

The Factor

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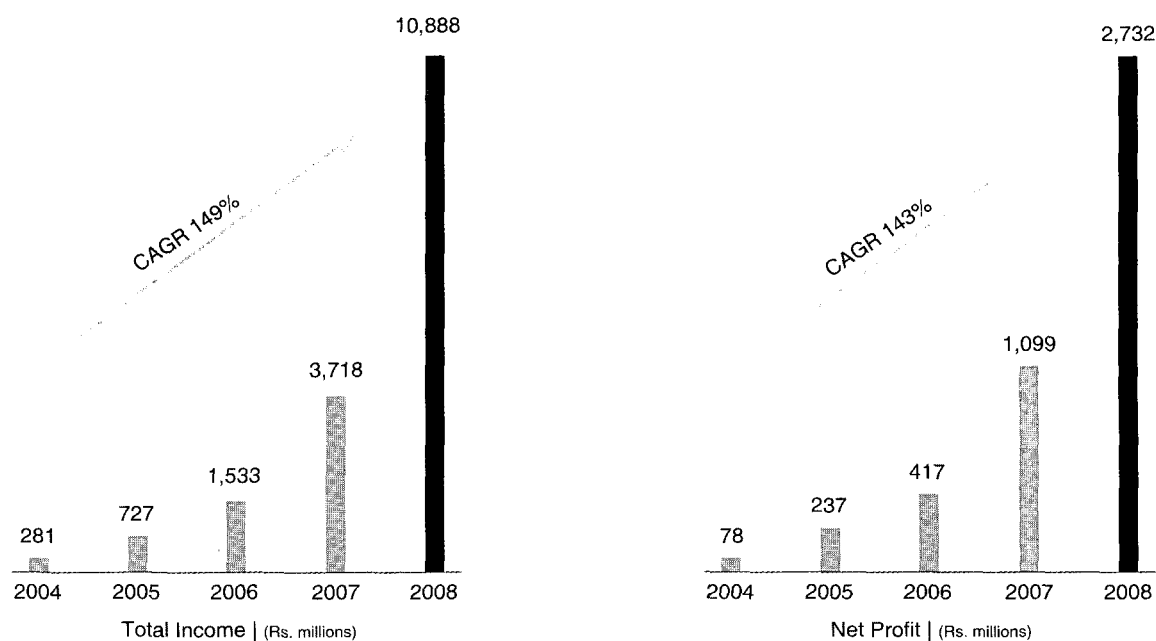
Performance at a Glance

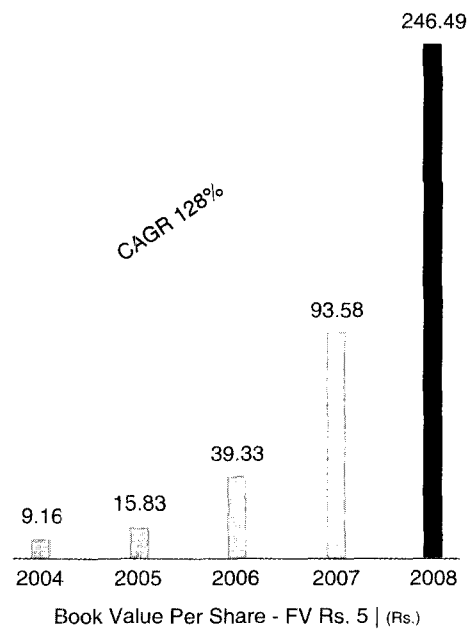
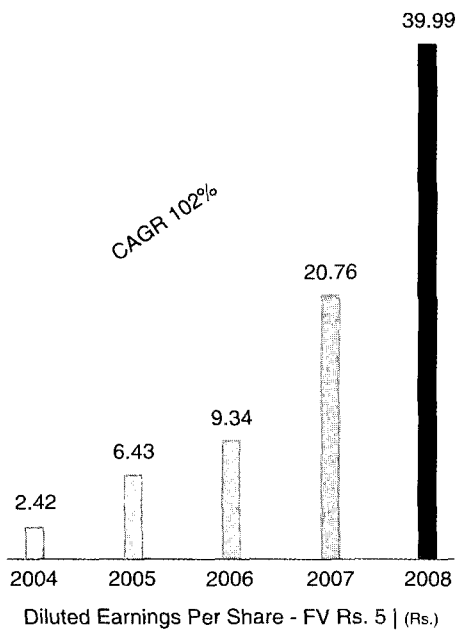
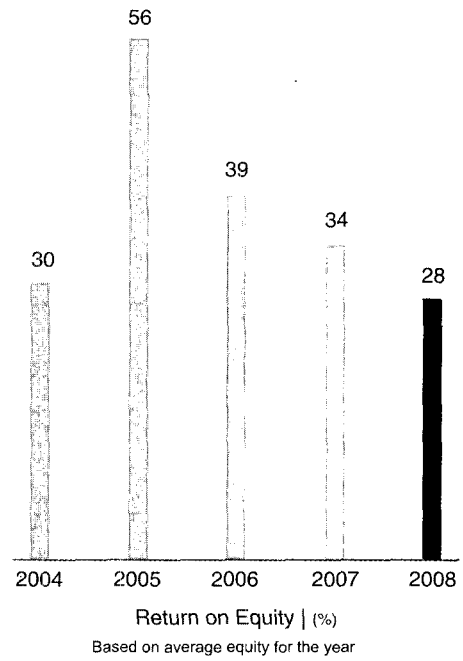
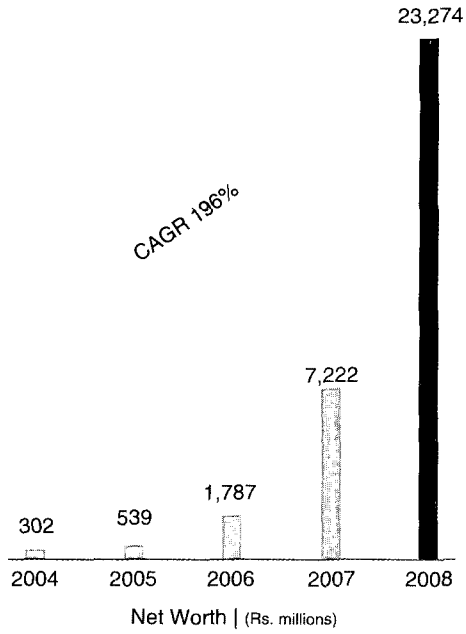
Consolidated Financial Performance of Edelweiss Capital Limited and its Subsidiaries

(In Rs. million except per share data)

Year Ended March 31,	2008	2007	2006	2005	2004
Total Income	10,888	3,718	1,533	727	281
Total Expenditure	6,421	1,971	898	383	175
Profit Before Tax	4,467	1,747	636	345	106
Tax Expenses	1,540	646	218	107	28
Net Profit (after tax and minority interest)	2,732	1,099	417	237	78
Paid up Equity Share Capital	375	45	38	29	28
Net Worth*	23,274	7,222	1,787	539	302
Diluted Earnings Per Share (FV Rs. 5) (In Rupees) [#]	39.99	20.76	9.34	6.43	2.42
Book Value per share (FV Rs. 5) (In Rupees) [#]	246.49	93.58	39.33	15.83	9.16

(* Includes minority interest | (#) Adjusted for corporate actions





The Edelweiss Business Principles

We will be a Thinking Organisation. We will constantly bring 'thought' to everything we do. Our clients' and our own success depend on our ability to use greater ideation and more imagination in our approach

We will be Fair to our clients, our employees and all stakeholders

We will take care of our People. Our policies - in spirit and in letter - will ensure transparency and equal opportunity for all. We will go beyond the normal goals of attracting, recruiting, retaining and rewarding fine talent. We will ensure that every individual in Edelweiss has an opportunity to achieve their fullest potential

We will operate as a Partnership, internally and externally. Though individuals are very often brilliant, we believe teamwork and collaboration will always ensure a better and more balanced organisation. We will also treat our clients as partners and show them the same respect and consideration that we would towards our internal team members

We will focus on the Long-Term. Though the world will change a lot in the coming years and our assumptions for the future may not hold up, we will reflect on the long-term implications of our actions. Even when making short-term decisions we will be aware of the long-term implications

We will focus on Growth for our clients, employees and shareholders

Our Reputation and image is more important than any financial reward. Reputation is hard to build and even harder to rebuild. Reputation will be impacted by our ability to think for our clients, maintain confidentiality and by our adherence to our value system

We will obey and Comply with the rules of the land. We will maintain the highest standard of integrity and honesty. When we are unclear we will seek clarifications

We will respect Risk. Our business is going to be a constant challenge of balancing risk and reward. Our ability to constantly keep one eye on risk will guide us through this fine balance

Our Financial Capital is a critical resource for growth. We will endeavour to grow, protect, and use our financial capital wisely

What the likes of Michael Dell and Jeff Bezos did may look simple, but is anything but that. Their business models are creations of sharp business acumen, sound consumer knowledge and a strong belief. But innovation is never about reinventing the wheel. Amancio Ortega Gaona and Varghese Kurien rewrote old scripts to suit the changing times. Sergey Brin and Larry Page believed that two tabs, a logo and a vacant search box is all that internet users need to bring the world's information on to their personal computers. Professor Muhammad Yunus embedded social concerns into the DNA of his organisation.

So, what goes into the making of a successful company? These companies have done something which their contemporaries have not, and which the world has never seen before. Apart from reaping rich dividends for their shareholders, they have brought about a positive change around them through their innovative and powerful ideas. These are organisations which possess the factor.

The factor. A potent and rare combination of innovation, inclusiveness and customer insight, which helps the original business model retain its edge in the long-term. The exclusivity of Amul and Grameen Bank lies in their business principles of inclusive social growth. Zara and IKEA have used innovative strategies to democratise fashion for the masses, and stay ahead of the competition. Amazon and eBay have empowered ordinary shoppers to take control of their transactions. Today, Google is a verb and a synonym for innovation owing to its people culture.

These brands have elevated commerce from a mere money-making activity to that of a process of intellectual progress, and one that enhances the quality of human life.

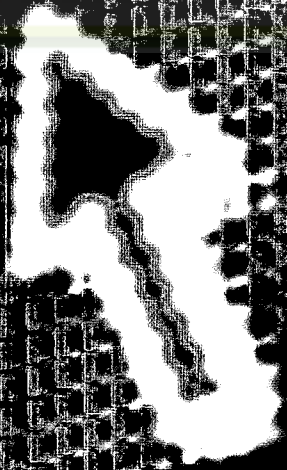
Companies that get this elusive formula right are most often the same entities which have high regard for their customers, shareholders, employees and believe in fair business practices. It is no coincidence that they enter the syllabi of management schools and into people's hearts.

We recognise, celebrate and draw inspiration from the power of the i factor of these iconic companies which have touched the lives of millions.

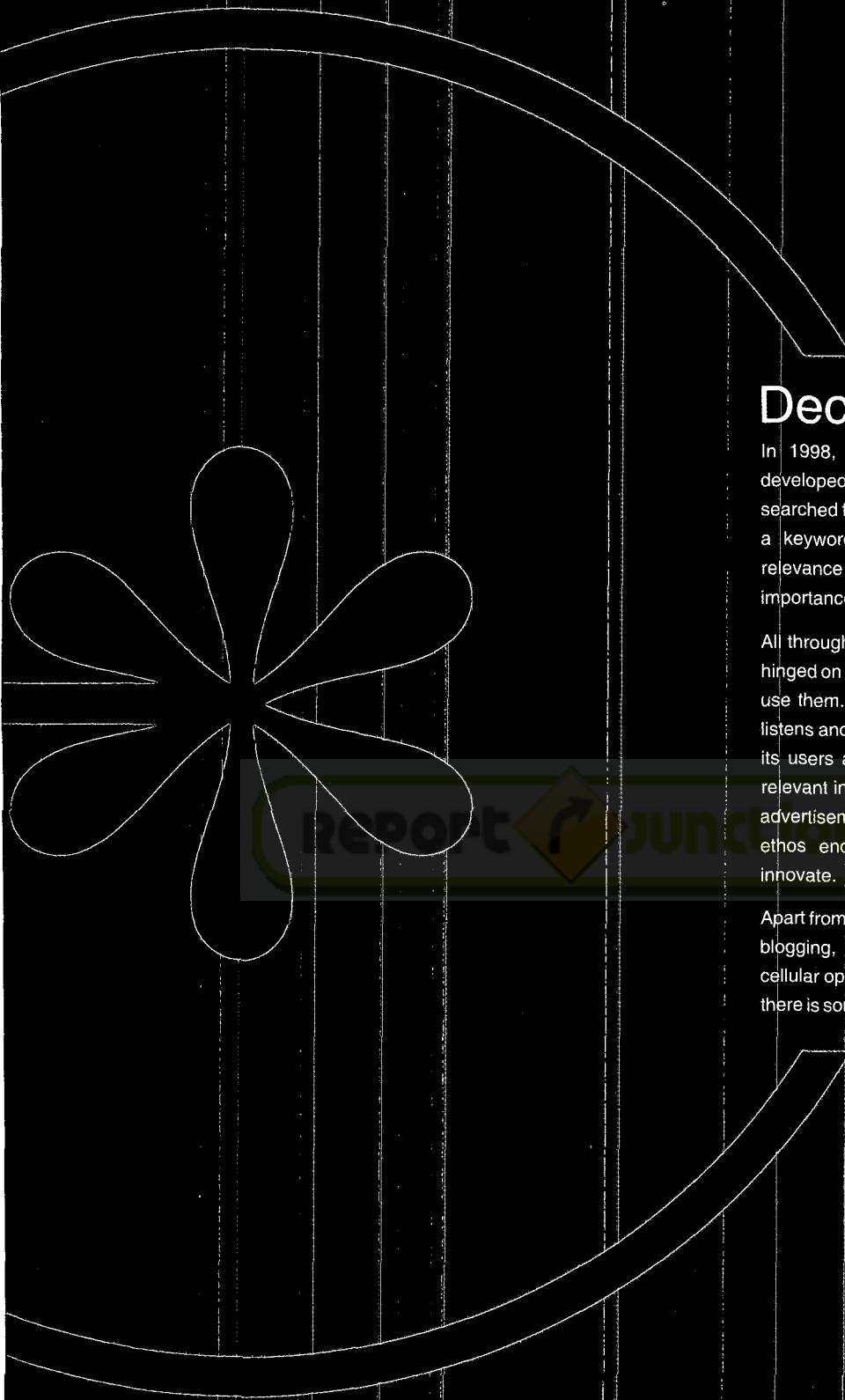
The Factor

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GOOGLE



Favorites



Deconstructing Google

In 1998, doctoral students Sergey Brin and Larry Page developed a set of algorithms that changed the way people searched for information over the internet. In addition to finding a keyword on web pages, their algorithm assessed the relevance of the search results by counting the number and importance of other pages that were linked to that page.

All through **Google's** short existence, its business model has hinged on a single idea – build great products, and see if people use them. If they do, you are in business. Google observes, listens and innovates. It understands that attention and trust of its users are its most valuable assets. It provides the most relevant information in the least possible time, and delineates advertisements. Innovation is a way of life at Google. Google's ethos encourages employees to pursue their ideas and innovate.

Apart from becoming a verb, Google, today, has diversified into blogging, advertising, online payments, social networks, cellular operating systems, etc. on the sheer dint of an idea – if there is something that can improve customer experience, do it.

Edelweiss – Diversifying For Growth



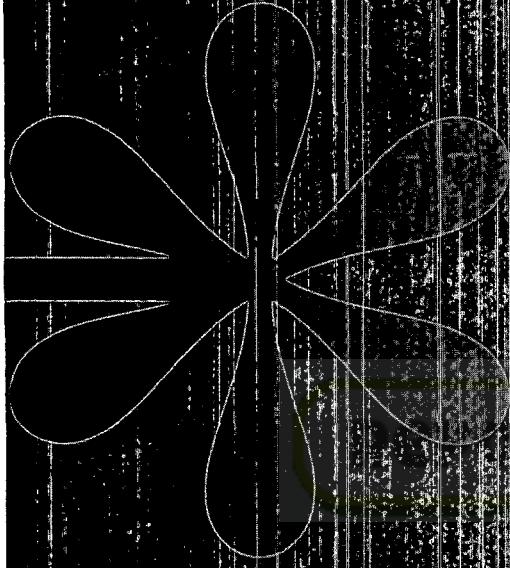
We constantly look out for fresh triggers in the market, converting opportunities into successful businesses. Through the years, we have evolved from being a boutique investment bank to a complete financial services company. We have built a strong presence across verticals on equity capital markets, financing, real estate advisory and asset management, among others.

Our ability to spot opportunities in underserved markets has helped us to offer a complete bouquet of financial services.

DELL



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Yours Is Dell

If there ever was a business model which made competitors wonder, 'Now why couldn't we think of that?' – and made customers wish, 'Why didn't it happen earlier?' – it is **Dell's**.

Dell's business model was simple – while the bigger players sold PCs through distribution channels, Dell sold directly to end customers. It also empowered consumers who could customise the products. This model enabled the company to cut a costly link from the value chain and operate with a lean inventory. For an industry prone to high level of obsolescence, Dell tasted success with its model.

As Dell sold directly to customers, it could analyse their needs in-depth. Dell understood what customers wanted, and customised products accordingly. The company targeted high value corporate customers with its powerful machines at a time when its larger rivals were luring first-time buyers with low-end machines.

The strength of the business model lies in its simplicity. Dell has continued to reinvent itself and perform admirably in the highly competitive computing industry.

Edelweiss – Customised Solutions In A Uniform World



square peg will never fit in a round hole. The financial requirements of each client are as unique and distinct as they can be. At Edelweiss, research based methodologies are used to create, customise and select products and financial solutions that best fit the clients' profile and needs.

Our ability to provide tailor-made solutions has held us in good stead in the industry as well as in the consumer mind space.