

Strong. Stable. Sustainable

Edelweiss
Ideas create, values protect

ANNUAL REPORT 2018-2019



Contents

Consistent Track Record	02	Environmental Social and Governance Report	42	Management Discussion and Analysis	70
FY19 Highlights	04	EdelGive Foundation	52	Corporate Governance Report	112
Strong Foundation	06	Board of Directors	56	Consolidated Financial Statements	125
Stable Business	14	Company Information	60	Standalone Financial Statements	201
Sustainable Organisation	24	Board's Report	61	Notice	265
Letter from the Chairman	32				

The performance and business numbers herein are regrouped/reclassified based on management estimates and may not directly correspond to published data. Ratios are derived based on consolidated financials. Some numbers in this report have been rounded off, for ease of representation. The entrepreneurs have been featured in our Annual Report for their inspiring work. Any specific products, services, trade names, rights, attributes, personalities and brands described in this document belong to the respective owners. References have been made based on publically available information. These are merely illustrative in nature and not factual and do not imply endorsement, recommendation or favouring of or by Edelweiss. Readers of the annual report are advised to independently verify facts and information.



Strong. Stable. Sustainable

India has scripted a remarkably robust and resilient growth story over the last few decades - one that has been built on a strong foundation of reforms, fueled by stable economic progress and sustained by long-term demand. The new India paints a promising picture - a young populace, increasing opportunities and an improved quality of life. While we aren't insulated from global headwinds, the domestic tailwinds are powerful enough to ensure that we make steadfast progress over the next few years.

Edelweiss is named after the alpine flower that can withstand harsh terrains and climatic conditions. True to our name, we find resonance in India's resilience. Fired by big ideas, charting a path in liberalised India, we built an institution on the foundation of strong values and the grit of our people. Born in the mid-nineties, not backed by any major conglomerate, on the strength of our own convictions, we started with a corpus of around ₹10 million, growing to ₹87.15 billion in under 24 years. With a calibrated approach to business, we navigate short-term vagaries, while resolutely pursuing long-term value creation.

As we affirm our Strong, Stable and Sustainable commitment through the pages of this Annual Report, we take inspiration from entrepreneurs who have mirrored the same principles, while building their own enterprise. Each one of them self-made, devoid of institutional lineage have found their place in the sun. We raise a toast to their indomitable spirit, sense of purpose and strong conviction and remain inspired to create a better tomorrow, one filled with promise.

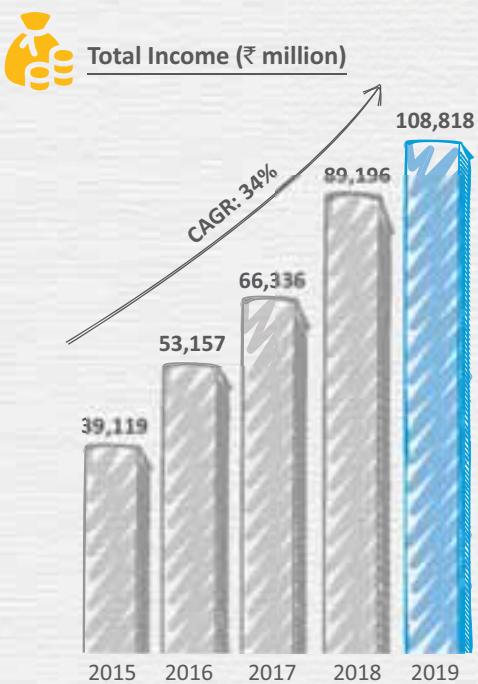
Consistent Track Record

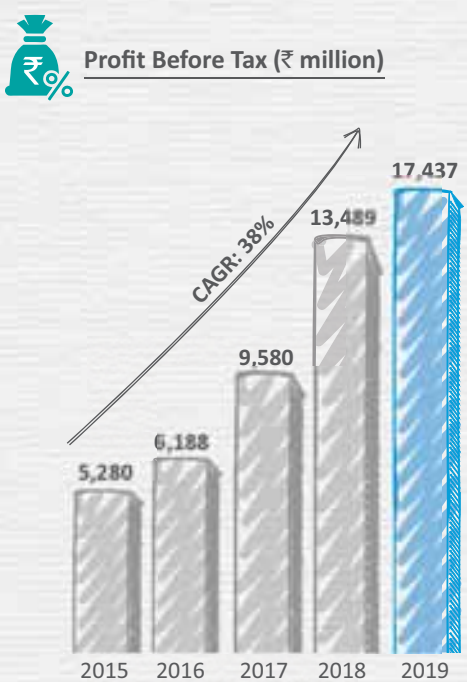
(In million except as indicated)

Year Ended March 31	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Income	108,818	89,196	66,336	53,157	39,119	25,555	21,840	16,707	14,289	9,778
Total Expenditure	91,380	75,707	56,756	46,969	33,839	22,040	19,247	14,720	10,789	6,450
Profit Before Tax	17,437	13,489	9,580	6,188	5,280	3,515	2,593	1,987	3,500	3,328
Tax Expenses	6,993	5,119	3,947	2,354	2,017	1,346	881	681	1,031	879
Profit After Tax	9,952	8,632	6,093	4,144	3,287	2,202	1,785	1,277	2,330	2,292
Paid up Equity Capital	888	871	833	814	792	769	719	757	752	375
Net Worth*	87,150	78,263	52,879	43,717	35,314	32,558	26,909	28,748	25,554	24,706
Diluted EPS ( ) (FV 1)#	11.09	10.12	6.92	4.85	3.88	2.85	2.31	1.66	3.00	2.94
BVPS ( ) (FV 1)#	86.48	79.06	52.00	45.14	39.92	37.57	32.13	34.80	30.56	30.04

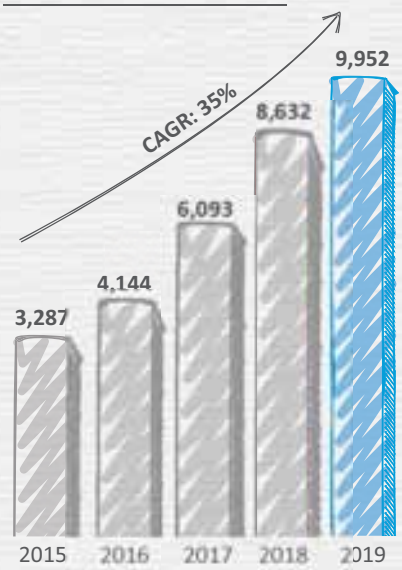
#Adjusted for Corporate Actions
*Net Worth including minority

Previous years' figures have been regrouped wherever necessary
FY18, FY19 numbers are as per IndAs and FY10 to FY17 are as per IGAAP
CAGR depicted in the charts is for the 5 year period FY14 to FY19

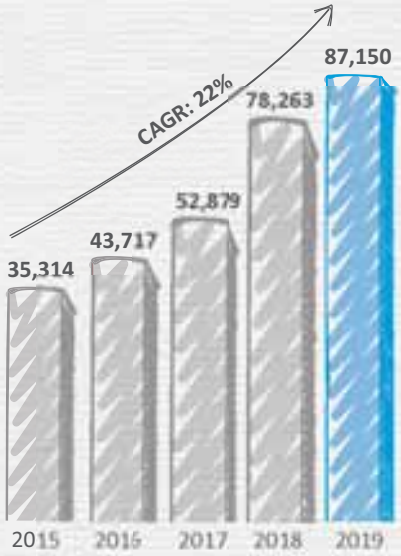




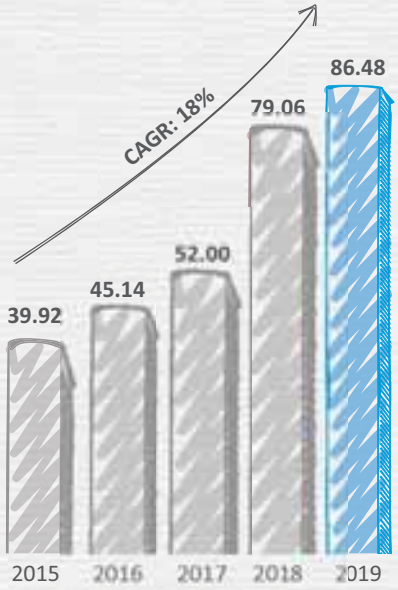
Profit After Tax (₹ million)



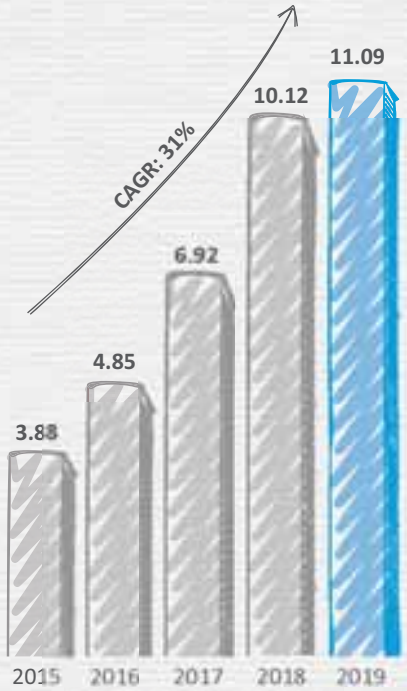
Net Worth* (₹ million)



Book Value Per Share (₹) (FV ₹1)#



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



FY19 Highlights

TOTAL INCOME
₹108.82 BILLION

PROFIT AFTER TAX
₹9.95 BILLION

ROA
(Ex-Insurance)
2.4%

ROE
(Ex-Insurance)
17.6%

CUSTOMER ASSETS[1]
₹2 TRILLION

All ratios are derived numbers based on consolidated financials
[1] Excluding Balance Sheet Assets, based on management estimates
[2] Ex-Treasury Assets
[3] Including provisions on standard/Stage 1 and 2 assets

NET WORTH
₹87.15
BILLION

CONSERVATIVE
DEBT TO EQUITY RATIO[2]
4.4X

DILUTED EARNINGS
PER SHARE
(FV ₹1)
₹11.09

GROSS NPA
1.87%

NET NPA
0.83%

PROVISION COVER[3]
120%



Strong Foundation

Representing wholeness, unity and harmony, the **Circle** is always anchored to a single focal point.

At Edelweiss, our guiding principles form a strong circle of influence and bind us together. Our governance framework holistically caters to the needs of the world around us, helping us positively influence both business and society.
An agile business, aligned to strong values and fortified by prudent risk management form the foundation of our success.

Bound by a common sense of purpose and values, **Nand Kishore Chaudhary**, **Dr. Chandra Sankurathri** and **Sushma Bhadu**, have built solid institutions and catalyzed lasting systemic change.



Nand Kishore Chaudhary
Chairman & MD, Jaipur Rugs

From a small set up started with ₹5,000 that he borrowed from his father, Nand Kishore Chaudhary's Jaipur Rugs has grown into a globally-conscious brand with a footprint across 40 countries. With an earnest intention to enable marginalised communities to live a dignified life, he took it upon himself to provide them livelihood by nurturing their art. Notwithstanding rigid caste biases and social censures, he reached out to remote rural areas, encouraging village communities to start weaving not just rugs, but also their own lives. Based on the principles of equity, empathy and dignity, the company has impacted the lives of 40,000 rural and tribal artisans.





Dr. Chandra Sankurathri
Chairman, Sankurathri Foundation

A successful Canadian immigrant, Dr. Chandra Sankurathri abandoned a thriving career and returned to India after he lost his family to terrorism. Choosing hope over anger, he threw himself into building lives of the impoverished in the outskirts of Andhra Pradesh by founding the Sankurathri Foundation. Dedicated to providing good health and educational facilities to kids who do not have the economic means to learn, he asked them for a simple contribution of discipline and willingness to learn. Providing meals, transport, books, counselling and guidance, the foundation's schools boast of a zero drop-out rate. Instead of subsistence farmers and labourers, his students now dream to be doctors, engineers and teachers.



Sushma Bhadu
Social Worker & Sarpanch

Sushma Bhadu, a class seven dropout, belonging to the Bishnoi community in Haryana found the 'Purdah' practice restrictive and decided that the only way she could bring about societal change was to get involved in her village administration. After successfully being elected as the sarpanch of her village, she left an indelible mark on society by discarding the 'ghunghat' amidst 2,000 people from 25 neighbouring villages. From building training centers to providing education for girls, she also convinced the state government to provide drinking water access to all villagers. Under her guidance, her village won the government's Nirmal Gram Puruskar for having the best sanitary conditions, zero school-dropout rate and a better sex ratio than any other village in Haryana.

Centered by our Guiding Principles

Over the last two decades, our 13 Guiding Principles have been the principal authority that govern us and they continue to drive us in the direction of creating value for all our stakeholders. They are a blend of our ideals, culture and business ethics that ensure that the company takes the right path, for the right reasons, without compromising on the long-term vision.

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

We are Fair to our clients, employees and all stakeholders

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

