



# Simple is Rare

Annual Report 2021-22



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The background features abstract geometric shapes, including triangles and polygons in shades of pink, blue, green, and orange, overlaid with soft watercolor washes in similar colors. The overall aesthetic is clean and modern.

# Simple is rare. Simple is genius.

Simplicity is a wonderful virtue yet very rare. Reduced to its very essence, it is the purest form, one that is both clarifying and beautiful. Simplicity is elegant yet powerful enough to unlock the inner Genuis. It is uncompromising, embodying the highest standards of integrity and excellence. True simplicity is also about having a purpose and then arranging our lives around it. It is this virtue of simplicity that ties some of the geniuses the world has seen, who captivated us with their brilliance.

At Edelweiss, we embrace simplicity in its true essence, focussing on the true purpose of our business. Taking inspiration from the geniuses who exemplified simplicity, we are resolutely strengthening the foundation of our businesses, digitising our processes, embedding transparency, and reducing complexities to deliver on our commitment to create greater long-term value and enable a more fulfilling experience for our customers, employees and stakeholders. Setting the course for a future that thrives on simplicity and pursues excellence!

In a world that is besieged with complexities, the prodigies who embraced simplicity are indeed rare gems. Through this Annual Report, we seek inspiration from those who wowed us with their talent!

*"The obvious is that which  
is never seen until someone  
expresses it simply".*

**- Kahlil Gibran**

# FY22 Highlights



## Stable Financial Performance



Revenue  
**₹73.05 billion**



Consolidated  
PAT  
**₹1.89 billion**



Ex-Insurance  
PAT **₹4.05 billion**  
~29% increase YoY



## Robust Balance Sheet & Liquidity



Net Worth  
**₹84.57 billion**



Reduced Borrowings  
**₹240.5 billion**  
declined by ~30% over FY20



Debt Equity Ratio Declined to  
**2.0x** from **3.5x** in FY20



Comfortable Liquidity  
**₹55 billion**



## Value unlocking in Edelweiss Wealth Management (EWM)



Order of National Company Law Tribunal (NCLT) made effective for Phase 2 demerger scheme



Edelweiss holds  
~**44%** stake in EWM



Completion of demerger by Jan 23 and listing of the business by Mar 23



## Well Capitalised Businesses

### High Capital Adequacy



CAPAD of **28%+** across Credit and ARC business



Solvency ratio of more than **210%** in Life Insurance and over **165%** in General Insurance



## Robust Customer Franchisee

### Growing Customer Assets



Customer Assets at **₹3,577** billion grew **~30%** YoY demonstrating the continued trust reposed by customers



## Credit – Focus on Asset-Light Business through Partnerships with Banks



Significant improvement  
in Asset Quality –  
GNPA at  
**2.5%** in Mar 22  
from **6.7%** in Mar 21



Reduction  
in wholesale book  
by **30%** over two  
years through focused  
workouts



Received inflows of  
**~₹16** billion  
in quarter ended Mar 22,  
Expect momentum to be  
maintained in FY23



Healthy collection  
efficiency at  
**101%** in  
Housing Finance,  
**96%** in NBFC



## Asset Management: Alternatives & Mutual Fund

### Alternatives – Leading Alternative Asset Manager



AuM  
**~₹305** billion,  
**15x** growth since FY15



PAT for the year grew by  
**2.4x** YoY to  
**₹470** million



Deployed  
**~₹49** billion and  
realised **~₹36** billion  
during the year



Fee Paying AuM -  
**₹176** billion

### Mutual Fund – Among the Fastest Growing AMCs



AuM grew  
**55%** YoY to  
**₹850** billion



Inflows of  
**₹290** billion  
(market share  
of ~12%)



Retail folios grew  
by **76%** in  
FY22 to  
**~1** million



Industry rank  
improved from  
**15 to 13**



Leadership in debt  
passives with  
**₹520** billion AuM



## Asset Reconstruction – Leading ARC in the Country



Robust Recoveries -  
~**₹69** billion of  
which **11%** were from  
retail portfolio

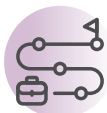


Share of retail assets in  
capital employed grew  
**4x to ~14%**



## Insurance: Life & General Insurance

### Life Insurance – among Fastest Growing in the Industry



Individual APE crossed  
the **₹4** billion milestone,  
having grown by a **21%**  
5-year CAGR against **10%**  
recorded by industry



Gross Premium  
growth of  
**20%** YoY

### General Insurance – Fastest Growing on the back of a Digital Platform



**49%** YoY growth in  
Gross Direct Premium  
Income (GDPI)



**2.2x** growth in no.  
of policies issued  
**~297,000**



## Wealth Management – Among Top 3 Players in India



Assets under Advice  
**₹2.02** trillion,  
**30%** growth YoY



Customer reach  
increased by **~22%** to  
**~857,000** clients



Strong **63%** YoY  
growth in distribution  
income, Revenue growth  
of **24%** YoY



Strong Customer  
Franchise  
UHNI **~2,700**;  
Affluent Clients  
**~854,000**

# Our Response to COVID-19

The COVID-19 pandemic and its lockdowns put immense pressure on the economies and businesses globally. It also deepened the strain on the economy in India. At Edelweiss, we enabled a swift and seamless transition to work from home without any significant loss in productivity. While we worked towards slowly returning to normalcy, we maintained a strict focus on safety and hygiene. We were also cognisant that staying connected and remaining available for all our stakeholders, especially customers, was critical, despite the physical distance.



**A Responsible  
Corporate Citizen**



**Responsibility to  
our People**



**Responsibility to  
Customers and Partners**





## A Responsible Corporate Citizen

The last year saw two more waves of the pandemic. The second phase – worse than the first – saw communities struggling to access hospital services, oxygen facilities and having to cope with deeper vulnerabilities of lost livelihoods and physical and mental well-being. The recurring cycles of the pandemic also threatened the breakdown of the country's grassroots organisations that on one hand were continuing to meet the needs of their communities, while battling for their own survival on the other.

Our COVID-relief initiatives in the past year were aimed at enabling grassroots communities to survive and recover from the various impacts of the pandemic. We continued to support critical work by providing humanitarian assistance through the provision of rations to affected communities, support for the revival of livelihoods through the provision of seed kits, financial assistance to set up small businesses, etc.



To combat the larger challenge facing India's grassroots organisations, we launched the GROW Fund with an aim to scope, support and strengthen 100 small and medium-sized organisations through non-programmatic grants supplemented with capacity building to enable their institutional resilience and future readiness.



- ▶ For FY22, we funded and raised close to ₹270 million towards COVID-related work for over 20 organisations to ensure direct relief, address the migrant crisis, and rebuild lives and livelihoods, especially for rural communities
- ▶ Within a year, the GROW Fund actualised from germinating as an empathetic response to the devastation we witnessed, to a programme concept deeply rooted in our collaborative philanthropy approach, into an execution stage initiative successfully bringing together a cohort of funders that pledged intent and funds to support a community of 100 NGOs across India



EdelGive's approach is to provide need-based timely support and commitment for revival, rehabilitation, and resilience building.

- ▶ Support to grassroots organisations across India working with COVID-affected communities
- ▶ Advise and provide linkages and management to Indian, international and diaspora funders intent to support COVID-19 relief work
- ▶ Promulgating within the funder ecosystem, the concept of institutional resilience as core to organisational effectiveness and programme impact, by manifesting the GROW Fund



## Responsibility to our People



### **At Edelweiss, we were proactive in managing the crisis and encouraged employees to work from home.**

We were focused on the safety and well-being of our employees even as we ensured business continuity and operated at the same levels of efficiency as earlier.



### **Our Approach**

- ▶ Employees continued to work from home. Some businesses categorised roles and accordingly adapted a hybrid working model to bring in efficiencies into the system
- ▶ Frequent communication on COVID appropriate behaviour (CAB) to increase awareness amongst employees as a precautionary measure
- ▶ Implemented safe practices for office premises, travel, visitors, external meetings and events, health status reporting and quarantine guidelines
- ▶ An employee support group conducted one-on-one well-being checks in, by creating a group of volunteers who reached out to every single employee
- ▶ Social distancing mandated in all common areas as a precaution to avoid spread of infection
- ▶ Activated 'Incident Room', an Edelweiss emergency response hub, to respond to employee queries and track travel history
- ▶ Revised medical insurance coverage against COVID-19 for employees and their dependent family members
- ▶ A strong communication strategy to align all employees together and provide a safe channel for sharing of information, feedback and address concerns