

## Edelweiss Capital Limited IPO opens on November 15

*Price Band fixed between Rs. 725 and Rs. 825 per Equity Share*

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Edelweiss Capital Limited ('Company'), a diversified financial services company, is entering the capital market with its initial public offering ('IPO') of 8,386,147 equity shares of Rs. 5 each ('Equity Shares') for cash, at a price to be decided through a 100% book building process ('Issue'). The Bid/Issue will open on November 15, 2007, and will close on November 20, 2007. The Price Band has been fixed between Rs. 725 and Rs. 825 per Equity Share of face value Rs. 5.

This Issue has been graded by CRISIL and has been assigned the CRISIL IPO Grade 4/5, indicating that the fundamentals of the Issue are above average.

The Issue comprises a net issue to the public of 8,181,607 equity shares of Rs. 5 each (the 'Net Issue') and a reservation of 204,540 equity shares of Rs. 5 each for eligible employees of the Company. The Issue would constitute 11.19% of the post Issue paid-up capital of the Company. The Net Issue would constitute 10.92% of the post Issue paid-up capital of the Company. The Equity Shares, offered through this IPO, are proposed to be listed on the National Stock Exchange of India Limited ('NSE') and the Bombay Stock Exchange Limited ('BSE').

At least 60% of the Net Issue will be allocated to Qualified Institutional Buyers ('QIBs') on a proportionate basis out of which 5% will be available for allocation on a proportionate basis to Mutual Funds only. Further, up to 10% of the Net Issue will be allocated to Non-Institutional Bidders and up to 30% of the Net Issue will be allocated to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received from them at or above the Issue Price.

The proceeds of the Issue will be used, inter alia, towards enhancement of margin maintenance with stock exchanges, establishment of additional offices and acquisition of office infrastructure, enhancement of existing technological capacity and loan prepayment.

Headquartered in Mumbai, Edelweiss Capital Limited provides investment banking, institutional equities, private client broking, asset management, wealth management, insurance broking and wholesale financing services to corporate, institutional and high net worth individual clients. It operates from 43 other offices in 19 Indian cities. Since its commencement of business in 1996, it has grown into a diversified Indian financial services company organised under agency and capital business lines handled through the Company and its thirteen subsidiaries. Its agency business lines include investment banking, institutional equities, private client broking, asset management and investment advisory services, wealth management and insurance broking. Its capital business lines include wholesale financing services and the internal treasury operations.

The Company offers clients an integrated financial services platform while maintaining a balanced mix between its lines of business. Its model of high level of employee ownership inculcates a strong culture of partnership, ownership, commitment, and entrepreneurial spirit among its employees. Since inception, it has been successful at identifying emerging trends in the Indian capital markets and creating business lines and service offerings around them. The Company believes that it has a strong research platform with research products, consisting of fundamental and alternative research,

catering to institutional and high net worth individual investors. Its fundamental research covers approximately 190 companies, which represent approximately 69% of the market capitalisation of all companies listed on the Bombay Stock Exchange as on August 1, 2007.

The Company had 1,047 full time employees as of September 30, 2007, including 51 research professionals. It believes its strength lies in identifying emerging investment themes that will drive economic activity, investments, growth and profitability of companies and showcasing them to its clients. It focuses on strong corporate and institutional relationships as well as strong investor relationships. It considers that it has strong internal controls and risk management systems.

The Company's consolidated total income has grown from Rs. 770.49 million in fiscal 2005 to Rs. 3,712.53 million in fiscal 2007. The consolidated profit after taxation and minority interest grew from Rs. 224.82 million in fiscal 2005 to Rs. 1,090.08 million in fiscal 2007. For the five months ended August 31, 2007, the consolidated total income was Rs. 2,848.62 million and the profit after taxation and minority interest was Rs. 809.29 million.

The Book Running Lead Managers ('BRLMs') to the Issue are: Kotak Mahindra Capital Company Limited, Citigroup Global Markets India Private Limited and Lehman Brothers Securities Private Limited.

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**Note:** The Company is proposing, subject to market conditions and other considerations, an initial public offering ('IPO') of its equity shares and has filed its Red Herring Prospectus ('RHP') with the Registrar of Companies ('ROC'), Maharashtra, in Mumbai. The RHP is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in); and on the respective websites of the BRLMs at [www.kotak.com](http://www.kotak.com), [www.citibank.co.in](http://www.citibank.co.in) and [www.lehman.com/ibd/geographic/asia/ipos\\_india.htm.com](http://www.lehman.com/ibd/geographic/asia/ipos_india.htm.com). This RHP does not, however, constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the 'Securities Act') or any state securities laws in the United States and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold only (i) in the United States to entities who are both 'Qualified Institutional Buyers' ('QIBs'), as defined in Rule 144A under the Securities Act, and 'Qualified Purchasers' as defined under the Investment Company Act of 1940 and related rules; and (ii) outside the United States in compliance with Regulation 'S' under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled 'Risk Factors' of RHP.

**For further details contact:**

Ms. Pooja Agrawal  
Edelweiss Capital Limited  
Tel: +91-22- 40194945, +91- 9833170273  
Mr. Himanshu Kapadia  
Adfactors PR

Tel: + 91-22-22813565, + 91-9821358418

**For more information, Please contact:**

**Adfactors PR**

PR Executive - Adfactors PR Pvt. Ltd.

22813565

You can also visit [www.adfactorspr.com](http://www.adfactorspr.com) for more information.