

# STRIKING THE PERFECT BALANCE





## CONTENTS

---

Edelweiss - Striking the perfect balance	01
Performance Highlights	02
Letter from the Chairman	22
EdelGive Foundation	34
Board of Directors	38
Company Information	40
Board's Report	41
Management Discussion & Analysis	48
Corporate Governance Report	91
Consolidated Financial Statements	103
Standalone Financial Statement	175
Notice	239

## EDELWEISS - STRIKING THE PERFECT BALANCE

---

Edelweiss Group is one of India's leading financial services conglomerates. The Group, buttressed by total assets\* of over ₹1.56 trillion, enjoys a diverse and robust platform spanning three scalable and profitable business segments; **Credit** (retail, corporate and distressed asset resolution), **Franchise** (wealth management, asset management and capital markets) and **Insurance**. This de-risked diversified business model reflects Edelweiss's experience in the growth of India across its multiple consuming facets, from industrial behemoths and large companies through to small businesses and the average Indian urban and rural household.

India today is witnessing a paradigm shift owing to a unique convergence of steadfast vision, inclusive growth and deep policy reforms, all intended to positively affect all Indians. The country's focus on infrastructure development, digital transformation, urbanisation and social upliftment backed by demonstration of good governance has been energising. Sustaining its GDP growth, even as there have been global headwinds, India strikes a fine balance between growth and fiscal prudence.

We have built our 22<sup>nd</sup> Annual Report around key words that we feel best describe the journey our country is taking – with us in lock-step. In the following pages the words – *Balance, Align, Stretch, Rise, Step-up, Strengthen, Pursue, Impact and Uphold* – effectively convey the dynamism and transformation that we are seeing around us. We stay inspired by the nation's sure-footed approach towards what is probably going to be India's game changing decade, balanced by bold and decisive moves to improve the here and now. For each and everyone.

\*Total assets under management includes on Balance Sheet Assets, Distressed Assets Credit (ARC Assets), Wealth Management AuA, Asset Management funds under management and Assets under Custody

# TAKING THE BIG LEAP TO SUCCESS

## PERFORMANCE HIGHLIGHTS

(In ₹ million except as indicated)

Year Ended March 31	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Income	66,336	53,157	39,119	25,555	21,840	16,707	14,289	9,778	9,005	10,888	3,718
Total Expenditure	56,756	46,969	33,839	22,040	19,247	14,720	10,789	6,450	5,715	6,421	1,971
Profit Before Tax	9,580	6,188	5,280	3,515	2,593	1,987	3,500	3,328	3,290	4,467	1,747
Tax Expenses	3,948	2,354	2,017	1,346	881	681	1,031	879	1,199	1,540	646
Profit After Tax	6,093	4,144	3,287	2,202	1,785	1,277	2,330	2,292	1,864	2,732	1,099
Paid up Equity Capital	833	814	792	769	719	757	752	375	375	375	45
Net worth*	52,879	43,717	35,314	32,558	26,909	28,748	25,554	24,706	23,303	23,274	7,222
Diluted EPS (₹) (FV ₹1)#	6.92	4.85	3.88	2.85	2.31	1.66	3.00	2.94	2.43	4.00	2.08
BVPS (₹) (FV ₹1)#	52.00	45.14	39.92	37.57	32.13	34.80	30.56	30.04	28.21	24.65	9.36

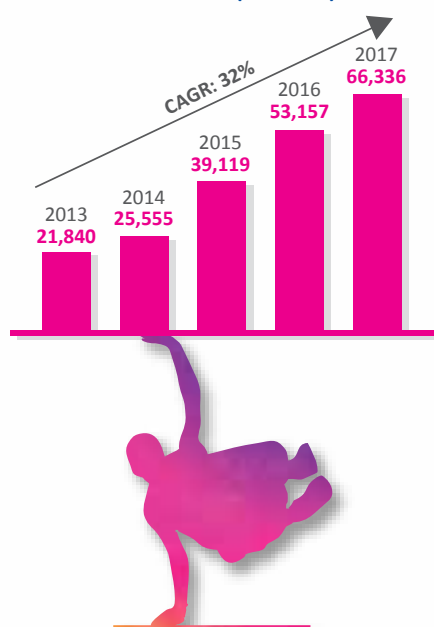
# Adjusted for Corporate Actions

\* Net worth including minority

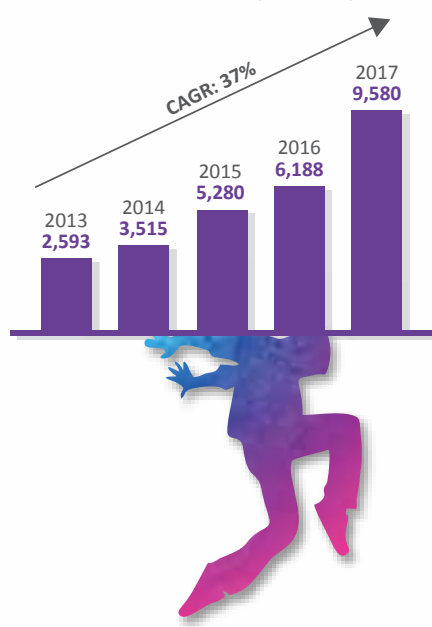
Previous years' figures have been regrouped wherever necessary

## PERFORMANCE HIGHLIGHTS

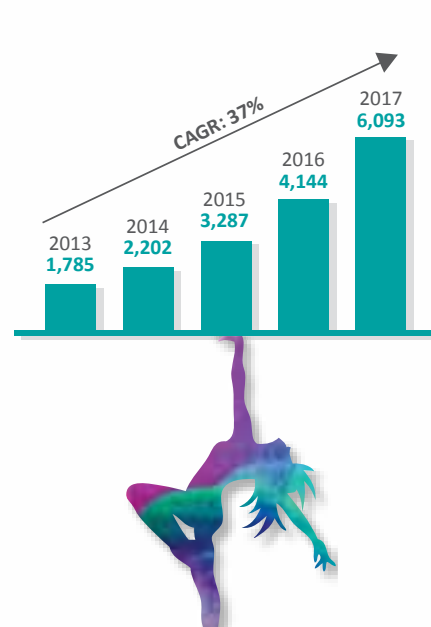
Total Income (₹ million)



Profit Before Tax (₹ million)



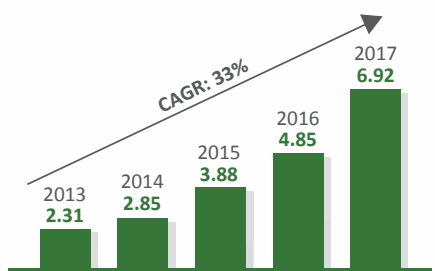
Profit After Tax (₹ million)



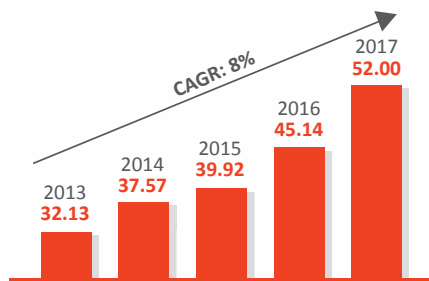


## PERFORMANCE HIGHLIGHTS

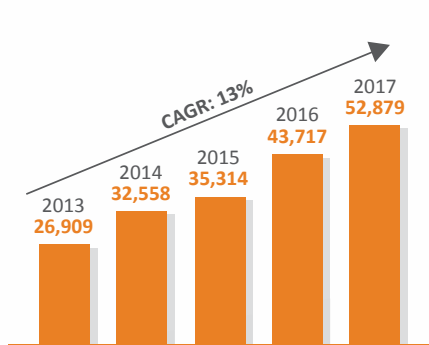
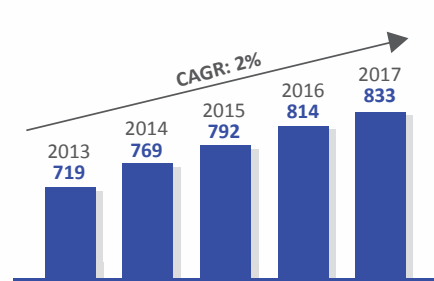
Diluted Earnings Per Share (₹) (FV ₹1)#



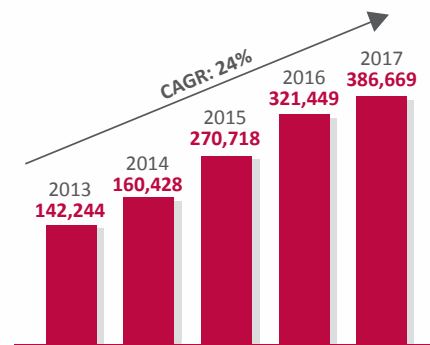
Book Value Per Share (₹) (FV ₹1)#



Paid up Equity Capital (₹ million)



Net worth\* (₹ million)



Balance Sheet Size (₹ million)

## FY17 HIGHLIGHTS



**TOTAL INCOME**  
**₹66,336 MILLION**



**PROFIT AFTER TAX**  
**₹6,093 MILLION**

**ROE - EX-INSURANCE**

**20.7%**



**DILUTED  
EARNINGS  
PER SHARE  
(FV ₹1)**  
**₹6.92**

**BALANCE SHEET SIZE**  
**₹386.67  
BILLION**



**ROA - EX-INSURANCE**  
**2.4%**



**NET WORTH\***  
**₹52.88 BILLION**

\*Net worth including minority





**GROSS NPLS**  
**1.59%**



**NET NPLS**  
**0.60%**



**PROVISION COVER**  
**(INCL. STD ASSET PROV.)**  
**87%**



**RETAIL CREDIT**  
**PORTFOLIO**  
**₹89.51 BILLION**



**TOTAL CREDIT**  
**BOOK**  
**₹276.08 BILLION**



# ALIGN

## VISION

India has set its course for transformation, which is led by the New India vision - a prosperous, educated, healthy, secure, corruption-free, energy-abundant, digitally advanced and globally influential nation by 2031-32.





# EDELWEISS GROUP GUIDING PRINCIPLES

---

The Edelweiss guiding principles ensure that each employee is guided by a common vision. Our 13 principles reflect all the values that define us, breathing life into our credo – *Ideas Create, Values Protect*. As our guiding light, they support our vision to be one of the leading and most respected financial services firms in the country. They have aided us in creating value for our stakeholders year after year, while steering our ambition so that we always stay true to our ideals.

## 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
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



# RISE

## STEADILY

India is the fastest growing major economy in the world with GDP clocking in at a healthy 7.1%. Benign commodity cycles and rising levels of foreign investment along with a focus on financial discipline and institutional reforms augur well for sustained growth in the years ahead.