

Independent Auditor's Report

To the Members of
Edelweiss General Insurance Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Edelweiss General Insurance Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Profit and Loss Account, its related Revenue Account and the Receipts and Payments Account for the year then ended, the schedules annexed thereto and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the Balance Sheet, the Profit and Loss Account, the related Revenue Account and the Receipts and Payments Account of the Company in accordance with accounting principles generally accepted in India, including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"/ "Authority") in this regard, and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations, orders/directions/circulars issued by the IRDAI, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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Independent Auditor's Report (Continued)

In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required in accordance with the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations and the Act to the extent applicable and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:

- a. in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2018;
- b. in the case of the Revenue Account, of the operating loss for the year ended on that date;
- c. in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- d. in case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Other Matters

The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2018 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Company's Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

Report on Other Legal and Regulatory Requirements

As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated May 2, 2018 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.

As required by IRDA Financial Statements Regulations, read with Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion and to the best of our information and according to the explanation given to us, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



Independent Auditor's Report (Continued)

- (c) As the Company's financial accounting system is centralized at Head Office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company as required under Section 143 (8) of the Act;
- (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules;
- (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statement Regulations and / or orders / directions issued by IRDAI in this regard;
- (g) In our opinion, the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the accounting principles prescribed in IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;
- (h) On the basis of written representations received from the Directors as on March 31, 2018 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2018, from being appointed as a Director in terms of Section 164 (2) of the Act;
- (i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to "Annexure A" to this report;
- (j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W



R. P. Soni
Partner
Membership No.104796



Place: Mumbai
Date: May 2, 2018

Annexure “A”

Independent Auditors’ report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Edelweiss General Insurance Company Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of financial statements for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting



Independent Auditors' report on the Internal Financial Controls (Continued)

principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India".

Other Matter

The actuarial valuation for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), has been duly certified by the Company's Appointed Actuary in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (the "Authority") and the Institute of Actuaries of India in concurrence with the Authority and has been relied upon by us, as mentioned in "Other Matter" paragraph of our audit report on the financial statements of the Company as at and for the year ended March 31, 2018. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the adequacy and operating effectiveness of internal controls over actuarial liabilities.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W



R. P. Soni
Partner
Membership No.:104796



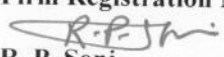
Place: Mumbai
Date: May 2, 2018

Independent Auditors' Certificate

To the Members of
Edelweiss General Insurance Company Limited

1. This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "IRDA Financial Statements Regulations") read with regulation 3 and may not be suitable for any other purpose.
2. The Company's Board of Directors is responsible for complying with the provisions of the Insurance Act, 1938 (the "Insurance Act") as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.
3. Our responsibility, for the purpose of this certificate, is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the IRDA Financial Statements Regulations. We have conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the "ICAI") which include the concepts of test checks and materiality.
4. In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by Edelweiss General Insurance Company Limited (the "Company") for the year ended March 31, 2018, we certify that:
 - a. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2018, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
 - b. Based on information and explanations received during the normal course of our audit, management representations and the compliance certificate submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDAI;
 - c. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments as at March 31, 2018 by actual inspection or on the basis of certificates/confirmations received directly or from the custodian and/or Depository Participants appointed by the Company, as the case may be;
 - d. The Company is not a trustee of any trust; and
 - e. No part of the assets of the Policyholders' funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W


R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: May 2, 2018

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Revenue Account

For the Year ended March 31, 2018

Particulars	Schedule	Fire	Marine	Miscellaneous	Total
		FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
1. Premiums earned (net)	1	-	-	27	27
2. Income from Investments		-	-	56	56
(a) Interest, Dividend & Rent - Gross		-	-	3	3
(b) Amortization of discount/(premium)		-	-	-	-
(c) Profit on sale/redemption of investments		-	-	-	-
Less : Loss on sale/redemption of investments		-	-	-	-
3. Others -		-	-	-	-
Foreign exchange gain / (loss)		-	-	-	-
Investment income from pool		-	-	-	-
Miscellaneous Income		-	-	-	-
Total (A)		-	-	86	86
1. Claims Incurred (net)	2	-	-	19	19
2. Commission (net)	3	-	-	(5,889)	(5,889)
3. Operating expenses related to insurance business	4	-	-	1,88,311	1,88,311
4. Premium deficiency		-	-	-	-
Total (B)		-	-	1,82,441	1,82,441
Operating Profit / (Loss) C = (A - B)		-	-	(1,82,355)	(1,82,355)
APPROPRIATIONS					
Transfer to Shareholders' Account		-	-	-	-
Transfer to Catastrophe Reserve		-	-	-	-
Transfer to Other Reserves		-	-	-	-
Total (C)		-	-	(1,82,355)	(1,82,355)
Significant accounting policies and notes to accounts	16	-	-	(1,82,355)	(1,82,355)
The schedules referred to above & notes to accounts form an integral part of the Financial Statements		-	-	(1,82,355)	(1,82,355)

As per our attached report of even date

For and on behalf of the Board

R. P. Soni
R. P. Soni
Director
(DIN : 00237366)



For NGS & Co. LLP
Chartered Accountants
Firm Regn No.: 119850W

R. P. Soni
R. P. Soni
Partner
Membership No.: 104796

S. Ranganathan
S. Ranganathan
Director
(DIN : 00125493)

Atendra Attria
Atendra Attria
Chief Financial Officer
(DIN : 00511806)

Ashish Lakhtakia
Ashish Lakhtakia
Company Secretary

Place: Mumbai
May 2, 2018

Profit and Loss Account
For the Year ended March 31, 2018

Particulars	Schedule	Year ended March 31, 2018	(₹ in 000's) Year ended March 31, 2017
1. Operating profit / (loss)			
(a) Fire Insurance		-	-
(b) Marine Insurance		-	-
(c) Miscellaneous Insurance		(1,82,355)	-
2. Income from investments			
(a) Interest, Dividend & Rent – Gross		31,474	456
(b) Amortization of (discount) / premium		5,673	-
(c) Profit on sale/redemption of investments		4,061	-
Less : Loss on sale / redemption of investments		(12,236)	-
3. Other income			
(a) Interest income on tax refund		-	-
(b) Profit on sale / discard of fixed assets		-	-
Total (A)		(1,53,383)	456
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		-	-
(c) Others		-	-
5. Other expenses			
(a) Expenses other than those related to insurance business			
(i) Employees' remuneration and other expenses		2,362	-
(ii) Managerial remuneration		-	-
(iii) Directors' fees		240	-
(iv) Preoperative Expenses		1,16,920	23,066
(b) Bad debts written off		-	-
(c) Loss on sale/discard of fixed assets		-	-
(d) Penalty		-	-
Total (B)		1,19,522	23,066
Loss before tax		(2,72,905)	(22,610)
Provision for taxation:			
(a) Current tax		-	-
(b) Deferred tax (Income) / Expense		-	-
Loss after tax		(2,72,905)	(22,610)
Appropriations			
(a) Interim dividends paid during the period		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to General Reserves		-	-
Balance of Loss brought forward from last year		(22,610)	-
Balance carried forward to Balance sheet		(2,95,515)	(22,610)
Basic and diluted earnings per share (Face value of ₹ 10 each)		₹ 3.71	₹ 18.92

Significant accounting policies and notes to accounts

16

The schedules referred to above & notes to accounts form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board

For NGS & Co. LLP
Chartered Accountants
Firm Regn No.: 119850W

R. P. Soni

R. P. Soni
Partner
Membership No: 104796



R. Panjwani
Rujan Panjwani
Director
(DIN : 00237366)

S. Ranganathan
S Ranganathan
Director
(DIN : 00125493)

Anup Rau
Anup Rau
Executive Director & CEO
(DIN : 00511806)

Jitendra Attra
Jitendra Attra
Chief Financial Officer

Ashish Lakhtakia
Ashish Lakhtakia
Company Secretary

Place: Mumbai
May 2, 2018

Balance Sheet
At March 31, 2018

	Schedule	At March 31, 2018	(₹ in 000's) At March 31, 2017
Sources of funds			
Share capital	5	17,00,000	50,000
Reserves and Surplus	6	-	-
Share application money-pending allotment		-	-
Fair value change account		-	-
Shareholders funds		(2,066)	-
Policyholders funds		-	-
Borrowings	7	-	-
Total		16,97,934	50,000
Application of funds			
Investments - Shareholders	8	12,69,595	-
Investments - Policyholders	8A	96,702	-
Loans	9	-	-
Fixed assets	10	78,817	663
Deferred tax asset		-	-
Current assets			
Cash and bank balances	11	20,646	26,947
Advances and other assets	12	1,30,690	1,827
Sub-Total (A)		1,51,336	28,774
Current liabilities	13	1,88,007	1,725
Provisions	14	6,024	322
Sub-Total (B)		1,94,031	2,047
Net (current liabilities) / current assets (C) = (A - B)		(42,695)	26,727
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		2,95,515	22,610
Total		16,97,934	50,000

Significant accounting policies and notes to accounts 16

The schedules referred to above & notes to accounts form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board

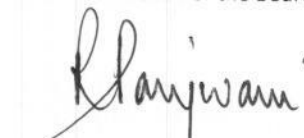
For NGS & Co. LLP
Chartered Accountants
Firm Regn No.: 119850W



R. P. Soni
Partner
Membership No: 104796



Place: Mumbai
May 2, 2018


Rujah Panjwani
Director
(DIN : 00237366)


S Ranganathan
Director
(DIN : 00125493)


Anup Rau
Executive Director & CEO
(DIN : 06511806)


Jitendra Attra
Chief Financial Officer


Ashish Lakhtakia
Company Secretary

Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule - 1
Premium Earned (net)

Particulars	Fire FY2017-18	Marine- Cargo FY2017-18	Marine- Others FY2017-18	Marine- Total FY2017-18	Public/Product Liability FY2017-18	Miscellaneous Health Insurance FY2017-18	Total - Miscellaneous FY2017-18	Total FY2017-18
Premium from direct business written-net of service tax and GST	-	-	-	-	1,240	11,789	13,029	13,029
Add: Premium on reinsurance accepted	-	-	-	-	1,236	10,021	11,257	11,257
Less: Premium on reinsurance ceded	-	-	-	-	4	1,768	1,772	1,772
Net premium	-	-	-	-	-	-	-	-
Adjustment for change in reserve for unexpired risks	-	-	-	-	-	-	-	-
Total premium earned (net)	-	-	-	-	4	1,741	1,745	1,745
Premium Earned (net)	-	-	-	-	-	27	27	27

Particulars	Fire FY2016-17	Marine- Cargo FY2016-17	Marine- Others FY2016-17	Marine- Total FY2016-17	Public/Product Liability FY2016-17	Miscellaneous Health Insurance FY2016-17	Total - Miscellaneous FY2016-17	Total FY2016-17
Premium from direct business written-net of service tax	-	-	-	-	-	-	-	-
Add: Premium on reinsurance accepted	-	-	-	-	-	-	-	-
Less: Premium on reinsurance ceded	-	-	-	-	-	-	-	-
Net premium	-	-	-	-	-	-	-	-
Adjustment for change in reserve for unexpired risks	-	-	-	-	-	-	-	-
Total premium earned (net)	-	-	-	-	-	-	-	-



Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule – 2

Claims Incurred (net)

Particulars	Fire	Marine			Miscellaneous			Total
		Marine- Cargo	Marine- Others	Marine- Total	Public/Product Liability	Health Insurance	Total- Miscellaneous	
Claims paid- direct	FY2017-18	FY2017-18	FY2017-18	FY2017-18	FY2017-18	FY2017-18	FY2017-18	FY2017-18
Add: Re-insurance accepted	-	-	-	-	-	-	-	-
Less: Re-insurance ceded	-	-	-	-	-	-	-	-
Net Claims paid	-	-	-	-	-	-	-	-
Add: Claims outstanding at the end of the year	-	-	-	-	-	-	-	-
Less: Claims outstanding at the beginning of the year	-	-	-	-	-	19	19	19
Total claims incurred	-	-	-	-	-	-	-	-
Claims Incurred (net)						19	19	19

Particulars	Fire	Marine			Miscellaneous			Total
		Marine- Cargo	Marine- Others	Marine- Total	Public/Product Liability	Health Insurance	Total- Miscellaneous	
Claims paid- Direct	FY2016-17	FY2016-17	FY2016-17	FY2016-17	FY2016-17	FY2016-17	FY2016-17	FY2016-17
Add: Re-insurance accepted	-	-	-	-	-	-	-	-
Less: Re-insurance ceded	-	-	-	-	-	-	-	-
Net Claims paid	-	-	-	-	-	-	-	-
Add: Claims outstanding at the end of the year	-	-	-	-	-	-	-	-
Less: Claims outstanding at the beginning of the year	-	-	-	-	-	-	-	-
Total claims incurred	-	-	-	-	-	-	-	-



Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule- 3

Commission		Fire		Marine		Public/Product Liability		Miscellaneous		(₹ in 000's)	
Particulars		FY2017-18		FY2017-18		FY2017-18		FY2017-18		Total	
Commission paid											
-Direct											
Add: Commission on re-		-		-		155		-		155	
insurance accepted		-		-		-		-		-	
Less: Commission on re-											
insurance ceded		-		-							
Net Commission		-		-		246		5,798		6,044	
						(91)		(5,798)		(5,889)	
										6,044	
											(5,889)

Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule - 4

Operating expenses related to insurance business

Particulars	Fire	Marine- Cargo	Marine- Others	Marine- Total	Public/Product Liability	Miscellaneous Health Insurance	Total- Miscellaneous	Total
	FY2017-18	FY2017-18	FY2017-18	FY2017-18	FY2017-18	FY2017-18	FY2017-18	FY2017-18
Employees Remuneration & Welfare benefits	-	-	-	-	327	1,44,498	1,44,825	1,44,825
Travel, Conveyance and Vehicle running Expenses	-	-	-	-	4	1,727	1,731	1,731
Training Expenses	-	-	-	-	1	654	655	655
Rents, Rates & Taxes	-	-	-	-	20	9,060	9,080	9,080
Repairs & Maintenance	-	-	-	-	3	1,308	1,311	1,311
Printing & Stationery	-	-	-	-	-	203	203	203
Communication	-	-	-	-	25	1,749	1,753	1,753
Legal & Professional Charges	-	-	-	-	-	11,239	11,264	11,264
Auditors' fees, Expenses etc	-	-	-	-	-	174	174	174
(a) as auditor	-	-	-	-	-	-	-	-
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-
Advertisement and Publicity	-	-	-	-	-	-	-	-
Interest & Bank Charges	-	-	-	-	-	-	-	-
Others	-	-	-	-	6	2,733	2,739	2,739
(a) Information Technology Expenses	-	-	-	-	-	1	1	1
(b) Miscellaneous Expenses	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	17	7,418	7,435	7,435
GST & Service Tax Expenses	-	-	-	-	18	2,301	2,319	2,319
Total	-	-	-	-	7	3,217	3,224	3,224
	-	-	-	-	4	1,593	1,597	1,597
	-	-	-	-	436	1,87,875	1,88,311	1,88,311

Operating expenses related to insurance business

Particulars	Fire	Marine- Cargo	Marine- Others	Marine- Total	Public/Product Liability	Miscellaneous Health Insurance	Total- Miscellaneous	Total
	FY2016-17	FY2016-17	FY2016-17	FY2016-17	FY2016-17	FY2016-17	FY2016-17	FY2016-17
Employees Remuneration & Welfare benefits	-	-	-	-	-	-	-	-
Travel, Conveyance and Vehicle running Expenses	-	-	-	-	-	-	-	-
Training Expenses	-	-	-	-	-	-	-	-
Rents, Rates & Taxes	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-
Printing & Stationery	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-
Legal & Professional Charges	-	-	-	-	-	-	-	-
Auditors' fees, Expenses etc	-	-	-	-	-	-	-	-
(a) as auditor	-	-	-	-	-	-	-	-
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-
Advertisement and Publicity	-	-	-	-	-	-	-	-
Interest & Bank Charges	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
(a) Information Technology Expenses	-	-	-	-	-	-	-	-
(b) Miscellaneous Expenses	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
GST & Service Tax Expenses	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-



Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule – 5

Share Capital

Particulars	(₹ in 000's)	
	At March 31, 2018	At March 31, 2017
Authorised Capital		
175,000,000 (previous year : 5,000,000) Equity Shares of ₹ 10 each		
Issued Capital	17,50,000	50,000
17,00,00,000 (previous year : 50,00,000) Equity Shares of ₹ 10 each		
Subscribed Capital	17,00,000	50,000
17,00,00,000 (previous year : 50,00,000) Equity Shares of ₹ 10 each		
Called up Capital	17,00,000	50,000
17,00,00,000 (previous year : 50,00,000) Equity Shares of ₹ 10 each		
Less : Calls unpaid	17,00,000	50,000
Add : Equity Shares forfeited (Amount originally paid up)	-	-
Less : Par value of Equity Shares bought back	-	-
Less : (i) Preliminary Expenses to the extent not written off	-	-
(ii) Expenses including commission or brokerage on underwriting or subscription of shares	-	-
Total	17,00,000	50,000

Note:

Of the above, 17,00,00,000 shares are held by the holding company and its nominees, Edelweiss Financial Services Limited (previous year : 50,00,000 shares)

Schedule – 5A

Share Capital/Pattern of shareholding

Shareholder	At March 31, 2018		At March 31, 2017	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian (Edelweiss Financial Services Ltd.)	17,00,00,000	100.00%	50,00,000	100.00%
- Foreign	-	0.00%	-	0.00%
Others	-	0.00%	-	0.00%
Total	17,00,00,000	100.00%	50,00,000	100.00%

A



Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule – 6

Reserves and Surplus

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium	-	-
Opening balance	-	-
Additions during the period	-	-
Deductions during the period- share issue expenses	-	-
Closing balance	-	-
4. General Reserves	-	-
Opening balance	-	-
Additions during the period	-	-
Deductions during the period	-	-
Closing balance	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
5. Catastrophe Reserve	-	-
6. Other Reserves	-	-
7. Balance of Profit/(Loss) in Profit and Loss Account	-	-
TOTAL	-	-

A



Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule- 7

Borrowings

(₹ in 000's)

Particulars

Debentures/ Bonds
Banks
Financial Institutions
Others
Total

	At March 31, 2018	At March 31, 2017
	-	-
	-	-
	-	-
	-	-
	-	-



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Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule- 8
INVESTMENTS - SHAREHOLDERS
Particulars

	At March 31, 2018	(₹ in 000's) At March 31, 2017
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	3,46,789	-
2. Other Approved Securities	6,160	-
3. Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures/ Bonds	84,958	-
(d) Investment Properties-Real Estate	-	-
(e) Other Securities	17,954	-
4. Investments in Infrastructure and Housing	4,13,665	-
Total Long Term Investments	8,69,526	-
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	99,363	-
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(aa) Equity	7,259	-
(bb) Preference	66,883	-
(b) Mutual Funds	40,618	-
(c) Debentures/ Bonds	-	-
(d) Other Securities	-	-
4. Investments in Infrastructure and Housing	1,85,946	-
Total Short Term Investments	4,00,069	-
Total investments	12,69,595	-

Notes:

1. Aggregate book value of investments (other than listed equities) is ₹ 12,65,576 thousand (Previous year: ₹ NIL)
2. Aggregate market value of investments (other than listed equities) is ₹ 12,70,936 thousand (Previous year: ₹ NIL)
3. Long term Other securities includes Additional Tier 1 (Basel III Compliant) Perpetual Bonds amounting to ₹ 17,954 thousand (Previous year: ₹ NIL)



Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule- 8A
INVESTMENTS - POLICYHOLDERS
Particulars

	At March 31, 2018	(₹ in 000's) At March 31, 2017
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	96,702	-
2. Other Approved Securities	-	-
3. Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures/ Bonds	-	-
(d) Investment Properties-Real Estate	-	-
(e) Other Securities	-	-
4. Investments in Infrastructure and Housing	-	-
Total Long Term Investments	96,702	-
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury Bills	-	-
2. Other Approved Securities	-	-
3. Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures/ Bonds	-	-
(d) Other Securities	-	-
4. Investments in Infrastructure and Housing	-	-
Total Short Term Investments	-	-
Total investments	96,702	-

Notes:

1. Aggregate book value of investments (other than listed equities) is ₹ 96,699 thousand (Previous year: ₹ NIL)
2. Aggregate market value of investments (other than listed equities) is ₹ 95,030 thousand (Previous year: ₹ NIL)



Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule- 9

Loans

(₹ in 000's)

Particulars	At March 31, 2018	At March 31, 2017
Security wise classification		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	-	-
Total	<hr/>	<hr/>
Borrower wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
Total	<hr/>	<hr/>
Performance wise classification		
(a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
Total	<hr/>	<hr/>
Maturity wise classification		
(a) Short Term	-	-
(b) Long Term	-	-
Total	<hr/>	<hr/>

Note:- There are no loans subject to restructuring (Previous year ₹ Nil).




Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule - 10
Fixed Assets

Particulars	Cost/ Gross Block				Depreciation/Amortization			Net Block	
	April 01, 2017	Additions	Deductions	March 31, 2018	April 01, 2017	For the Year ended	On Sales/ Adjustments	March 31, 2018	March 31, 2017
Goodwill	-	-	-	-	-	-	-	-	-
Land-Freehold	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Leasehold Property	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-
Intangibles - Computer Software	348	66,781	-	67,129	40	2,194	-	64,895	308
Information Technology Equipment	346	9,322	-	9,668	51	2,013	-	7,604	295
Office Equipment	69	-	-	69	9	25	-	35	60
Vehicles	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	763	76,103	-	76,866	100	4,232	-	72,534	663
Work in Progress	-	-	-	-	-	-	-	6,283	-
Grand total	763	76,103	-	76,866	100	4,232	-	78,817	663
Previous year	-	763	-	763	-	100	-	663	-



Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule - 11
Cash and Bank Balances

Particulars	(₹ in 000's)	
	At March 31, 2018	At March 31, 2017
Cash (including cheques, drafts and stamps)	7	-
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months) *	-	26,200
(bb) Others	-	-
(b) Current Accounts	20,639	747
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other institutions	-	-
Others	-	-
Total	20,646	26,947

Schedule - 12
Advances and Other Assets

Particulars	(₹ in 000's)	
	At March 31, 2018	At March 31, 2017
Advances		
Reserve deposits with ceding companies	-	-
Application money for investments	-	-
Prepayments	9,115	36
Advances to Directors / Officers	-	-
Advance tax paid and taxes deducted at source (net of provision for tax)	230	46
MAT credit entitlement	-	-
Others		
- Sundry Advances & Deposits	2,007	506
- Surplus in Gratuity fund	-	-
- Advance to Employees against expenses	-	-
	<u>2,007</u>	<u>-</u>
Total (A)	11,352	588
Other Assets		
Income accrued on investments/deposits	44,296	301
Outstanding Premiums	-	-
Less : Provisions for doubtful debts	-	-
Agents' Balances	-	-
Foreign Agencies' Balances	-	-
Due from other Entities carrying on Insurance business (net) (including reinsurers)	7,452	-
Less : Provisions for doubtful debts	-	-
Due from subsidiaries / holding company	7,452	-
Assets held for unclaimed amount of policyholders	1,163	-
Add: investment income accruing on unclaimed amount	-	-
Others		
- GST unutilised credit	18,748	938
- Unsettled investment contract receivable	47,679	-
- Margin deposit	-	-
- Salvage stock	-	-
- Sundry receivable	-	-
	<u>66,427</u>	<u>-</u>
Total (B)	1,19,338	1,239
Total (A+B)	1,30,690	1,827

(Signature)



Edelweiss General Insurance Company Limited
Schedule forming part of the financial statements

Schedule - 13
Current Liabilities

Particulars	At March 31, 2018	(₹ in 000's) At March 31, 2017
Agents' Balances	-	-
Balances due to other insurance companies	10,754	-
Deposits held on re-insurance ceded	-	-
Premiums received in advance	221	-
Unallocated Premium	-	-
Sundry Creditors	35,883	721
Due to subsidiaries/ holding company	9,123	-
Claims Outstanding (gross)	187	-
Due to Officers/ Directors	-	-
Unclaimed amount of policyholders	-	-
Add: investment income accruing on unclaimed amount	-	-
Others:		
- Statutory Dues	14,481	1,004
- Salary Payable	7	-
- Collections - Environment Relief fund	-	-
- Unsettled investment contract payable	52,351	-
- Employee rewards	65,000	-
- Deposits	-	-
- Interim dividends payable	-	-
- Dividend distribution tax on interim dividend	-	-
- GST Liability	-	-
Total	1,31,839	1,004
	1,88,007	1,725

Schedule - 14

Provisions

Particulars	At March 31, 2018	(₹ in 000's) At March 31, 2017
Reserve for unexpired risk	1,745	-
Reserve for premium deficiency	-	-
For taxation (less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others	-	-
- Gratuity	2,776	101
- Accrued leave	1,503	221
Total	6,024	322

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Edelweiss General Insurance Company Limited
Receipts and Payments Account - on direct basis

		Year Ended March 31, 2018 (₹ in '000)
A.	Cash Flows from the operating activities:	
1	Premium received from policyholders, including advance receipts	14,132
2	Other receipts - Motor pool/Declined Pool (Net)	-
3	Payments to the re-insurers, net of commissions and claims	-
4	Payments to co-insurers, net of claims recovery	-
5	Payments of claims	-
6	Payments of commission and brokerage	-
7	Payments of other operating expenses	(2,25,339)
8	Preliminary and other pre operative expenses	-
9	Deposits, advances and staff loans	(2,664)
10	Taxes paid (TDS & Wealth Tax)	(184)
11	GST and service tax paid	(19,933)
12	Other payments	-
13	Cash flows before extraordinary items	(2,33,989)
14	Cash flow from extraordinary operations	-
15	Net cash flow from operating activities	(2,33,989)
B	Cash flows from investing activities:	
1	Purchase of fixed assets	(43,656)
2	Proceeds from sale of fixed assets	-
3	Purchases of investments	(12,89,812)
4	Loans disbursed	-
5	Sales of investments	(50,179)
6	Repayments received	-
7	Rents/Interests/ Dividends received	(12,464)
8	Investments in money market instruments and in liquid mutual funds (Net)	-
9	Expenses related to investments	-
10	Net cash flow from investing activities	(13,96,111)
C	Cash flows from financing activities:	
1	Proceeds from issuance of share capital	16,50,000
2	Proceeds from borrowing	-
3	Repayments of borrowing	-
4	Interest/dividends paid	-
5	Net cash flow from financing activities	16,50,000
D	Effect of foreign exchange rates on cash and cash equivalents, net	
E	Net increase in cash and cash equivalents:	19,900
1	Cash and cash equivalents at the beginning of the year	747
2	Cash and cash equivalents at the end of the year	20,647

As per our attached report of even date

For NGS & Co. LLP
Chartered Accountants
Firm Regn No.: 119850W

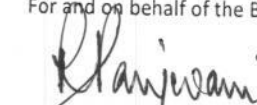


R. P. Soni
Partner
Membership No: 104796



Place: Mumbai
May 2, 2018

For and on behalf of the Board


Rujar Panjwani
Director
(DIN : 00237366)


Anup Rau
Executive Director & CEO
(DIN : 06511806)


Ashish Lakhtakia
Company Secretary


S Ranganathan
Director
(DIN : 00125493)


Jitendra Attra
Chief Financial Officer

Edelweiss General Insurance Company Limited

Schedule 16 -Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2018

1. Background

Edelweiss General Insurance Company Limited ('the Company') was incorporated on March 2, 2016 as a company under the Companies Act, 2013. The Company is registered with the Insurance Regulatory and Development Authority of India ('IRDAI') on December 18, 2017 and is in the business of underwriting general insurance policies.

2. Significant Accounting Policies

2.1 Basis of preparation of Financial Statements

The financial statements are prepared and presented in accordance with the generally accepted accounting principles followed in India under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the IRDAI in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) in the manner so required and current practices prevailing within the insurance industry in India.

The financial statements are presented in Indian rupees and rounded off the same to the nearest thousand.

2.2 Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles followed in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet date, reported amounts of revenues and expenses for the year ended and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Revenue Recognition

Premium income

Premium including reinsurance accepted (net of goods and service tax), is recognized as income at the commencement of risk over the contract period or the period of risk, whichever is appropriate, on a gross basis and for installment cases, it is recognized on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to premium are recognized in the year in which they occur over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognized in the period in which they are cancelled.

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Edelweiss General Insurance Company Limited

Schedule 16 -Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2018

Commission income from reinsurance ceded

Commission on reinsurance ceded is recognized as income on ceding of reinsurance premium in the period of ceding of risk.

Profit commission under reinsurance treaties, wherever applicable, is recognized as income in the year of final determination of profits as confirmed by reinsurers and combined with commission on reinsurance ceded.

Income earned on investments

Interest and rental income on investments are recognized on an accrual basis. Accretion of discount and amortization of premium relating to debt securities is recognized on a constant yield to maturity basis over the holding / maturity period

Dividend income is recognized when the right to receive dividend is established. Dividend income in respect of listed equity shares, preference shares and infrastructure investment trust (InvIT) is recognized on ex-dividend date.

The net realized gains or losses on the debt securities are the difference between the net sale consideration and the amortized cost, which is computed on a weighted average basis and recognized as on the date of sale. In case of listed equity shares, preference shares and mutual fund units, the profit or loss on sale of investments also includes the accumulated changes in the fair value previously recognized under "Fair value change account". The difference between the acquisition price and the maturity value of treasury bills is recognized as income in the revenue accounts or the profit and loss account, as the case may be, over the remaining term of these instruments on a yield to maturity basis.

Sale consideration for the purpose of realized gain / loss is net of brokerage and taxes, if any, and excludes interest received on sale.

2.4 Premium received in advance

Premium received in advance represents premium received in respect of policies issued during the year, where the risk commences subsequent to the Balance Sheet date.

2.5 Reinsurance Ceded

Insurance premium on ceding of the risk is recognized in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revisions to, refunds or cancellations of premiums are recognized in the year in which they occur.

Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements.

Adjustment to reinsurance premium arising on cancellation of policies is recognized in the period in which they are cancelled.

2.6 Reserve for Unexpired Risk

Reserve for unexpired risk represent that part of net written premium which is attributable to and allocated to the succeeding accounting periods. Reserve for unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on 1/365th method for all segments subject to a minimum of 100% in case of Marine Hull business.

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Edelweiss General Insurance Company Limited

Schedule 16 -Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2018

2.7 Premium deficiency

In accordance with IRDAI circular IRDA / F&A / CIR / FA / 126 / 07 / 2013, dated 3rd July, 2013 (Corrigendum to Master Circular IRDA / F&I / CIR / F&A / 231 / 10 / 2012, dated 5th Oct, 2012), Premium deficiency is recognized at segmental revenue account level, when the sum of expected net claim costs, related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks. The premium deficiency is calculated and duly certified by the Appointed Actuary.

2.8 Acquisition costs

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal of insurance contracts viz. commission, policy issue expenses etc. These costs are expensed in the period / year in which they are incurred.

2.9 Claims Incurred

Claims incurred comprise of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER). Further, claims incurred also include specific claim settlement costs comprising survey fees, legal expenses and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognized on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from / payable to co-insurers / reinsurers, salvage to the extent there is certainty of realization and other recoveries. Salvaged stock is recognized at estimated net realizable value based on independent valuer's report.

Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates include claim settlement costs likely to be incurred to settle outstanding claims.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the Company. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India. The Appointed Actuary has certified that the methodology and assumptions used to estimate the liability are appropriate and in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI regulations.

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Edelweiss General Insurance Company Limited

Schedule 16 -Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2018

2.10 Allocation of expenses

Expenses which are directly attributable and identifiable to the business segments shall be allocated to the respective business segment.

Expenses which are not directly attributable and identifiable to the business segments, shall be apportioned on the basis of Net written premium of the respective business segment.

2.11 Investments

Investments are made and accounted for in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority of India

Investments are recorded at cost on trade date and include brokerage, taxes, transfer charges etc. as applicable and exclude interest accrued up to the date of purchase.

Classification

- Investments maturing within twelve months from balance sheet date and investments made with the specific intention to be disposed off within twelve months from balance sheet date are classified as 'short term investments'.

- Investments other than 'short term investments' are classified as 'long term investments'.

The investments funds are segregated into Policyholders' and Shareholders' fund on security level basis in compliance with IRDAI circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and circular no. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017.

Valuation

Investments are valued as follows:

Debt securities

All debt securities including government securities and Additional Tier 1 perpetual bonds are considered as 'held to maturity' and accordingly stated at amortized cost determined after amortization of premium or accretion of discount on a constant yield basis in the revenue account and profit and loss account over the holding period/maturity.

The realized gain or loss is the difference between the sale consideration and the amortized cost in the books of the Company as on the date of sale determined on weighted average cost basis.

Equity shares and Preference shares

Listed equities and preference shares at the balance sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange and in case these are not listed on National Stock Exchange, then based on the last quoted closing price on the Bombay Stock Exchange.

Unlisted equity / preference shares and other than actively traded equity / preference shares are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment.

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The realized gain or loss on the listed and actively traded equities is the difference between the sale consideration and the carrying cost as on the date of sale, determined on a weighted average cost basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such gain or loss is transferred to revenue account and profit and loss account on the trade date.

Mutual funds (Other than venture capital fund)

Mutual fund investments are stated at fair value, being the closing net asset value at balance sheet date.

The realized gain or loss on the mutual fund units is the difference between the sale consideration and the carrying cost as on the date of sale, determined on a weighted average cost basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such gain or loss is transferred to revenue account and profit and loss account on the trade date.

Investment properties - Real Estate

Investment Properties- Real Estate are stated at historical cost less accumulated depreciation and accumulated impairment (if any).

Investments other than those mentioned above are valued at cost.

Fair value change account

In accordance with the Regulations, unrealized gain / loss arising due to changes in fair value of listed equity shares, preference shares and mutual fund investments are taken to the 'fair value change account'. This balance in the fair value change account is not available for distribution, pending realization.

Impairment of investments

The Company assesses at each Balance Sheet date whether any impairment has occurred in respect of investment in equity, units of mutual fund and investment properties. The impairment loss, if any, is recognized in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit and loss account and the asset is restated to that extent.

2.12 Fixed assets and depreciation

Fixed assets acquired by the company are reported at cost less accumulated depreciation and impairment loss, if any. Cost includes the purchase price and any cost directly attributable to bring the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or the date it is put to use, whichever is earlier. In respect of asset sold, depreciation is provided upto the date of disposal.

Depreciable amount for tangible assets is the cost of an asset, less its estimated residual value at 5%.

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As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II of the Act for calculating the depreciation.

The estimated useful lives of fixed assets are as follows:

Categories of Asset	Estimated Useful Life
Building	60 years
Furniture and Fittings	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and Networks	6 years
Computers - End user devices, such as desktops, laptops etc.	3 years

Leasehold improvements and premises are depreciated on a straight-line basis over the estimated useful lives of the assets or the period of lease, whichever is shorter.

Intangible fixed assets

Intangible fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortized over a period of 5 years on straight line basis.

Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal / external factors. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

2.13 Operating lease

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating lease. Operating lease payments are recognized as an expense on straight line basis in the revenue accounts, as per the lease terms.

2.14 Employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (revised 2005), is set out below:

All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

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Provident fund

The Company contributes to a recognized provident fund which is a defined contribution scheme payable to the Regional Provident Fund Authority. The contributions are provided on the basis of prescribed percentage of salary and are charged to revenue account(s) and profit and loss account.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the revenue account in the period in which they arise.

Compensated absences

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognizes the charge to the Revenue/Profit & Loss account and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

2.15 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rates prevailing on the date of the transaction. Foreign exchange denominated monetary assets and liabilities, are restated at the rates prevalent at the date of the balance sheet. The gains/losses on account of restatement and settlement are recognized in the revenue account(s) and profit and loss account.

The premium or discount arising at the inception of a forward exchange contract, not intended for trading or speculation purpose, is amortized as expense or income as the case may be over the life of the contract. Exchange difference on account of change in rates of underlying currency at the expiry of the contract period is recognized in the revenue account(s) and profit and loss account. Any profit or loss arising on cancellation or roll-over of such a forward exchange contract is recognized as income or expense for the contract period.

2.16 Taxation

Direct taxes

Income-tax expenses comprise of current tax (i.e., amount of tax for the year determined in the accordance with the income-tax act, 1961) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).



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Provision of current tax is recognized based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.

In accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, Minimum Alternate Tax ('MAT') credit is recognized as an asset to the extent there is convincing evidence that the Company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realized.

Indirect taxes

The Company claims credit of GST on input services, which is set off against tax on output services. The unutilized credits towards GST on input services are carried forward for future set-off, under Advances and Other Assets, wherever there is reasonable certainty of utilization.

2.17 Earning per share

Basic earning per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.18 Provisions, Contingent liabilities and Contingent assets

Provisions are recognized in the accounts in respect of present probable obligations as a result of past event, the amount of which can be reliably estimated. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations which may arise from past events, but their existence or otherwise would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. When there is an obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed

2.19 Cash and Cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly

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liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3. Notes to Accounts

3.1. Statutory disclosures as required by the IRDAI

3.1.1. Contingent liabilities

(₹ '000)			
Sr. No	Particulars	As at Mar 31, 2018	As at Mar 31, 2017
1	Partly-paid up investments	-	-
2	Claims, other than those under policies, not acknowledged as debt	-	-
3	Underwriting commitments outstanding	NA	NA
4	Guarantees given by or on behalf of the Company	-	-
5	Statutory demands/liabilities in dispute, not provided for	-	-
6	Reinsurance obligations to the extent not provided for in accounts	-	-

3.1.2. Encumbrances on Assets

The assets of the Company are free from all encumbrances.

3.1.3. Commitments

Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is ₹40,054 thousand (Previous year: ₹ NIL)

Commitment in respect of loans is ₹NIL (Previous year: ₹ NIL) and investments is ₹NIL (Previous year: ₹NIL).

3.1.4. Claims

Claims, less reinsurance paid to claimants in/outside India are as under:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inside India	-	-
Outside India	-	-

Ageing of gross claims outstanding is set out in the table below:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
More than six months	-	-
Others	187	-

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Claims settled and remaining unpaid for more than six months is ₹NIL (Previous year: ₹ NIL).

As per circular F&A/CIR/017/May-04, the claims made in respect of contracts where claims payment period exceeds four years, are required to be recognized on actuarial basis. Accordingly, the Appointed Actuary has certified the fairness of the liability assessment, assuming 'NIL' discount rate.

There are no claims which are due for more than four years.

3.1.5. Sector wise details based on GDPI and No. of policies issued

Business Sector	For the year ended March 31, 2018		For the year ended March 31, 2017	
	GDPI (₹'000)	% of GDPI	GDPI (₹'000)	% of GDPI
Rural	-	-	-	-
Social	-	-	-	-
Urban	13,029	100	-	-
Total	13,029	100	-	-

Business Sector	For the year ended March 31, 2018			For the year ended March 31, 2017		
	No. of Policies	% of Policy	No. of Lives	No. of Policies	% of Policy	No. of Lives
Rural	-	-	-	-	-	-
Social	-	-	-	-	-	-
Urban	353	100	-	-	-	-
Total	353	100	-	-	-	-

3.1.6. Extent of risks retained and reinsured

Extent of risk retained and reinsured (%) with respect to gross written premium is set out below (excluding excess of loss and catastrophe reinsurance)

Particulars	Basis	For the year ended March 31, 2018		For the year ended March 31, 2017	
		Retention	Ceded	Retention	Ceded
Liability	Value at risk	0%	100%		
Health	Value at risk	15%	85%		

3.1.7. Investments

Contracts outstanding in relation to purchases where deliveries are pending is ₹52,351 (Previous year NIL) and contracts outstanding in relation to sales where payments are outstanding/overdue at the end of the year is ₹47,679 (Previous year NIL).

Historical cost of investments that are valued on fair value basis is ₹1,22,131 thousand (Previous year: ₹NIL).

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All investments are made in accordance with Insurance Act, 1938 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 and are performing investments.

Allocation of investment income

Investment income is directly allocated on actuals to revenue account(s) and profit and loss account as applicable.

Further, investment income across segments within the revenue account(s) has also been allocated on the basis of segment-wise policyholders funds.

3.1.8. Employee benefit plans

(a) Defined contribution plan

(₹ '000)		
Expenses on defined contribution plan	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to staff provident fund	6,062	471

(b) Defined benefit plan

Gratuity -

The Company has a defined gratuity benefit plan payable to every employee on separation from employment.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits of the Company is given below.

(₹'000)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Reconciliation of benefit obligations and planned assets for the period		
Present value of the defined benefit obligations at year end	2,776	101
Fair value of plan assets at year end	-	-
Net Liability/(Asset) recognized in Balance Sheet at end of the year	2,776	101
Net employee benefit expenses (recognized in employee cost)		
Current service cost	1,298	101
Interest on defined benefit obligation	83	-
Expected return on plan assets	-	-
Past service cost	-	-
Actuarial (gain) or losses	131	-
Total net cost recognized as employee remuneration in Revenue/ Profit and loss account	1,512	101

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(₹'000)

Changes in the defined benefit obligation	For the year ended March 31, 2018	For the year ended March 31, 2017
Defined benefit obligation at the beginning of the year	101	-
Interest cost	83	-
Current Service Cost	1,298	101
Past Service Cost	-	-
Liability assumed on Transfer of employees in / (Out)	1,163	-
Benefits paid	-	-
Actuarial (gain)/loss	131	-
Present value of the defined benefit obligations at the end of the year	2,776	101

(₹'000)

Change in Plan Asset	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Plan assets	-	-
Contributions during the year	-	-
Benefits Paid	-	-
Expected Return on Plan Assets	-	-
Actuarial (Loss)/Gain	-	-
Fair Value of Plan assets at the end of the year	-	-

Principal actuarial assumptions	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.00%	7.00%
Salary escalation	7.00%	6.60%
Employee attrition rate	13%-60%	13%-60%
Expected Return on Plan Assets	-	-
Mortality Rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working lives of employees	5 years	5 years

(₹'000)

Experience Adjustments	For the year ended March 31, 2018	For the year ended March 31, 2017
Defined Benefit Obligation	2,776	101
Fair Value of Plan Assets	-	-
Surplus/ (Deficit)	(2,776)	(101)
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	194	-
Experience Adjustment on Plan Assets: Gain/ (Loss)	-	-

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Compensated Absence -

(₹'000)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Compensated Absence	1,282	221

3.1.9. Managerial Remuneration

(a) The details of remuneration of MD and CEO as per the terms of appointment are as under:

(₹ '000)

Particulars (see note below)	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and allowances	12,542	-
Contribution to provident and other funds	234	-
Perquisites	-	-
Total	12,776	

Note: The IRDAI has approved the appointment of Anup Rau as Whole Time Director and CEO w.e.f. December 20, 2017, hence the managerial remuneration is disclosed with effect from that date.

(b) The details of remuneration of Key Management Persons as per guidelines issued by IRDAI vide Ref. no. IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016 and as per the terms of appointment of Company are as under:

(₹'000)

Particulars (see note below)	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and allowances	7,542	-
Contribution to provident and other funds	346	-
Perquisites	5	-
Total	7,893	

Note: The Company has received the Certificate of Registration (R3) w.e.f. December 18, 2017, hence the managerial remuneration of Key Management Persons are disclosed with effect from that date.

3.1.10. Outsourcing, business development and marketing support expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Outsourcing expenses	-	-
Business development	-	-
Sales promotion	-	-
Business support services	-	-
Marketing support	-	-

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3.1.11. Penal actions levied by various Govt. authorities

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	-	-	-	-
2	Service Tax Authorities	- (-)	- (-)	- (-)	- (-)
3	Income Tax Authorities	- (-)	- (-)	- (-)	- (-)
4	Any other Tax Authorities	- (-)	- (-)	- (-)	- (-)
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	- (-)	- (-)	- (-)	- (-)
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	- (-)	- (-)	- (-)	- (-)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	- (-)	- (-)	- (-)	- (-)
8	Securities and Exchange Board of India	NA (NA)	NA (NA)	NA (NA)	NA (NA)
9	Competition Commission of India	- (-)	- (-)	- (-)	- (-)
10	Any other Central/State/Local Govt / Statutory Authority (Tariff Advisory Committee)	- (-)	- (-)	- (-)	- (-)

Figure in brackets pertain to year ended March 31, 2017

3.1.12. Summary of the financial statements:

	₹ ('000)	
Particulars	FY 2017-18	FY 2016-17
Operating Result		
Gross direct premium	13,029	-
Net premium income #	1,772	-
Income from investments (net)@	59	-
Other income	-	-
Total income	1,831	-
Commissions (net) (including brokerage)	(5,889)	-
Operating expenses	1,88,311	-
Net incurred claims & other outgoes	19	-
Change in unexpired risk reserve	1,745	-
Operating Loss	(1,82,355)	-
Non - Operating Result		



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Total income under shareholder's account (net of expenses)	(90,550)	(22,610)
Loss before tax	(2,72,905)	(22,610)
Provision for tax	-	-
Loss after tax	(2,72,905)	(22,610)
Miscellaneous		
Policy holder's account:		-
Total funds	5,455	-
Total investments	96,702	-
Yield on investments	0.1%	-
Shareholder's account:		-
Total funds	14,04,485	-
Total investments	12,69,595	-
Yield on investments	2.3%	-
Paid up equity capital	17,00,000	50,000
Net worth	14,04,485	27,390
Total assets	15,96,450	29,437
Yield on total investments (annualized)	2.1%	-
Earnings per share (₹)	(3.71)	(18.92)
Book value per share (₹)	8.26	5.48
Total dividend (excluding dividend tax)	-	-
Dividend per share (₹)	-	-
# Net of Reinsurance		
@ Net of Losses		

3.1.13. Ratio analysis

(a) For ratios at March 31, 2018 refer Annexure 1A and 1B

(b) Solvency margin

	(₹'000)	
Solvency Margin	At March 31, 2018	At March 31, 2017
Required solvency margin under IRDAI Regulations (A)*	5,00,000	-
Available solvency margin (B)	14,02,500	-
Solvency ratio actual (times) (B/A)	2.81	-
Solvency ratio prescribed by Regulation	1.50	-

* As per Schedule III of IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016, dated 7th April, 2016, minimum required solvency margin is ₹ 5,00,000 thousand which is 50% of minimum paid up equity capital.

3.2. Other disclosures

3.2.1. Basis used by the Actuary for determining provision required for IBNR / IBNER

IBNR (including IBNER) liability as at March 31, 2018 for all lines of business has been estimated by the appointed Actuary in compliance with the guidelines issued by IRDAI from time to time



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and the applicable provisions of the Guidance Note 21 issued by the Institute of Actuaries of India.

Pursuant to IRDAI notifying the revised Asset, Liabilities, and Solvency margin of General Insurance Business Regulations 2016 (IRDAI/Reg/7/119/2016 dated April 7, 2016); claim reserves are to be determined as the aggregate amount of Outstanding Claim Reserve and Incurred but Not Reported (IBNR) claim reserve for 28 stipulated lines of business. Consequently the method of estimation of IBNR/IBNER liability in respect of Health lines is Ultimate Loss Ratio (ULR) Method.

3.2.2. Provision for free look period

The provision for free look period is duly certified by the appointed Actuary.

3.2.3. Leases

In respect of premises taken on operating lease, the lease agreements are generally mutually renewable / cancelable by the lessor/lessee.

3.2.4. Micro and Small scale business entities

There is no Micro, Small and Medium enterprise to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2018. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

3.2.5. Segmental reporting

Primary reportable segments

The Company's primary reportable segments are business segments, which have been identified in accordance with AS 17 - Segment Reporting read with the Regulations. The income and expenses attributable to the business segments are allocated as mentioned in paragraph 2.10 and 3.1.7 above. Segment revenue and results have been disclosed in the Revenue accounts.

Segmental Assets & Liabilities to the extent identifiable to business segment:

(₹'000)

Segment	Year	Current liabilities	Current Assets
		Claims Outstanding	Outstanding Premium
Public/Product Liability	FY 2017-18	127	-
	FY 2016-17	-	-
Health	FY 2017-18	60	-
	FY 2016-17	-	-
Total Amount	FY 2017-18	187	-
	FY 2016-17	-	-



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Secondary reportable segments

There are no reportable geographical segments since the Company provides services only to customers in the Indian market or Indian interests abroad and does not distinguish any reportable regions within India.

3.2.6. Related parties

Related party where control exists

Edelweiss Financial Services Limited (Holding Company)

Fellow subsidiaries with whom transactions have taken place

Edelweiss Housing Finance Limited
ECL Finance Limited
Edelweiss Retail Finance Limited
Edelweiss Insurance Brokers Limited
Edelweiss Financial Services Limited
Edelweiss Commodities Services Limited
Edelweiss Finance & Investments Limited
Edelweiss Tokio Life Insurance Company Ltd
Edelweiss Business Services Limited
Edelweiss Commodities Services Limited
Edelweiss Financial Services Limited
Edelweiss Securities Limited

Key Management Personnel (KMP)

Anup Rau Velamuri - Executive Director and CEO (w.e.f December 20, 2017)

Transactions with related parties for the year ended March 31, 2018

(₹'000)				
S. No	Particulars	Name of Related Party	Amount	Amount
1	Total Premium Income			11,789
	Premium Income	Edelweiss Housing Finance Limited	1,864	
		ECL Finance Limited	8,086	
		Edelweiss Retail Finance Limited	1,839	
2	Commission	-		-
3	Claims	-		-
4	Reinsurance	Edelweiss Insurance Brokers Limited		938
5	Coinurance	-		-
6	Capital Introduced	Edelweiss Financial Services Limited		16,50,000
7	Purchase of Securities (Total)			5,40,550
	Purchase of Securities	ECL Finance Limited	1,86,716	
		Edelweiss Commodities Services Limited	1,16,241	
		Edelweiss Finance & Investments Limited	2,37,593	
8	Sale of Securities	Edelweiss Tokio Life Insurance Company Ltd		1,18,776
9	Short term Loans Taken	-		-
10	Short term Loans Given	-		-
11	Fees Paid	-		-



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12	Business Support Charges	Edelweiss Business Services Limited		5,156
13	Electricity Charges	Edelweiss Commodities Services Limited		1,251
14	Rent - Corporate	Edelweiss Commodities Services Limited		11,099
15	Insurance Expenses	Edelweiss Financial Services Limited		71
16	Reimbursements paid (Total)			2010
	Reimbursements paid	ECL Finance Limited	417	
		Edelweiss Business Services Limited	1,593	
16	Trade Payables (Total)			9,123
	Trade Payables	Edelweiss Business Services Limited	4,700	
		Edelweiss Commodities Services Limited	4,422	
17	Trade Receivables (Total)			1,163
	Trade Receivables	Edelweiss Commodities Services Limited	607	
		Edelweiss Tokio Life Insurance Company Ltd	144	
		ECL Finance Limited	212	
		Edelweiss Financial Services Limited	155	
		Edelweiss Securities Limited	45	
18	Other Expenditure	KMP		12,776

3.2.7. Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31, 2018

Unclaimed amount of policyholders as on March 31, 2018 is ₹NIL.

3.2.8. Change in estimate of useful life of Software

During the year ended March 31, 2018, the Company has change its estimate of the remaining useful life of Intangible assets from 3 years to 5 years. Consequently, the related amortization charge for the current year is lower by ₹46 thousand and the Loss before tax for the year is lower to that extent.

3.2.9. Details of earning per share for the year ended March 31, 2018

Particulars	(₹'000)	
	At March 31, 2018	At March 31, 2017
Net Profit After Tax for the year (₹ '000)	(2,72,904)	(22,610)
Weighted Average No. of Equity Shares for Basic ('000)	73,548	1,195
Weighted Average No. of Equity Shares for Diluted ('000)	73,548	1,195
Basic Earnings per Share (₹)	(3.71)	(18.92)
Diluted Earning per Share (₹)	(3.71)	(18.92)
Nominal Value per Share (₹)	10.00	10.00

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Edelweiss General Insurance Company Limited

Schedule 16 -Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2018

3.2.10. Deferred taxes

The major components of deferred tax are as under:

Particulars	As at March 31, 2018
Deferred tax Assets	-
Business losses till A.Y. 2017-18	-
Total	-
Deferred Tax Liabilities	-
Depreciation	-
Total	-
Deferred Tax (Net)	-

3.2.11. REPO / Reverse repo transactions

No Repo/ Reverse repo transactions are done as on March 31, 2018

3.2.12. Forward exchange contracts

As at March 31, 2018 there are no outstanding forward exchange contracts.

3.2.13. For the year ended March 31, 2018, the company is not required to transfer any amount into the Investor Education and Protection Fund.

3.2.14. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

3.2.15. There are no litigations pending as on March 31, 2018.

As per our attached
report of even date

For NGS & Co. LLP
Chartered Accountants
Firm Regn No.: 119850W

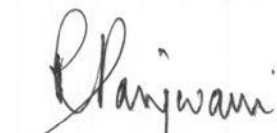


R. P. Soni
Partner
Membership No: 104796

Place: Mumbai
May 2, 2018



For and on behalf of the Board



Rujan Panjwani
Director
(DIN: 00237366)



Anup Rau
Executive Director & CEO
(DIN: 06511806)



Ashish Lakhtakia
Company Secretary



S Ranganathan
Director
(DIN : 00125493)



Jitendra Attra
Chief Financial Officer

Annexure-1A Analytical Ratios as at March 31, 2018

Sr. No.	Particular	Total	Fire	Marine Cargo	Marine Others	Marine total	Public/Product Liability	Health	Total miscellaneous	Basis of calculations
1	Gross Direct Premium Growth Rate	NA	NA	NA	NA	NA	NA	NA	NA	(GDPI current year- GDPI previous year) / GDPI previous year
2	Gross Direct Premium to Net Worth Ratio	1%								GDPI/ Net worth
3	Growth rate of Net Worth	NA								(Net worth current year- Net worth previous year) / Net worth previous year
4	Net Retention Ratio	14%	0%	0%	0%	0%	0%	0%	0%	NWP / (GDPI + RI accepted)
5	Net Commission Ratio	-332%	0%	0%	0%	0%	-2275%	-328%	-332%	Net commission / NWP
6	Expense of Management to Gross Direct Premium Ratio	1447%								Expenses of management/ GDPI
7	Expense of Management to Net Written Premium Ratio	10636%								Expenses of management/ NWP
8	Net Incurred Claims to Net Earned Premium	70%								Net Incurred Claims / Net Earned Premium
9	Combined Ratio	10365%								((Net Incurred Claims / Net Earned Premium) + ((Net Commission + Operating Expenses) / NWP))
10	Technical Reserves to Net Premium Ratio	1.09								(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER) / NWP
11	Underwriting balance Ratio	(6,756.07)							(6,756.07)	(Underwriting profit/loss) / Net Earned Premium
12	Operating Profit Ratio	-675389%								(Underwriting profit/loss + Investment income) / Net Earned Premium
13	Liquid Assets to liabilities Ratio	21776%								Liquid Assets/ Policyholders liabilities
14	Net earnings Ratio	-1010759%								Profit after tax/ Net Earned Premium
15	Return on Net Worth Ratio	-19%								Profit after tax/ Net Worth
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	2.81								
17	NPA Ratio									
	Gross NPA Ratio	-								
	Net NPA Ratio	-								

Notes :

Ratios are computed as per definitions laid down by IRDA Master circular dated October 5, 2012 and corrigendum on master circular dated July 3, 2013

1. GDPI = Premium from direct business written, NWP = Net written premium
2. Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus) - (Miscellaneous expenditure - Debit balance in f
3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business
4. Liquid asset= Short term investments + Cash and bank balances
5. Policyholders liabilities = Claim outstanding (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission - Operating expense



1	(a) Number of shares	17,00,00,000
2	(b) Percentage of shareholding (Indian / Foreign)	100.0% / 0.0%
3	(c) % of Government holding (in case of public sector insurance companies)	-
4	(a) Basic and diluted EPS before extraordinary items (net of tax expense) for the year	- ₹ 3.71
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the year	- ₹ 3.71
6	(iv) Book value per share (₹)	8.26



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