

WINDS CHANGE. THE COURSE DOES NOT.

Report  Junction.com

"Successful organisations capitalise a lot more on the upside than what they lose on the downside; what one calls asymmetric payoffs. When they find the right opportunity at the right time – they make the most of it. They tend to be optimistic; they know that the upside of good times is much higher than the downside of bad times. This asymmetry comes out of an inherent belief in the future."

Excerpt from Rashesh Shah's acceptance speech at BMA* Entrepreneur of the Year award for the year 2008-09.

*Bombay Management Association

CONTENTS

Performance at a Glance	2
Ideas continue to Create, Values continue to Protect	5
Letter from the Chairman	11
Edelweiss Businesses	14
The Edelweiss Business Principles	15
Company Details	16
Directors' Report	20
Management's Discussion and Analysis Report	23
Corporate Governance Report	37
Consolidated Financial Statements	47
Standalone Financial Statements	105

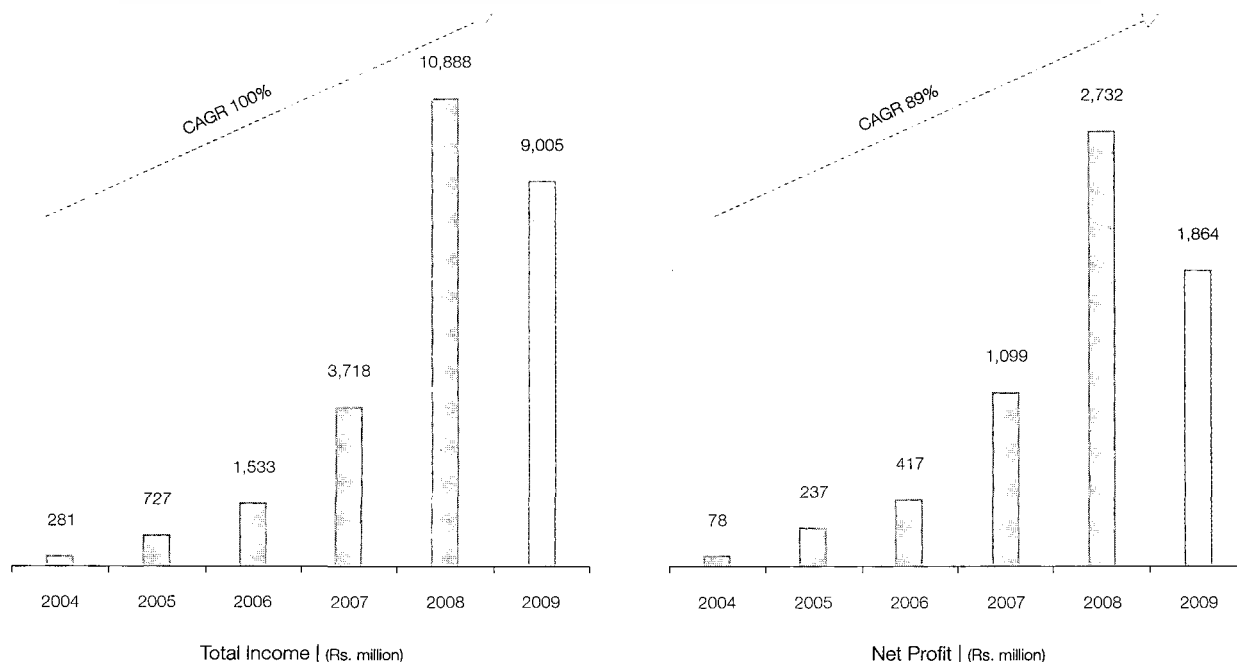
PERFORMANCE AT A GLANCE

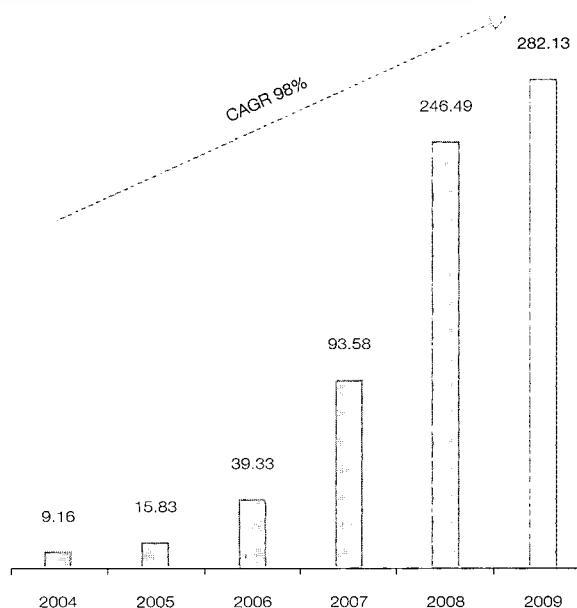
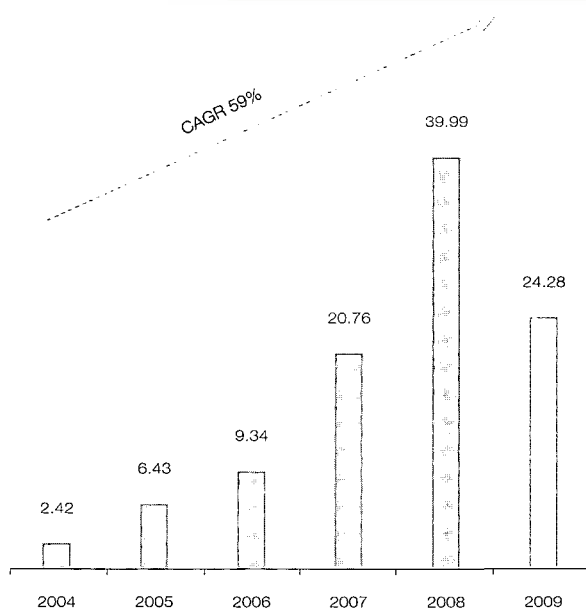
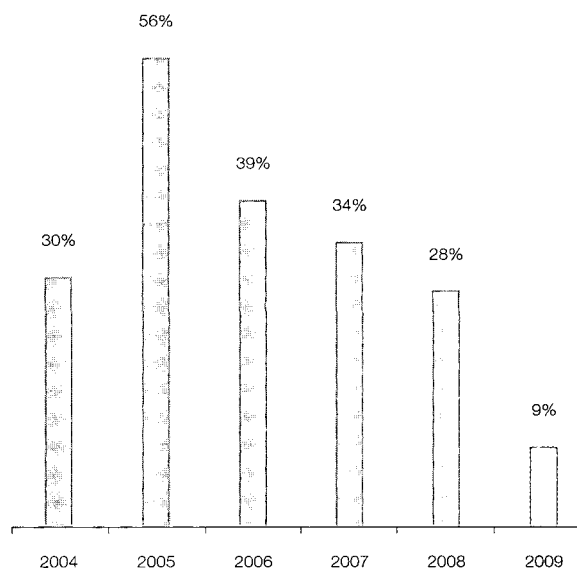
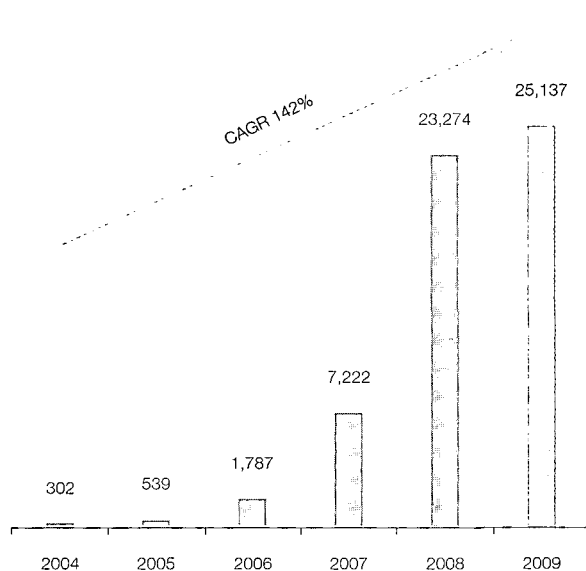
Consolidated Financial Performance of Edelweiss Capital Limited and its Subsidiaries

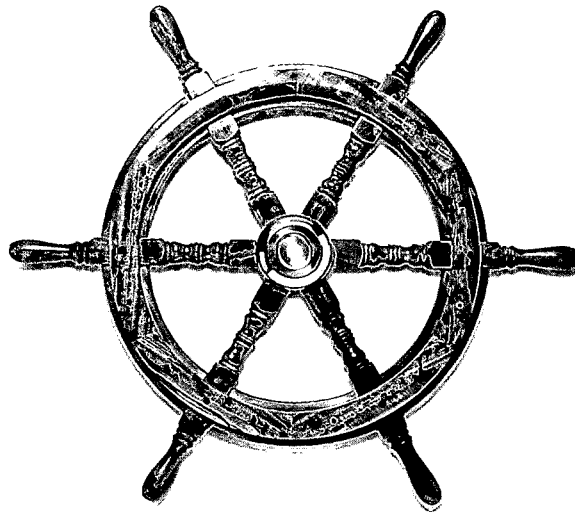
(In Rs. million except per share data)

Year Ended March 31,	2009	2008	2007	2006	2005	2004
Total Income	9,005	10,888	3,718	1,533	727	281
Total Expenditure	5,715	6,421	1,971	898	383	175
Profit Before tax	3,290	4,467	1,747	636	345	106
Tax Expenses	1,199	1,540	646	218	107	28
Net Profit (after Tax and Minority Interest)	1,864	2,732	1,099	417	237	78
Paid-Up Equity Share Capital	375	375	45	38	29	28
Networth*	25,137	23,274	7,222	1,787	539	302
Diluted Earning Per Share (FV Rs. 5) (In Rupees)*	24.28	39.99	20.76	9.34	6.43	2.42
Book Value Per Share (FV Rs. 5) (In Rupees)*	282.13	246.49	93.58	39.33	15.83	9.16

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







A COURSE WELL CHARTED

OUR ROBUST NAVIGATIONAL SYSTEM

- * Investments in New Businesses
 - * Diversified Revenue Streams
 - * Strong and Liquid Balance Sheet
 - * Risk Management
 - * Flexibility
-

IDEAS CONTINUE TO CREATE. VALUES CONTINUE TO PROTECT.

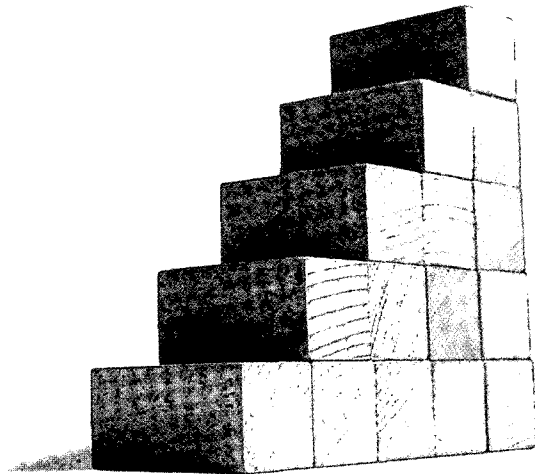
At Edelweiss, we continue to create a strong and robust organisation. We revisit our goals constantly; not to alter them but to change the way we go about achieving them.

The environment we operate in will not always be ideal nor will it remain the same at all times.

Staying alert and flexible in our approach to doing business ensures we adapt to every new market cycle. We continue to invest in new businesses and new ideas; diversifying our revenue streams. We take appropriate measures to ensure adequate liquidity of the balance sheet. Guided by our Business Principles, we continue to create ideas that create wealth.

STAYING HUNGRY. AT ALL TIMES.

Edelweiss has always been a growth hungry organisation. We always look at opportunities to diversify into adjacent businesses. Our experience and learning from existing businesses help us establish the new businesses faster and more effectively. Our commitment to invest in new ideas and new businesses will never change.



- Investing in long-term growth initiatives in alternative asset management and domestic asset management. Seeding the business model for Retail Broking and Distribution to ensure visible and relevant differentiation.
- Scaling up the Corporate Debt Desk. Mobilised Rs. 397.6 billion in 256 short-term debt placement deals in less than a year segment with a 21.7% market share in FY09*.
- Setting up the Institutional Client Group to foster long-term relationships with corporates and financial sponsors - providing them unique financial solutions for their diverse needs and concerns.

*Source: Prime Database



RESPECTING RISK. STAYING BALANCED.

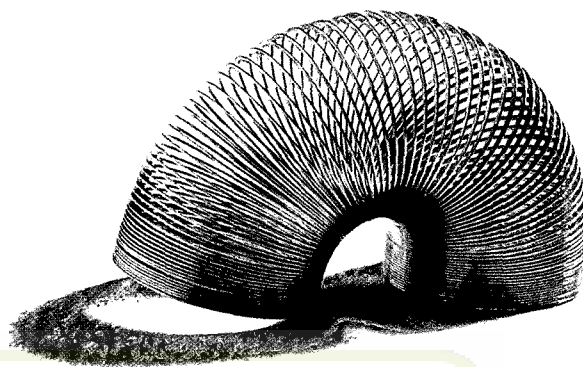
Managing Risk is an integral part of every function at Edelweiss. Our balanced approach to business stems from an organisation-wide belief that growth is not all about managing revenues but equally about managing risks. While growth is imperative, every scale up is governed by long-term perspective, prudence and opportunity for innovation.

Report  junction.com

- A Risk Group responsible for the entire spectrum of risk management throughout the organisation.
- Leveraging technology, mathematical modelling, and exception reporting to keep a vigil on risks across the organisation.
- A well-defined Business Continuity Plan (BCP) that drills emergency procedures and action-plans across the organisation.
- A Risk Oversight Committee headed by an Independent Director of the Board oversees periodic risk analyses on operational, strategic and financial parameters.

MANAGING COST. BEING FLEXIBLE. BEING ALERT.

Maintaining healthy cash flows, building flexibility in our cost structure and being quick in response to the needs of fast changing businesses and its priorities is the key to our approach. We focus on maintaining the strength of our balance sheet by ensuring adequate liquidity.



- FY09 manpower and pre-STT operating costs are down 20% from FY08.
- Successful implementation of cost control measures has helped maintain FY09 pre-tax margins at 36.5%.
- Debt to Equity ratio was down to 0.3*, while maintaining a significant liquidity cushion.

*as on March 31, 2009