up equity share capital (Face Value of Re. 1/- Per Share)	75.92	75.90	75.66	75.92	75.66	75.68
11	Reserves excluding Revaluation Reserves						1,274.95
12	Earnings Per Share (EPS) in Rupees (Face Value of Re. 1/- Per Share)						
	- Basic (Not annualised)	0.02	0.22	0.23	0.24	0.56	0.91
	- Diluted (Not annualised)	0.02	0.22	0.23	0.24	0.55	0.89
13	Debt Service Coverage Ratio (DSCR) *				0.02	0.02	0.06
14	Interest Service Coverage Ratio (ISCR) **				2.01	3.20	2.27

* DSCR = Profit before interest and tax / (Gross interest expense + Principal repayment in next six months)

** ISCR = Profit before interest and tax / Gross Interest expense

Part II - Select Information for the quarter and half year ended 30 September 2012

A PARTICULARS OF SHAREHOLDING						
1	Public shareholding					
	- Number of shares	473,513,590	473,243,590	470,930,590	473,513,590	470,930,590
	- Percentage of shareholding	62.37%	62.35%	62.24%	62.37%	62.24%
2	Promoters & promoter group shareholding					
	a) Pledged/ Encumbered					
	- Number of shares	35,216,667	35,216,667	30,800,000	35,216,667	30,800,000
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	12.33%	12.33%	10.78%	12.33%	10.78%
	- Percentage of shares (as a % of total share capital of the company)	4.64%	4.64%	4.07%	4.64%	4.07%
	b) Non-encumbered					
	- Number of shares	250,499,023	250,499,023	254,915,690	250,499,023	254,915,690
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	87.67%	87.67%	89.22%	87.67%	89.22%
	- Percentage of shares (as a % of total share capital of the company)	32.99%	33.01%	33.69%	32.99%	33.69%
B INVESTOR COMPLAINTS						
						Quarter ended Sept 30, 2012
Pending at the beginning of the quarter						Nil
Received during the quarter						19
Disposed off during the quarter						19
Remaining unresolved at the end of the quarter						Nil

Notes:

- The consolidated and standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter and half year ended 30 September 2012 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 6 November 2012.
- The financial results for the quarter and half year ended 30 September 2012 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.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 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.
- The Company as a part of its holding company activities, continues to adopt 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. 104.31 crores for the current quarter ended 30 September 2012 and Rs. 211.32 crores for the half year then ended has been netted against finance costs.
- During the quarter, the Company has granted 250,000 options under Employee Stock Option Scheme; 270,000 stock options have been exercised and allotted during the quarter.

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7 Standalone Segment Results

Particulars	Quarter Ended			Half Year Ended		(Rs. in Crores)
	September 30, 2012 (Unaudited)	June 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	September 30, 2012 (Unaudited)	September 30, 2011 (Unaudited)	Year Ended March 31, 2012 (Audited)
1 Segment revenue [Total income]						
Agency	5.72	1.17	11.10	6.89	18.29	44.26
Holding Company activities	14.64	54.19	42.11	68.83	89.84	163.03
Unallocated	-	-	0.08	-	0.08	-
Total income	20.36	55.36	53.29	75.72	108.21	207.29
2 Segment results [Profit / (Loss) before tax and interest]						
Agency	0.58	(4.48)	5.40	(3.90)	6.23	17.83
Holding Company activities (after interest expenses)	3.56	26.31	19.55	29.87	48.04	70.11
Unallocated	-	-	-	-	-	-
Profit / (Loss) before tax	4.14	21.83	24.95	25.97	54.27	87.94
Less:						
(a) Interest (other than Holding Company activities)	-	-	-	-	-	-
(b) Unallocated net expenditure	(2.58)	(4.92)	(2.56)	(7.50)	(5.22)	(11.96)
Total Profit before tax	1.56	16.91	22.39	18.47	49.05	75.98
3 Capital employed [Segment assets - Segment liabilities]						
Agency	7.90	6.13	7.60	7.90	7.60	9.77
Holding Company activities	1,289.89	1,334.69	1,322.61	1,289.89	1,322.61	1,339.69
Unallocated	75.44	28.84	40.37	75.44	40.37	2.35
Total capital employed	1,373.23	1,369.66	1,370.58	1,373.23	1,370.58	1,351.81

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

8 Consolidated statement of assets and liabilities as at 30 September 2012

	As at			(Rs. in Crores)
	September 30, 2012 (Unaudited)	March 31, 2012 (Audited)	September 30, 2011 (Unaudited)	
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	75.92	75.68	75.66	
(b) Reserves and surplus	2,634.43	2,559.17	2,528.93	
Sub-total - Shareholders' funds	2,710.35	2,634.85	2,604.59	
2 Share application money pending allotment	1.98	1.18	-	
3 Minority interest	239.21	238.78	240.48	
4 Non-current liabilities				
(a) Long-term borrowings	1,492.75	1,077.46	524.08	
(b) Other long-term liabilities	17.93	11.58	33.75	
(c) Long-term provisions	40.75	34.42	44.12	
Sub-total - Non-current liabilities	1,551.43	1,123.46	601.95	
5 Current liabilities				
(a) Short-term borrowings	8,443.24	9,047.21	7,368.32	
(b) Trade payables	583.25	783.32	939.85	
(c) Other current liabilities	926.18	634.14	306.11	
(d) Short-term provisions	27.14	82.81	34.41	
Sub-total - Current liabilities	9,979.81	10,547.48	8,648.69	
TOTAL - EQUITY AND LIABILITIES	14,482.78	14,545.75	12,095.71	
B ASSETS				
1 Non-current assets				
(a) Fixed assets	504.18	523.30	507.61	
(b) Goodwill on consolidation	139.93	139.47	139.47	
(c) Non-current investments	708.84	731.61	1,367.62	
(d) Deferred tax assets (net)	26.40	25.98	53.74	
(e) Long-term loans and advances	2,302.87	1,926.93	981.83	
(f) Other non-current assets	187.81	134.89	852.71	
Sub-total - Non-current assets	3,870.03	3,482.18	3,902.98	
2 Current assets				
(a) Current investments	684.24	669.46	171.64	
(b) Inventories	3,028.30	3,383.04	1,871.68	
(c) Trade receivables	184.89	188.86	401.91	
(d) Cash and cash equivalents	3,001.92	3,274.76	2,372.91	
(e) Short-term loans and advances	3,148.21	2,796.38	2,801.71	
(f) Other current assets	565.19	751.07	572.88	
Sub-total - Current assets	10,612.75	11,063.57	8,192.73	
TOTAL - ASSETS	14,482.78	14,545.75	12,095.71	

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**9 Standalone statement of assets and liabilities as at 30 September 2012**

(Rs. in Crores)

	As at		
	September 30, 2012 (Unaudited)	March 31, 2012 (Audited)	September 30, 2011 (Unaudited)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	75.92	75.68	75.66
(b) Reserves and surplus	1,295.33	1,274.95	1,294.92
Sub-total - Shareholders' funds	1,371.25	1,350.63	1,370.58
2 Share application money pending allotment	1.98	1.18	-
3 Non-current liabilities			
(a) Long-term borrowings	230.48	252.55	35.52
Sub-total - Non-current liabilities	230.48	252.55	35.52
4 Current liabilities			
(a) Short-term borrowings	2,152.05	2,130.06	3,855.54
(b) Trade payables	9.71	9.41	10.66
(c) Other current liabilities	105.19	78.90	61.20
(d) Short-term provisions	7.57	31.15	1.37
Sub-total - Current liabilities	2,274.52	2,249.52	3,928.77
TOTAL - EQUITY AND LIABILITIES	3,878.23	3,853.88	5,334.87
B ASSETS			
1 Non-current assets			
(a) Fixed assets	5.30	5.69	5.31
(b) Non-current investments	1,453.52	1,440.69	1,481.73
(c) Deferred tax assets (net)	2.00	2.00	4.27
(d) Long-term loans and advances	221.04	210.06	190.34
Sub-total - Non-current assets	1,681.86	1,658.44	1,681.65
2 Current assets			
(a) Current investments	2.75	23.79	2.87
(b) Trade receivables	6.15	20.48	5.90
(c) Cash and cash equivalents	20.43	1.48	1.40
(d) Short-term loans and advances	2,136.24	2,084.60	3,630.34
(e) Other current assets	30.80	65.09	12.71
Sub-total - Current assets	2,196.37	2,195.44	3,653.22
TOTAL - ASSETS	3,878.23	3,853.88	5,334.87

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

11 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, 6 November 2012.

B S R & Associates

(Registered)
Chartered Accountants

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

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Review report

To the Board of Directors of Edelweiss Financial Services Limited

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Edelweiss Financial Services Limited ('the Company') for the quarter ended 30 September 2012 and the year to date results for the half year ended 30 September 2012 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 6 November 2012. Our responsibility is to issue a report on the Statement 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

6 November 2012