Edelweiss
Ideas create, values protect



MARCHING TO A *DIFFERENT* BEAT





Annual Report 2015-16



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Taking the big leap to success

PERFORMANCE HIGHLIGHTS

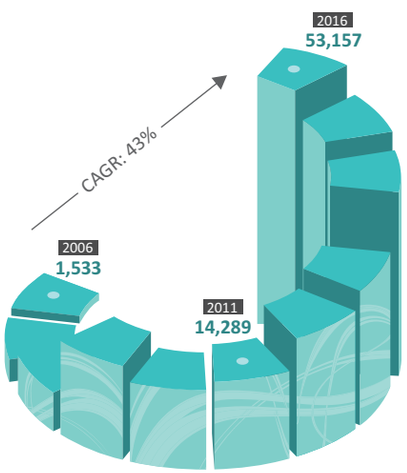
(In ₹ million except per share data)

Year Ended March 31	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Income	53,157	39,119	25,555	21,840	16,707	14,289	9,778	9,005	10,888	3,718	1,533
Total Expenditure	46,969	33,839	22,040	19,247	14,720	10,789	6,450	5,715	6,421	1,971	898
Profit Before Tax	6,188	5,280	3,515	2,593	1,987	3,500	3,328	3,290	4,467	1,747	636
Tax Expenses	2,354	2,017	1,346	881	681	1,031	879	1,199	1,540	646	218
Profit After Tax	4,144	3,287	2,202	1,785	1,277	2,330	2,292	1,864	2,732	1,099	417
Paid up Equity Capital	814	792	769	719	757	752	375	375	375	45	38
Networth*	43,717	35,314	32,558	26,909	28,748	25,554	24,706	23,303	23,274	7,222	1,787
Diluted EPS (₹) (FV ₹1)#	4.85	3.88	2.85	2.31	1.66	3.00	2.94	2.43	4.00	2.08	0.93
BVPS (₹) (FV ₹1)#	45.14	39.92	37.57	32.13	34.80	30.56	30.04	28.21	24.65	9.36	3.93

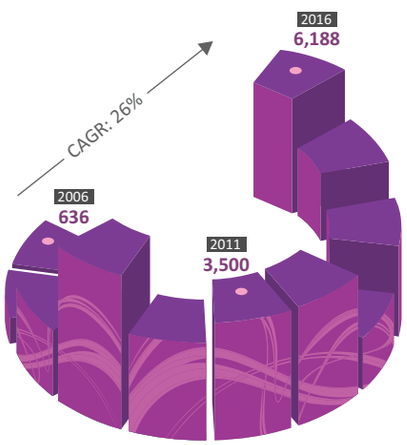
#Adjusted for Corporate Actions *Networth including minority Previous years' figures have been regrouped wherever necessary

PERFORMANCE HIGHLIGHTS

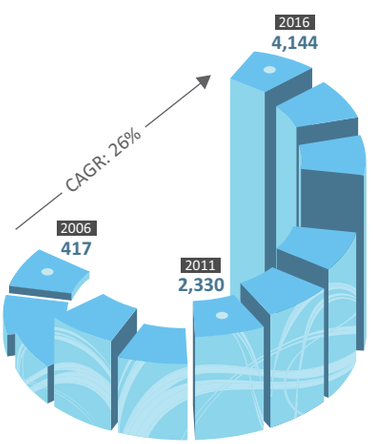
Total Income (₹ million)



Profit Before Tax (₹ million)

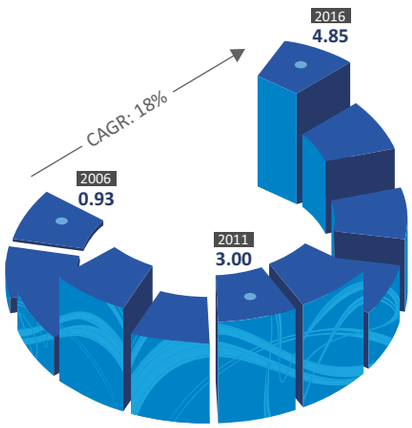


Profit After Tax (₹ million)

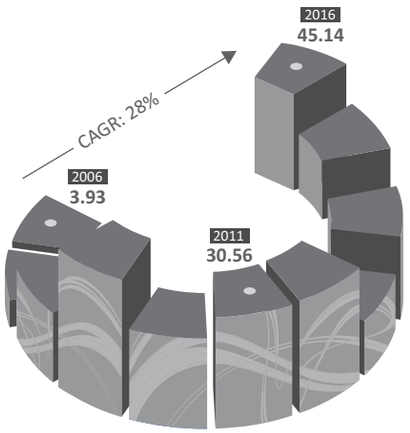


PERFORMANCE HIGHLIGHTS

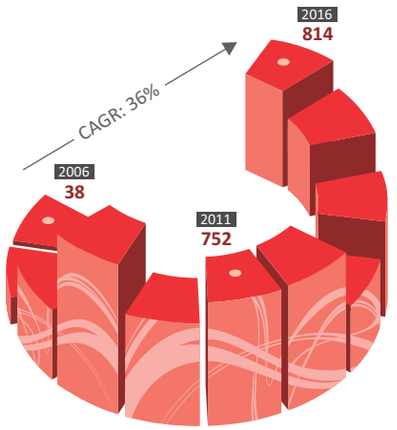
Diluted Earnings Per Share (₹) (FV ₹1)#

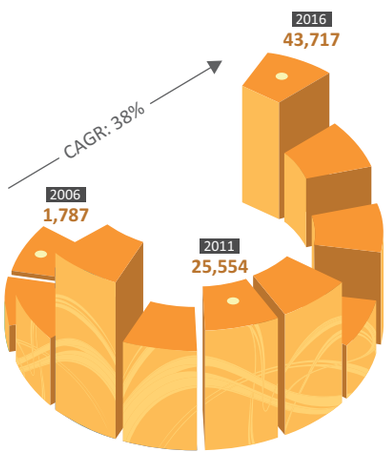


Book Value Per Share (₹) (FV ₹1)#

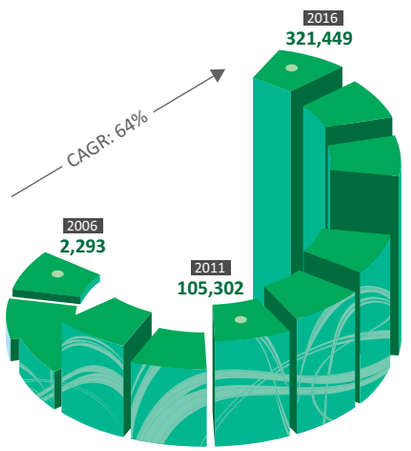


Paid up Equity Capital (₹ million)





Networth* (₹ million)



Balance Sheet Size (₹ million)

#Adjusted for Corporate Actions *Networth including minority Previous years' figures have been regrouped wherever necessary

FY16 Highlights (in ₹ million except per share data)

TOTAL INCOME
53,157

NET PROFIT (AFTER MINORITY)
4,144

NETWORTH*
43,717

BALANCE SHEET SIZE (TOTAL ASSETS)
321,449

ROE – EX - INSURANCE
18.60%

DILUTED EARNINGS PER SHARE (₹) (FV ₹1)
4.85

BOOK VALUE PER SHARE (₹) (FV ₹1)
45.14

TOTAL CREDIT BOOK
200,141

RETAIL CREDIT PORTFOLIO
57,350

GROSS NPLs
1.40%

NET NPLs
0.47%

PROVISION COVER (INCL. STD ASSET PROV.)
88%

*Networth including minority

Edelwe

The Edelweiss Story

MARCHING TO A DIFFERENT BEAT

It is not the path that is right or wrong. It is the choices we make that determine a successful journey.

While there's always a choice to follow precedents and walk down the well-trodden path, there's also a contrary option. To break new ground by marching forward to a different beat. To make the world stand up and take notice.

The Olympic Games are the epitome of countless moments documented and dedicated to standing tall in a crowd. And Edelweiss has taken this event, the world's largest celebration of sports, as another opportunity to stand out by becoming the official sponsors of the Indian contingent at the 2016 Rio Olympics. Much like the great Olympians who feature in the pages that follow and also analogous to the motto of the Olympics, *Citius – Altius – Fortius* words that stand for *Faster – Higher – Stronger*, Edelweiss has always challenged the norm and in a short span of 20 years created a world class Indian financial services conglomerate. A successful acknowledgement of the contrarian path we have followed since inception by charting new territories with the courage of our convictions. The foundation for the journey ahead is based on these enduring ideals and values, and on the trust our clients and stakeholders place in our ability to understand their needs and add value to their lives.

The 2016 Annual Report is all about how we've traversed the road less travelled in the functioning of our organisation. Inspiring us along the way are the stories of athletes who have dared to be different; who have stuck to their convictions; and who have proved to us the enduring belief - ***winners don't do different things, winners do things differently.***



Disclaimer: This document is a tribute to some of the all time greatest sport athletes and Olympians who have broken boundaries and carved out a singular niche that has broken records and performed in the highest spirit of sportsmanship. Any specific products, services, trade names, attributes, personalities and brands described in this document belong to the respective owners. References have been based on information generally available to the public. These are merely in the nature of illustrations and do not constitute or imply endorsement, fact, recommendation, or favouring of or by Edelweiss.

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Nadia Comaneci's Perfect 10

Behind all successful athletes, are the principles that define their careers. For Nadia, it was her principle of 'never settling for anything less than perfect' that shaped her career into that of a legend. She exemplified this when she moved away from her home and family to determinedly pursue her dream. The Romanian National Championships of 1968 where she finished 13th, served as a reminder to never settle for anything less than perfect. After initial failure she went on to become the first gymnast in history to achieve the hallowed Perfect 10. A success that Nadia was able to repeat multiple times, including at the 1976 Montreal Olympics where she bagged 3 golds and followed it up with another outstanding performance at the 1980 Moscow Olympics.



Edelweiss Group Guiding Principles

Nadia Comaneci personifies the fact that even contrarians need to stay within a framework of their own definition. Marching to a different beat brings about its own rules.

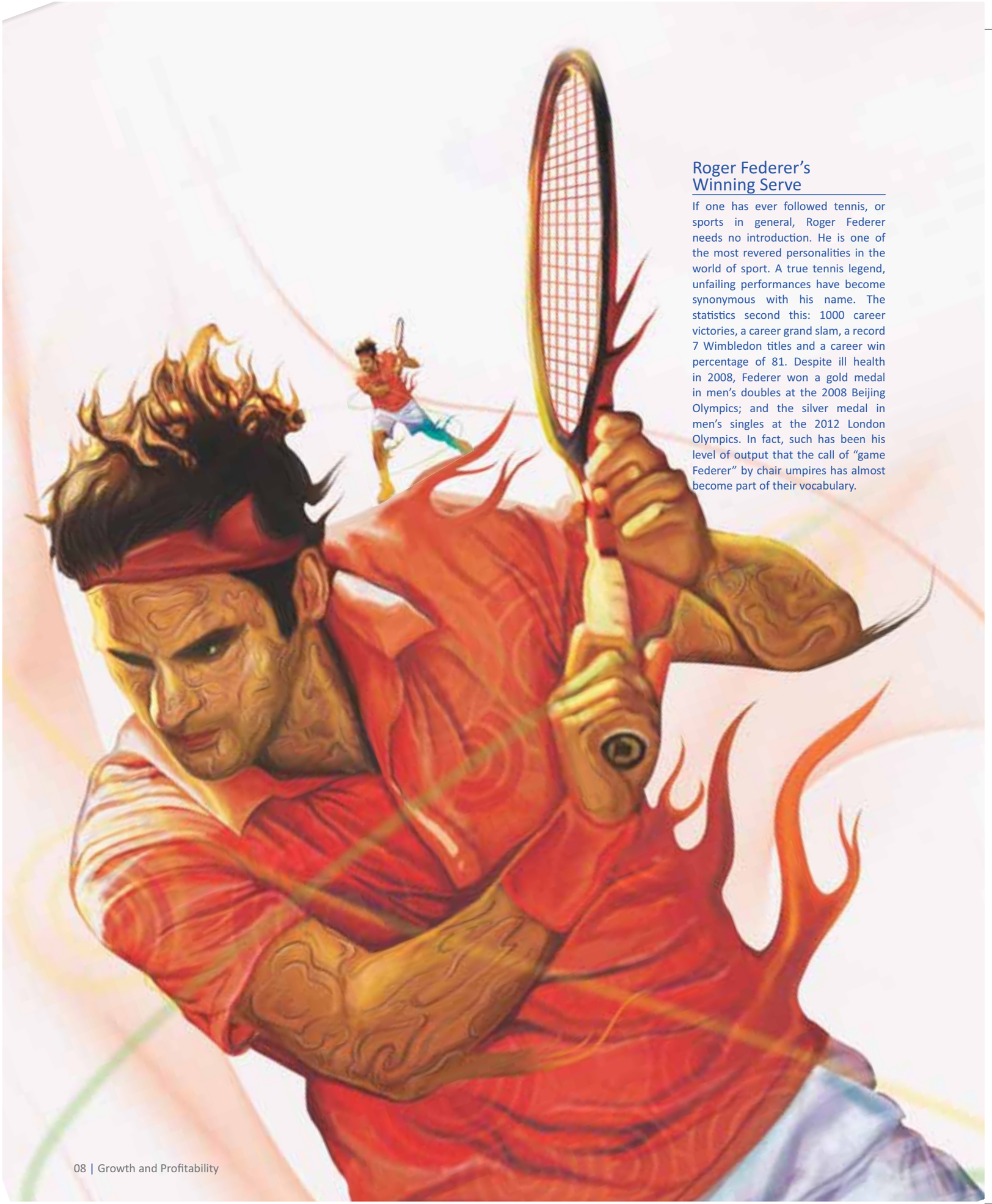
Over the last 20 years since inception, our Guiding Principles have been the principal authority that govern and drive us in the direction of creating value for all our stakeholders. They are a blend of our ideals, culture and business ethics that have clarified and eased decision-making, and have ensured that the company takes the right path, for the right reasons, without compromising on the long-term vision.

Edelweiss Group: Guiding Principles

1. 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
2. We will be **Fair** to our clients, our employees and all stakeholders
3. 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
4. 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
5. 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
6. We will focus on **Growth** for our clients, employees and shareholders
7. 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
8. 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
9. 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
10. We will endeavour to grow, protect, and use our **Financial Capital** wisely

As we evolve to become more customer centric, so have our Guiding Principles evolved to now contain three new tenets which are pivotal to our business strategy. The new principles recognise that we are able to enhance our customers and stakeholders' experience by understanding their needs and acting in their best interests at all times. Now with the inclusion of these three new Guiding Principles, customer centricity is on its way to becoming an integral part of the Edelweiss culture.

11. We are defined by the **Experience** our customers have with us. We will strive to make it outstanding at all times
12. We will **Listen** to our customers. Listening is the start of the relationship wherein we understand their needs and fulfil these with the most appropriate products and solutions
13. We recognise that we need to satisfy the **Needs**, sometimes conflicting, of all stakeholders; shareholders who entrust us with their capital, employees who create the organisation, customers who are the reason we exist and society which has given us the resources and opportunity to create value



Roger Federer's Winning Serve

If one has ever followed tennis, or sports in general, Roger Federer needs no introduction. He is one of the most revered personalities in the world of sport. A true tennis legend, unfailing performances have become synonymous with his name. The statistics second this: 1000 career victories, a career grand slam, a record 7 Wimbledon titles and a career win percentage of 81. Despite ill health in 2008, Federer won a gold medal in men's doubles at the 2008 Beijing Olympics; and the silver medal in men's singles at the 2012 London Olympics. In fact, such has been his level of output that the call of "game Federer" by chair umpires has almost become part of their vocabulary.