V Sankar Aiyar & Co
Chartered Accountants
2-c Court Chambers
New Marine Lines,
Mumbai- 400020
New Marine Lines,
Mumbai 400011

K.S. Aiyar & Co
Chartered Accountants
F-7, Laxmi Mills
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Mumbai – 400 020

Auditor's Report on Quarterly standalone Ind AS Fit for consolidation Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
Edelweiss Tokio Life Insurance Company Limited

1. We have audited the accompanying special purpose statement of quarterly standalone Ind AS Fit for consolidation financial results of Edelweiss Tokio Life Insurance Company Limited ('the Company') for the quarter ended March 31, 2019 and for the year ended March 31, 2019 ('the Statement'), prepared by the Company in connection with Consolidation of the Company's financial information with Edelweiss Financial Services Limited (the "Holding Company") pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our audit.

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone Ind AS Fit for consolidation financial results as well as the year to date results:

   i. (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 in this regard; and
   ii. give a true and fair view of the net loss including other comprehensive income and other financial information for the quarter ended March 31, 2019 and for the year ended March 31, 2019.

5. The actuarial valuation of liabilities of Edelweiss Tokio Life Insurance Company Limited (ETLIFE) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2019 is the responsibility of ETLIFE's Appointed Actuary. The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2019 has been duly certified by the ETLIFE 's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied upon the ETLIFE's Appointed Actuary's certificate for expressing their conclusion in this regard. Our conclusion is not modified in respect of this matter.

6. The comparative financial information for the corresponding quarter and year ended March 31, 2018 included in these standalone Ind AS Fit for consolidation financial results of the Company, are based on the previously issued financial results prepared in accordance with recognition and measurement principles of in accordance with the Companies (Accounting Standard) Rules, 2006, as specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and audited by us for the corresponding for the quarter and year ended March 31, 2018 dated May 2 2018 expressed an unmodified conclusion

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

K.S. AIYAR & CO Mumbai-11. Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors,
Edelweiss Tokio Life Insurance Company Limited.

Report on the Audit of the Special Purpose Ind AS Financial Statements for the purpose of Consolidation by the Parent Company i.e. Edelweiss Financial Services Limited (Fit for consolidation Ind AS financial statements)

Opinion

We have audited the accompanying Fit for consolidation Ind AS Financial Statements for the Special purpose of Consolidation by the Parent Company (Fit for consolidation Ind AS financial statements) of Edelweiss Tokio Life Insurance Company Limited ("the Company"), which comprises the Balance sheet as at 31 March 2019, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement, the statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid fit for consolidation Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, loss in the statement of Profit & Loss (including other comprehensive income), its cash flows (Direct Method) and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the fit for consolidation Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Fit for consolidation Ind AS financial statements.

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Fit for consolidation Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Fit for consolidation Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Fit for consolidation Ind AS financial statements, however, this report is on special purpose financial statements and not on general purpose financial statements, it is meant for the limited purpose of consolidation use by the Parent Company only.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Fit for consolidation Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

the Company on transition to the Ind AS in respect of Fit for Consolidation, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. The Company is regulated by Insurance Regulatory and Development Act (IRDA), and therefore the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable.
2. As required by 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, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) as the Company's financial accounting system is centralized, no returns for the purposes of our audit are prepared at the branches of the Company;

   (d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity 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, further amended by Companies (Accounting Standard) Amendment Rules, 2016 and read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting principles prescribed in the IRDAI Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;

   (f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Fit for consolidation Ind AS

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

ANNEXURE 1

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FIT FOR CONSOLIDATION IND AS FINANCIAL STATEMENTS OF Edelweiss Tokio Life Insurance Company Limited

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 Tokio Life Insurance Company Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Fit for consolidation Ind AS financial statements of the Company 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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Fit for consolidation Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these Fit for consolidation Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

the internal financial control over financial reporting with reference to these Fit for consolidation Ind AS financial statements 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, internal financial controls over financial reporting with reference to these Fit for consolidation Ind AS financial statements and such internal financial controls over financial reporting with reference to these Fit for consolidation Ind AS financial statements were operating effectively as at 31 March 2019, 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 issued by the Institute of Chartered Accountants of India.

For K.S. Aiyar & Co
Chartered Accountants
Firm Registration No.: 100186W

RSJoshi

Rajesh S. Joshi
Partner
Membership No. 038526

Place: Mumbai
Date: 13 May 2019

For V Sankar Aiyar& Co
Chartered Accountants
Firm Registration No.:109208W

GSankar

G. Sankar
Partner
Membership No. 046050

Place: Mumbai
Date: 13 May 2019

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED
Registration Number 147 dated 10 May 2011
Balance Sheet As at March 31, 2019
Ind AS Financial Statements -Fit for Consolidation
(Currency : Indian rupees in Millions)

	Note	As at March 31 2019	As at March 31, 2018	As at April 01 2017
ASSETS				
Financial assets				
(a) Cash and cash equivalents	1	985	940	1,059
(b) Bank balances other than cash and cash equivalents	2	3,512	3,361	3,724
(c) Derivative financial instruments		-	-	-
(d) Stock in trade		-	-	-
(e) Receivables	3			
(i) Trade receivables		436	285	271
(ii) Other receivables		-	-	-
(f) Loans	4	55	26	10
(g) Investments	5	26,577	21,414	11,645
(h) Other financial assets	6	239	305	270
		31,804	**26,331**	**16,979**
Non-financial assets				
(a) Inventories		-	-	-
(b) Reinsurance assets (Refer Note on Insurance and Financial Risk)		2,852	2,490	2,036
(c) Current tax assets (net)		-	-	-
(d) Deferred tax assets (net)		-	-	-
(e) Investment property	7	379	397	416
(f) Property, Plant and Equipment	8	481	524	161
(g) Capital work in progress		-	-	263
(h) Goodwill		-	-	-
(i) Other Intangible assets	9	399	336	87
(j) Intangible assets under development		102	30	148
(k) Other non- financial assets	10	264	144	116
		4,477	**3,921**	**3,227**
TOTAL ASSETS		**36,281**	**30,252**	**20,206**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
(a) Derivative financial instruments		-	-	-
(b) Payables	11			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		4	3	1
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,005	1,274	871
(c) Insurance claims payable		46	55	20
(d) Debt securities		-	-	-
(e) Borrowings (other than debt securities)		-	-	-
(f) Deposits		-	-	-
(g) Subordinated Liabilities		-	-	-
(h) Investment Contract Liability		837	499	333
(i) Other financial liabilities	12	329	403	295
		3,221	**2,234**	**1,520**
Non-financial liabilities				
(a) Current tax liabilities (net)		-	-	-
(b) Provisions	13	14	13	10
(c) Provision for policyholders' liabilities		23,254	16,039	10,892
(d) Deferred tax liabilities (net)		-	-	-
(e) Other non-financial liabilities	14	500	359	186
		23,768	**16,411**	**11,088**
Equity				
(a) Equity share capital	15	3,126	3,126	2,616
(c) Other equity	16	6,166	8,481	4,982
		9,292	**11,607**	**7,598**
TOTAL LIABILITIES AND EQUITY		**36,281**	**30,252**	**20,206**

As per our Report of Even Date

For K.S. Aiyar & Co
Chartered Accountants
Firm Regd. No.: 100186W

Rajesh S. Joshi
Partner
Membership No. 038526

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regd. No.: 109208W

G. Sankar
Partner
Membership No. 046050

Mumbai
Dated: 13 May 2019

For and on behalf of the Board of Directors

Sumit Rai
Managing Director & CEO
DIN: 08131728

Kamala K
Director
DIN: 07917801

Nilesh Sampat
Chief Financial Officer

Subhrajit Mukhopadhyay
Appointed Actuary

Tarun Khurana
Company Secretary

EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED
Registration Number 147 dated 10 May 2011
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019
Ind AS Financial Statements -Fit for Consolidation
(Currency : Indian rupees in Millions)

	Note	For the year ended March 31 2019	For the year ended 31 March 2018
Revenue from operations			
Interest income	17	1,499	1,155
Dividend income	18	104	72
Rental income	19	35	35
Fee and commission income	20	7	5
Net gain on fair value changes (including Treasury income)	21	358	206
Premium from Insurance business (Net)	22	8,552	6,012
Sale of products		-	-
Sale of services		-	-
Other operating revenue		-	-
Total Revenue from operations		**10,555**	**7,485**
Other income	23	21	6
Total Revenue		**10,576**	**7,491**
Expenses			
Finance costs		-	-
Fees and commission expenses	24	596	400
Impairment on financial instruments	25	23	3
Change in Policy Liability - Actuarial (Net)	26	6,853	4,693
Policy Benefit (Net)	27	625	696
Employee benefits expense	28	2,821	2,210
Depreciation, amortisation and impairment		254	175
Other expenses	29	2,103	1,671
Total expenses		**13,275**	**9,848**
Profit / (loss) before exceptional items and tax		**(2,699)**	**(2,357)**
Profit before tax		**(2,699)**	**(2,357)**
Tax expenses:			
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the year from continuing operations		**(2,699)**	**(2,357)**
Profit/ (Loss) for the year		**(2,699)**	**(2,357)**
Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)		(4)	(1)
Fair value gain / (loss) - OCI - equity		-	-
Total		**(4)**	**(1)**
(b) Items that will be reclassified to profit or loss			
Fair value gain / (loss) - OCI - debt		388	(340)
Total		**388**	**(340)**
Other Comprehensive Income		**384**	**(341)**
Total Comprehensive Income		**(2,315)**	**(2,698)**
Earnings per equity share (for continuing operation:) (Face value of Rs.10 each):			
(1) Basic		**(8.63)**	**(8.59)**
(2) Diluted		**(8.63)**	**(8.59)**

As per our Report of Even Date

For and on behalf of the Board of Directors

For K.S. Aiyar & Co
Chartered Accountants
Firm Regd. No.: 100186W

Rajesh S. Joshi
Partner
Membership No. 038526

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regd. No.: 109208W

G. Sankar
Partner
Membership No. 046050

Sumit Rai
Managing Director & CEO
DIN: 08131728

Kamala K
Director
DIN: 07917801

Nilesh Sampat
Chief Financial Officer

Subhrajit Mukhopadhyay
Appointed Actuary

Tarun Khurana
Company Secretary

Mumbai
Dated: 13 May 2019

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

Edelweiss Tokio Life Insurance Co. Ltd. Mumbai

EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED
Registration Number 147 dated 10 May 2011

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2019 (DIRECT BASIS)
(Currency : Indian rupees in Millions)

	Particulars	Current Year	Previous Year
A	**Cash Flows from operating activities:**		
1	Premium received from policyholders, including advance receipts	8,825	6,306
2	Other receipts (Other Income)	11	4
3	Payments to the re-insurance premium, net of commission and claims	(88)	(38)
4	Payments of claims / benefits	(828)	(811)
5	Payments of commission and brokerage	(552)	(369)
6	Payments of other operating expenses	(4,777)	(3,253)
7	Preliminary and pre-operative expenses	-	-
8	Deposits, advances	(40)	62
9	Income taxes (Paid) / Refund	(6)	(3)
10	Service tax / GST paid	(141)	(155)
11	Other payments	5	(9)
12	Cash flows before extraordinary items	2,409	1,735
13	Cash flow from extraordinary operations	-	
	Net cash flow from operating activities	**2,409**	**1,735**
B	**Cash flows from investing activities:**		
1	Purchase of fixed assets	(334)	(380)
2	Proceeds from sale of fixed assets	3	3
3	Purchases of investments	(39,651)	(32,224)
4	Loans disbursed	-	-
5	Loans against policies and Employee loan	(24)	(14)
6	Sales of investments	34,864	24,748
7	Repayments received	-	-
8	Rents/Interests/ Dividends received	1,415	949
9	Investments in money market instruments and in liquid mutual funds (Net)	1,070	(2,156)
10	Expenses related to investments	-	-
11	Receipt towards Investment Contract	339	177
12	Claim paid towards Investment Contract	(44)	(44)
	Net cash flow from investing activities	**(2,363)**	**(8,938)**
C	**Cash flows from financing activities:**		
1	Proceeds from issuance of share capital (including share premium)	-	6,700
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
	Net cash flow from financing activities	-	**6,700**
	Effect of foreign exchange rates on cash and cash equivalents, net	-	-
	Net increase in cash and cash equivalents	**3,038**	**(5,390)**
	Cash and cash equivalents at the beginning of the year	**940**	**1,444**
	Cash and cash equivalents at the end of the period	**985**	**940**

As per our report of even date

For K.S. Aiyar & Co
Chartered Accountants
Firm Regd. No.: 100186W

Rajesh S. Joshi
Partner
Membership No. 038526

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regd. No.: 109208W

G. Sankar
Partner
Membership No. 046050

For and on behalf of the Board of Directors

Sumit Rai
Managing Director & CEO
DIN: 08131728

Kamala K
Director
DIN: 07917801

Nilesh Sampat
Chief Financial Officer

Subhrajit Mukhopadhyay
Appointed Actuary

Tarun Khurana
Company Secretary

Mumbai
Dated: 13 May 2019

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

Edelweiss Tokio Life Insurance Co. Ltd. Mumbai

EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED

Notes to the financial statements *(Continued)*

(Currency : Indian rupees in Millions)

Equity share capital

Balance at the beginning of the reporting period (1 April 2017)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2018)
2,616	**510**	**3,126**

Other Equity

		Reserves and Surplus					
	Share application money pending allotment	**Securities Premium Account**	**ESOP reserve**	**Fair value change account**	**Retained earnings**	**Debt instruments through Other Comprehensive Income**	**Total**
Balance at 1 April 2017 (Indian GAAP)	-	**10,659**	-	-	**(6,048)**	**10**	**4,621**
Ind AS adjustments	-	-	26	-	195	141	362
Profit or loss	-	-	-	-	(2,357)	-	(2,357)
Other comprehensive income	-	-	-	-	(1)	(340)	(341)
Total Comprehensive Income for the year	-	-	-	-	**(8,211)**	**(189)**	**(2,698)**
Issue of equity instruments	-	6,190	-	-	-	-	6,190
Share issue expenses	-	-	-	-	-	-	-
ESOP charge	-	-	7	-	-	-	7
Balance at 31 March 2018 (Ind AS)	-	16,848	33	-	(8,211)	(189)	8,481
Profit or loss	-	-	-	-	(2,699)	-	(2,699)
Other comprehensive income	-	-	-	-	(4)	388	384
Total Comprehensive Income for the year	-	-	-	-	(2,703)	388	(2,315)
Any other change (to be specified)	-	-	-	-	-	-	-
Balance at 31 March 2019 (Ind AS)	-	**16,848**	**33**	-	**(10,915)**	**199**	**6,166**

Edelweiss Tokio Life Insurance Company Limited

Ind AS Fit for Consolidation Financial Statements
Significant accounting policies

A. Corporate Information

Edelweiss Tokio Life Insurance Company Limited. ("the Company") is an enterprise partnered by Edelweiss Financial Services Limited (Holding Company) and Tokio Marine Holding Inc. The Company was incorporated on 25 November 2009 under the Companies Act, 1956. The Company obtained license (Registration no. 147 dated May 10, 2011) from the Insurance Regulatory and Development Authority of India ("IRDAI") for carrying life insurance business on May 10, 2011. The license is in force as at March 31, 2019.

The Company carries on business of providing life insurance, pensions and health insurance to individuals and groups. Riders providing additional benefits are offered under some of these products. The business is conducted in participating, non-participating, non-participating variable and unit linked lines of businesses. These products are distributed through individual agents, corporate agents, banks, brokers, the Company's direct sales force and the Company website.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 13 May 2019.

B. Summary of Significant accounting policies

i. Basis of preparation

This Ind AS financial statements are being prepared by the Company only for the limited purpose of consolidation with the Holding Company. This Ind AS financial statements have been prepared for the first time in accordance with Ind AS notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time. The opening Ind AS Balance sheet is as at April 01, 2017 in line with the Holding Company's transition date.

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments);
- Employee's defined benefit plans measured as per actuarial valuation (refer accounting policy regarding employee benefits)
- Policyholder's liability regarding insurance contracts is calculated in accordance with the accepted actuarial practices along with the principles as per Ind AS 104 (refer accounting policy regarding Policyholder's liability)
- Share based payments

The Company presents its balance sheet broadly in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act 2013 only for the limited purpose of the consolidation. An analysis regarding recovery or settlement within twelve months after the reporting date (no more than 12 months) and more than 12 months after the reporting date (more than 12 months).

In respect of linked business, premium income is recognised when the associated units are allotted. Top up premiums paid by unit-linked policyholders are considered as single premium and recognized as income when the associated units are created. Where policies lapse due to non-receipt of premiums, then all the related premium income accrued but not received from the date they are deemed to have lapsed is offset against premiums. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies.

b. Reinsurance premium ceded:

Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in principle arrangement/agreement with the reinsurers.

c. Income from Investments

Incomes from the investments are recognised as follows:

- ***Dividend income*** - Dividend income is recognised when right to receive is established.
- ***Interest income*** - Interest income is recognised as it accrues, taking into account the effective yield on the investments.
- ***Realised gains and losses on debt securities measured at amortised cost and FVOCI*** - Unrealised gains or loss pertaining to debt securities measured at FVOCI are recognised in the OCI. A gain or loss on investment is realised only on disposal, transfer or derecognition.

  A gain or loss on investment is the difference between the proceeds received, net of transaction costs, and amortised cost. In case of FVOCI instruments, unrealised gains accumulated in OCI reserves will be transferred to retained earnings through the statement of profit and loss.
- ***Realised and unrealised gains and losses on investments measured / designated at fair value through profit or loss*** - Changes in the fair value of the financial assets at fair value through profit or loss is recognised as unrealised gains and losses in the statement of profit or loss. Profit or loss on sale/redemption of equity shares/ equity exchange traded funds (ETFs), Infrastructure Investment Trust (Invit), mutual fund units and Security receipts are the difference between the sale consideration net of expenses and the previously recognized fair value.

d. Rental income

The Company has leased the investment property where the Company has retained all the risks and rewards of ownership are classified as operating lease. Lease rentals are recognized as income in Statement of Profit and Loss on a straight line basis over the lease term. Costs related to operating and maintenance of investment property is recognized as expense.

Reinsurance

Reinsurance claims receivable are accounted for in the same period as the related claim.

j. Reinsurance business

The Company cedes reinsurance in the normal course of business, with retention limits varying by line of business. Premiums ceded and claims reimbursed are presented on a gross basis in the statement of profit and loss.

Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer. The impairment loss is recorded in the statement of Profit or loss.

k. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of profit or loss.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in the statement of profit or loss.

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debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of profit or loss in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value option for financial assets: The Company has also designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases. All debt securities of linked business and participatory category of business have been designed at fair value through profit or loss.
Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Business model assessment is done at Portfolio level where the asset is being held as the same best reflects the way business is being managed and information is being presented to management. This information further includes:

- Stated objectives and policies for the portfolio. Wherever management strategy focusses on earning contractual interest, maintaining a particular interest rate profile, matching the duration of financial assets to duration of financial liabilities or realizing cash flows through sale of assets.
- Performance evaluation of the portfolio and reporting to the Company's management.
- Risk impacting the performance of financial assets and management of those risks.
- Frequency, volume and timing of sales in prior years, reasons for such sales and expectations about future sale transactions. Such sale transactions are to be considered as part of assessment of the Company's overall business objectives and realization of cash flows.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement
i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

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of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Reclassifications:

Financial assets are not reclassified subsequent to their initial recognition, except in the year whenever a change is being done in the business model for managing financial assets.

Financial liabilities

(i) Classification and subsequent measurement

All financial liabilities are measured at amortised cost except derivative financial liabilities.

Derecognition
Financial assets
A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial assets, but assume a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such case, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial assets, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement of financial assets.

Financial liabilities
Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective-interest rate method (if the impact of discounting / any transaction costs is

Level 2 - Inputs reflect quoted prices for identical assets or liabilities in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or the liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Un-observable inputs reflecting the Group's own assumptions incorporated in the valuation techniques that are used to determine the fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The Company recognizes the transfers into / transfers out of the fair-value-hierarchy levels as of the date of the event / change in circumstances that caused the transfer.

Methodology

Fair value of various financial assets is being derived as per below for FVTPL and FVOCI category of assets:

Asset class	**Valuation method**
Central and State Government Securities	Crisil security level prices
Corporate Bonds/Debentures	Crisil Bond Valuer
Equity and ETF	Closing NSE prices , in case not traded on NSE than BSE closing prices
Preference Shares	Closing NSE prices , in case not traded on NSE than BSE closing prices
Mutual Fund	Latest available prices from AMFI
Alternative Investment Funds	Latest available NAV statement
REIT/Invit	Closing NSE prices , in case not traded on NSE than BSE closing prices
Treasury bills, TREPS	Carrying value
Security Receipts	Discounted cash flow
Fixed Deposits/Recurring Deposits	Carrying value

a. Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

b. Liability adequacy test

The Company assesses at the end of each reporting period whether it's recognized insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognized in the statement of profit or loss.

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Categories of assets	Useful life
Building	60 years
Furniture and fixtures (except chairs and LED lights)	10 years
Computers - end user devices, such as desktops, laptops, etc.	3 years
Computers - servers and networks	6 years
Office equipment	5 years
Office equipment (mobile phones and tab costing up to Rs. 25,000)	1 years
Furniture and fixtures (chairs and LED lights)	3 years
Vehicles	8 years

Leasehold improvements are amortized over the lease term of or the estimated useful life of the asset, whichever is shorter.

Capital work-in-progress includes cost of property, plant and equipment under installation as at the reporting date.

e. Intangible assets

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets comprising of computer software are stated at cost of acquisition, including any cost attributable for bringing the same to its working condition, less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use. Intangible assets are amortized over a period of 5 years. Licenses are amortized over the period of license, maximum up to 5 years.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

f. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognized.

which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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 recognized the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

The liability is provided based on the number of days of unutilized leave at each balance sheet date based on a valuation by an independent actuary.

i. Operating lease

As a lessee

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognized based on contractual terms. Contingent rental payable is recognized as an expense in the period in which it is incurred.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

j. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

l. Foreign currency transactions

Transactions in foreign currencies, other than the Company's functional currency, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which these arise

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m. Unclaimed amount of policyholders

- Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI Regulations and Investment Regulations, 2016 as amended from time to time.
- Unclaimed amount of policyholders' assets grouped under Other financial assets is invested in money market instruments and / or fixed deposits of scheduled banks which are valued at amortized cost.
- Income on unclaimed amount of policyholders is credited to respective unclaimed account and is accounted for on an accrual basis.
- Amount payable on account of income earned on assets held for unclaimed amount of policyholders is accounted for on an accrual basis and is disclosed net of fund management charges.
- Unclaimed amount of policyholders' liability grouped under trade payables is determined on the basis of NAV of the units outstanding as at the valuation date.
- Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund as per the above mentioned regulations are deposited into the Senior Citizen Welfare Fund (SCWF).

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less. Cash Flow Statement is prepared and reported using the Direct Method in accordance with Ind AS 7, "Statement of Cash Flows".

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i. Business model assessment

Business model assessment is done at Portfolio level where the asset is being held as the same best reflects the way business is being managed and information is being presented to management. This information further includes:

- Stated objectives and policies for the portfolio. Wherever management strategy focusses on earning contractual interest, maintaining a particular interest rate profile, matching the duration of financial assets to duration of financial liabilities or realizing cash flows through sale of assets.
- Performance evaluation of the portfolio and reporting to company's management.
- Risk impacting the performance of financial assets and management of those risks.
- Frequency, volume and timing of sales in prior years, reasons for such sales and expectations about future sale transactions. Such sale transactions are to be considered as part of assessment of Company's overall business objectives and realization of cash flows.

Financial assets that are held for trading or and whose performance is evaluated on a fair value basis are measured at Fair value through profit or loss(FVTPL) as they are neither held to collect contractual cash flows nor held to collect contractual cash flows and to sell financial assets.

ii. Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

iii. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

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technological changes. The depreciation / amortisation for future periods are revised if there are significant changes from previous estimates.

vii. Provisions

Provisions including litigation provisions are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions are reviewed regularly and revised to take account of changing facts and circumstances.

viii. Defined benefit plans

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme 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. (Refer accounting policy regarding Employee Benefits)

ix. Accounting for Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

D. New pronouncements

Standards Issued but not effective

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company is in the process of evaluating the impact of the standard's applicability on the Company's financial statements.

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First-time Ind AS Adoption Reconciliation

1. **Reconciliation of Shareholder's Equity between Ind AS and Previous GAAP**

SRN	Nature of Adjustments	Notes	As at 31st March, 2018 (INR)	As at 1st April, 2017 (INR)
	Shareholder's Equity as reported under Indian GAAP		**11,555**	**7,320**
1	Fair valuation of Investments	A	(165)	275
2	Impact of effective interest rate on investments in debt instruments	B	93	(18)
3	Re-measurement of Insurance Contract Liabilities and Investment Contract Liabilities as per Ind AS 104	C	122	5
4	Others	D	2	16
	Total Shareholder's Equity as per Ind AS		**11,607**	**7,598**

2. **Effect of Ind AS adoption on the Standalone Statement of Profit and Loss for the year ended 31st March, 2018**

SRN	Nature of Adjustments	Notes	For Year Ended March 31, 2018 (INR)
	Net profit as reported under Indian GAAP		**(2,327)**
1	Fair valuation of Investments	A	(238)
72	Impact of effective interest rate on investments in debt instruments	B	110
3	Re-measurement of Insurance Contract Liabilities and Investment Contract Liabilities as per Ind AS 104	C	117
4	Others	D	(12)
5	ESOP charge based on fair value	E	(7)
	Net Profit before OCI		**(2,357)**
6	Other Comprehensive Income as per Ind AS - Investment	A	(340)
7	OCI - Actuarial gains & losses	F	(1)
	Total Comprehensive Income as per Ind AS		**(2,698)**

Notes:

A. **Fair valuation on Investments**

Equity, ETF, Mutual funds Security receipts, AIF
Under the Previous GAAP, equity shares and mutual funds are measured at fair value with changes in fair value disclosed as a separate line item named 'Fair value change account' on Balance Sheet.

Under Ind AS, these investments are measured at fair value through profit or loss. Unrealised gains/losses recognised in the 'Change in fair value account' has impacted the Ind AS equity as on April 1, 2017 and profit for the year ended March 31, 2018.

On sale of such instruments, change between fair value of the corresponding period will be recognised in statement of profit and loss as against to current practice where change in fair value from purchase date till sale date are recognised entirely in the statement of profit and loss in the period of sale.

Debt instruments

Linked Fund and Participatory policyholders' fund – Debt securities: Designated Fair value through Profit or loss

All debt securities in linked fund and participatory portfolio, where SPPI test is met, are designated at fair value through Profit or loss.

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Notes to the financial statements *(Continued)*

(Currency : Indian rupees in Millions)		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	**Cash and cash equivalents**			
	Cash on hand	55	43	32
	Cheques, drafts on hand	295	215	184
	Balances with banks	635	682	843
		985	**940**	**1,059**
2	**Bank balances other than cash and cash equivalents**			
	Fixed deposits			
	- Long term bank deposits with banks	3,092	3,361	3,720
	- Long term bank deposits with banks (fixed deposits)	2,391	2,646	3,068
	- Accrued interest on fixed deposits	701	715	652
	- Short term bank deposits with banks	420	-	4
	- Short term deposits with banks	201	-	4
	- Accrued interest on fixed deposits	219	-	-
	(other bank deposits with maturity less than 12 months)			
	Earmarked balance with bank (unpaid dividends)	-	-	-
		3,512	**3,361**	**3,724**
3	**Trade receivables**			
	(i) Trade receivables			
	Receivables considered good - Secured	-	-	-
	Receivables considered good - Unsecured	436	285	271
	Receivables which have significant increase in credit risk	-	-	-
	Secured, considered doubtful	-	-	-
	Unsecured, considered doubtful	-	-	-
	Receivables - Credit impaired	-	-	-
		436	**285**	**271**
	Less : Allowance for expected credit losses	-	-	-
	Less : Allowance for expected credit losses	-	-	-
		436	**285**	**271**
		436	**285**	**271**
4	**Loans**			
	(Considered good, unless stated otherwise)			
	Secured			
	Receivables from financing business			
	- considered good- Policy Loan (Including Interest)	48	20	7
	- considered non performing assets	-	-	-
	Unsecured			
	Loans and advances to employees	10	8	5
	Gross carrying amount of loans	58	28	12
	Provision for expected credit loss on loans	3	2	2
		55	**26**	**10**

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(Currency : Indian rupees in Millions)

5. Investments
As at 31 March 2019

		At fair value					
Particulars	**At Amortised cost (1)**	**Through OCI (2)**	**Through P&L (3)**	**Designated at fair value through Profit or loss (4)**	**Subtotal 5 = (2+3+4)**	**At cost (subsidiaries, associates, and joint ventures) (6)**	**Total (7)= (1+5+6)**
(i) Mutual Fund	-	-	684	-	**684**		684
(ii) Government Securities	-	9,976	-	4,054	**14,030**		**14,030**
(iii) Other approved securities	-	-	-	-	-		-
(iv) Debt securities	583	2,640	-	1,280	**3,920**		**4,503**
(iv.1) Debt securities - Group	-	917	-	0	**917**		**917**
(v) Equity instruments	-	-	5,512	-	**5,512**		**5,512**
(vi) Subsidiaries	-	-	-	-			
a) Equity	-	-	-	-	-		-
b) Debt securities	-	-	-	-	-		-
c) Preference shares	-	-	-	-	-		-
(vii) Associates	-	-	-	-			
a) Equity	-	-	-	-	-		-
b) Debt securities	-	-	-	-	-		-
c) Preference shares	-	-	-	-	-		-
(viii) Joint ventures	-	-	-	-			
a) Equity	-	-	-	-	-		-
b) Debt securities	-	-	-	-	-		-
c) Preference shares	-	-	-	-	-		-
(ix) Security receipts	-	-	457	-	**457**		**457**
(x) Preference shares	-	36	-	27	**64**		**64**
(xi) Warrant	-	-	-	-	-		-
(xii) Units of AIF	-	-	50	-	**50**		**50**
(xiii) Others specify (InvIT and REIT, etc.)	-	-	360	-	**360**		**360**
TOTAL - Gross (A)	**583**	**13,569**	**7,063**	**5,361**	**25,994**	-	**26,577**
(i) Investments outside India					-		-
(ii) Investment in India	583	13,569	7,063	5,361	**25,994**		26,577
Total (B)	583	13,569	7,063	5,361	25,994	-	26,577
Less: Allowance for impairment (C)					-		-
Total Net (A-C)	**583**	**13,569**	**7,063**	**5,361**	**25,994**	-	26,577

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Notes to the financial statements *(Continued)*

(Currency : Indian rupees in Millions)

5. Investments

As at 31 March 2018

		At fair value					
Particulars	**At Amortised cost (1)**	**Through OCI (2)**	**Through P&L (3)**	**Designated at fair value through Profit or loss (4)**	**Subtotal 5 = (2+3+4)**	**At cost (subsidiaries, associates, and joint ventures) (6)**	**Total (7)= (1+5+6)**
(i) Mutual Fund	-	-	1,014	256	**1,270**		**1,270**
(ii) Government Securities	-	6,032	-	2,025	**8,057**		**8,057**
(iii) Other approved securities	-	-	-	-	-		-
(iv) Debt securities	756	4,609	265	1,304	**6,178**		**6,934**
(iv.1) Debt securities - Group	-	700	-	15	**715**		**715**
(v) Equity instruments	-	-	3,761	-	**3,761**		**3,761**
(vi) Subsidiaries	-	-	-	-			
a) Equity	-	-	-	-	-		-
b) Debt securities	-	-	-	-	-		-
c) Preference shares	-	-	-	-	-		-
(vii) Associates	-	-	-	-			
a) Equity	-	-	-	-	-		-
b) Debt securities	-	-	-	-	-		-
c) Preference shares	-	-	-	-	-		-
(viii) Joint ventures	-	-	-	-			
a) Equity	-	-	-	-	-		-
b) Debt securities	-	-	-	-	-		-
c) Preference shares	-	-	-	-	-		-
(ix) Security receipts	-	-	10	-	**10**		**10**
(x) Preference shares	-	102	-	37	**139**		**139**
(xi) Warrant	-	-	-	-	-		-
(xii) Units of AIF	-	-	23	-	**23**		**23**
(xiii) Others specify (InvIT)	-	-	505	-	**505**		**505**
TOTAL - Gross (A)	**756**	**11,443**	**5,578**	**3,637**	**20,658**	-	**21,414**
(i) Investments outside India					-		-
(ii) Investment in India	756	11,443	5,578	3,637	**20,658**		**21,414**
Total (B)	**756**	**11,443**	**5,578**	**3,637**	**20,658**	-	**21,414**
Less: Allowance for impairment (C)		-	-		-		-
Total Net (A-C)	**756**	**11,443**	**5,578**	**3,637**	**20,658**	-	**21,414**

Edelweiss Tokio Life Insurance Co. Ltd. * Mumbai

(Currency : Indian rupees in Millions)

5. Investments

As at 1 April 2017 (i.e. 31 March 2017)

Particulars	At Amortised cost (1)	At fair value: Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
(i) Mutual Fund	-	-	882	-	**882**		**882**
(ii) Government Securities	-	3,474	-	1,509	**4,983**		**4,983**
(iii) Other approved securities	-	-	-	-	-		-
(iv) Debt securities	233	1,932	748	498	**3,178**		**3,411**
(iv.1) Debt securities - Group	-	151	-	19	**170**		**170**
(v) Equity instruments	-	-	2,102	-	**2,102**		**2,102**
(vi) Subsidiaries	-	-	-	-	-		-
a) Equity	-	-	-	-	-		-
b) Debt securities	-	-	-	-	-		-
c) Preference shares	-	-	-	-	-		-
(vii) Associates	-	-	-	-			
a) Equity	-	-	-	-	-		-
b) Debt securities	-	-	-	-	-		-
c) Preference shares	-	-	-	-	-		-
(viii) Joint ventures	-	-	-	-			
a) Equity	-	-	-	-	-		-
b) Debt securities	-	-	-	-	-		-
c) Preference shares	-	-	-	-	-		-
(ix) Security receipts	-	-	9	-	**9**		**9**
(x) Preference shares	-	73	-	15	**88**		**88**
(xi) Warrant	-	-	-	-	-		-
(xii) Units of AIF	-	-	-	-	-		-
(xiii) Others specify (asset backed securities, etc.)	-	-	-	-	-		-
TOTAL - Gross (A)	**233**	**5,630**	**3,741**	**2,041**	**11,412**	-	**11,645**
(i) Investments outside India					-		-
(ii) Investment in India	233	5,630	3,741	2,041	**11,412**		**11,645**
Total (B)	233	5,630	3,741	2,041	11,412	-	11,645
Less: Allowance for impairment (C)					-		-
Total Net (A-C)	**233**	**5,630**	**3,741**	**2,041**	**11,412**	-	11,645

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(Currency : Indian rupees in Millions)

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
6	**Other financial assets**			
	Rental deposits	85	96	83
	Deposits- others	9	8	8
	Receivable from exchange /clearing house (net)	110	159	149
	Unclaimed amounts of policyholders (investments)	26	13	18
	Reinsurance receivables	0	20	2
	Other assets	9	9	10
		239	**305**	**270**

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Notes to the financial statements (Continued)

(Currency : Indian rupees in Millions)

7 Investment property

	Deemed cost / Gross Block				Accumulated Depreciation and Impairment				Net Block	
Description of Assets	**As at April 1, 2017**	**Additions/ acquisitions during the year**	**Disposals during the year**	**As at March 31, 2018**	**As at April 1, 2017**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2018**	**As at March 31, 2018**	**As at March 31, 2017**
Investment Properties-Real Estate	416	-	-	416	-	19	-	19	397	-
Total	416	-	-	416	-	19	-	19	397	-

	Gross Block				Accumulated Depreciation and Impairment				Net Block	
Description of Assets	**As at April 1, 2018**	**Additions/ acquisitions during the year**	**Disposals during the year**	**As at March 31, 2019**	**As at April 1, 2018**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2019**	**As at March 31, 2019**	**As at March 31, 2018**
Investment Properties-Real Estate	416	-	-	416	19	18	-	37	379	397
Total	416	-	-	416	19	18	-	37	379	397

Fair value of Investment Property as on		
As at 31 March 2019	**As at 31 March 2018**	**As at 1 April 2017**
608	608	418
608	608	418

8 Property, Plant and Equipment

	Deemed cost / Gross Block*				Accumulated Depreciation and Impairment				Net Block	
Description of Assets	**As at April 1, 2017**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2018**	**As at April 1, 2017**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2018**	**As at March 31, 2018**	**As at March 31, 2017**
Property, Plant and Equipment										
Building	-	276	-	276	-	8	-	8	268	-
Leasehold improvements	58	37	1	94	-	13	0	13	81	58
Information Technology Equipments (including servers)	52	79	3	128	-	51	1	51	77	52
Furniture and Fixtures	20	57	1	76	-	10	1	10	66	20
Vehicles	8	-	-	8	-	2	-	2	6	8
Office equipment	22	31	-	53	-	28	-	28	26	22
Total	160	480	5	635	-	113	2	111	524	160

*On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in Millions)

	Gross Block				Accumulated Depreciation and Impairment				Net Block	
Description of Assets	**As at April 1, 2018**	**Additions during the year**	**Disposals during the year**	**As at March 31, 2019**	**As at April 1, 2018**	**Charge for the year**	**Disposals during the year**	**As at March 31 2019**	**As at March 31 2019**	**As at March 31, 2018**
Property, Plant and Equipment										
Building	276	-	-	276	8	13	-	21	255	268
Leasehold improvements	94	7	1	100	13	17	-	30	70	81
Information Technology Equipments (including servers)	128	68	2	194	51	61	2	110	84	78
Furniture and Fixtures	76	4	-	80	10	20	-	30	50	66
Vehicles	8	-	2	6	2	1	1	2	4	6
Office equipment	53	9	-	62	28	17	-	44	18	25
Total	**635**	**88**	**5**	**718**	**111**	**129**	**3**	**237**	**481**	**524**

Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in Millions)

9 Other Intangible Assets

	Deemed cost / Gross Block				Accumulated Amortisation and Impairment				Net Block	
Description of Assets	As at April 1, 2017	Additions during the year	Disposals during the year	As at March 31, 2018	As at April 1, 2017	Charge for the year	Disposals during the year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Other Intangible Assets										
Software	87	291	-	378	-	42	-	42	336	-
Total	87	291	-	378	-	42	-	42	336	-

	Gross Block				Accumulated Amortisation and Impairment				Net Block	
Description of Assets	As at April 1, 2018	Additions during the year	Disposals during the year	As at March 31 2019	As at April 1, 2018	Charge for the year	Disposals during the year	As at March 31 2019	As at March 31 2019	As at March 31, 2018
Other Intangible Assets										
Software	378	316	-	694	42	253	-	295	399	336
Total	378	316	-	694	42	253	-	295	399	336

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Notes to the financial statements *(Continued)*

(Currency : Indian rupees in Millions)		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
10	**Other non-financial assets**			
	Input tax credit	64	48	55
	Prepaid expenses	46	21	21
	Vendor Advances	95	29	33
	Advances recoverable in cash or in kind or for value to be received (non-financial assets)	4	11	6
	Others	55	35	1
		264	**144**	**116**
11	**Trade Payables**			
	Trade payables from non-related parties	1,926	1,214	784
	Trade payables from related parties	83	62	89
	Trade payables to Edelweiss Financial Services Limited	26	28	85
	Trade payables to Edelweiss Securities Limited	-0	-	1
	Trade payables to Edelweiss Housing Finance Limited	-0	0	-
	Trade payables to ECap Equities Limited	47	31	-
	Trade payables to Edelweiss Commodity Services Limited	-	4	3
	Trade payables to ECL Finance Limited	6	-1	-
	Trade payables to Edelweiss Broking Limited	-	-	0
	Trade payables to Edel Land Limited	4	-	-0
	Other liability	-	0	-
		-	-	-
	Total outstanding dues of micro enterprises and small enterprises	4	3	1
	Total outstanding dues to creditors other than micro enterprises and small enterprises	2,005	1,274	871
		2,009	**1,277**	**872**
12	**Other financial liabilities**			
	Accrued salaries and benefits	247	321	255
	Rental Deposits	23	23	23
	Retention money payable	2	7	5
	Reinsurance payable	57	52	12
		329	**403**	**295**

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Notes to the financial statements *(Continued)*

(Currency : Indian rupees in Millions)

		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
13	**Provisions**			
	Gratuity	-	2	1
	Compensated leave absences	14	11	9
		14	**13**	**10**
14	**Other non-financial liabilities**			
	Revenue received in advance	54	30	15
	Other advances			
	Proposal deposit	321	225	127
	Others			
	Withholding taxes, Goods & service tax and other taxes payable	125	104	44
		500	**359**	**186**

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Notes to the financial statements ***(Continued)***

(Currency : Indian rupees in Millions)

		As at 31 March 2019	As at 31 March 2018
15	**Equity share capital**		
	Authorised,Issued, Subscribed and Paid up:		
	312,620,882 Equity shares(prevoius years: 312,620,882) of Rs 10 each (Previous year: Rs 10), fully paid-up	3,126	3,126
		3,126	3,126

a. Movement in share capital :

	31 March 2019 No of shares	31 March 2019 Amount	31 March 2018 No of shares	31 March 2018 Amount
Outstanding at the beginning of the year	312,620,882	3,126	312,620,882	3,126
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	312,620,882	3,126	312,620,882	3,126

b. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Re 1/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2019 No of shares	%	As at 31 March 2018 No of shares	%
Edelweiss Financial Services Limited (Holding Company)	159,436,650	51	159,436,650	51
Tokio Marine & Nichido Fire Insurance Co. Ltd. (Foreign company)	153,184,232	49	153,184,232	49
	312,620,882	100.00%	312,620,882	100.00%

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2019 No of shares	%	As at 31 March 2018 No of shares	%
Edelweiss Financial Services Limited (Holding Company)	159,436,650	51	159,436,650	51
Tokio Marine & Nichido Fire Insurance Co. Ltd. (Foreign company)	153,184,232	49	153,184,232	49
	312,620,882	100.00%	312,620,882	100.00%

16 Reserves and surplus

	31 March 2019	31 March 2018
Securities Premium Account	16,848	10,659
Add : Additions during the year on issue of Equity Shares	-	6,190
	16,848	**16,848**
Reserve for debt instruments fair valued through OCI	(189)	151
Add : Additions during the year	388	(340)
	199	(189)
Deemed capital contribution	33	26
Add : Additions during the year	-	7
	33	33
Retained Earnings		
Opening Balance	(8,211)	(5,853)
Add: Profit for the year	(2,699)	(2,357)
Add: Other Comprehensive Income for the year	(4)	(1)
Amount available for appropriation	(10,915)	(8,211)
Appropriations:	-	-
	(10,915)	(8,211)
	6,166	8,481

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Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in Millions)

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	For the year ended March 31, 2019				For the year ended March 31, 2018			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest Income								
Interest on Loans	-	-	-	-	-	-	-	-
Interest income from investments	880	16	260	1,156	677	39	132	848
Interest on deposits with Banks		339		339		305		305
Other interest Income		4		4		2		2
Total	880	359	260	1,499	677	346	132	1,155

Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in Millions)		For the year ended March 31, 2019	For the year ended March 31, 2018
	Revenue from operations		
18	**Dividend Income**		
	Dividend on current investments	104	72
		104	**72**
19	**Rental Income**		
	Rental Income	35	35
		35	**35**
20	**Fee income**		
	Management Fee	7	5
		7	5
21	**Net gain on fair value changes**		
(A)	**Net gain/ (loss) on financial instruments at fair value through profit or loss**		
(i)	**On trading portfolio**		
	- Investments	**358**	**206**
	Profit / (loss) on trading of securities (net)	-	-
	Profit on sale of current investments (net)	-147	444
	Loss on sale of Investments	-	-
	Fair value gain - P&L - equity	434	(146)
	Fair value gain / loss - P&L - preference	-	-
	Fair value gain - P&L - debt	71	(92)
	Total Net gain/(loss) on fair value changes	**358**	206
22	**Net Premiums**		
	Gross premiums on insurance contracts and investment contracts with DPF	8,854	6,206
	Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF	-302	-194
		8,552	**6,012**
23	**Other income (to be specified)**		
	Miscellaneous income	21	6
		21	**6**

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Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in Millions)		For the year ended March 31, 2019	For the year ended 31 March 2018
24	**Fees and commission expenses**		
	Commission and Brokerage expenses	596	400
		596	**400**
25	**Impairment on financial instruments**		
	Provision for standard assets	21	-
	Provision for doubtful debts	2	3
		23	**3**
26	**Change in Policy Liability - Actuarial**		
	Change in Policy Liabilities (Gross)	7,215	5,147
	Change in Reinsurance Assets	(362)	(454)
		6,853	**4,693**
27	**Policy Benefit**		
	Gross benefits and claims paid	819	829
	Claims ceded to reinsurers	(194)	(133)
		625	**696**
28	**Employee benefit expenses**		
	Salaries and wages	2,554	2,001
	Contribution to provident and other funds	142	108
	Staff welfare expenses	125	101
		2,821	2,210

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Notes to the financial statements (Continued)

(Currency : Indian rupees in Millions)	For the year ended March 31, 2019	For the year ended 31 March 2018
29 Other expenses		
Advertisement and business promotion	767	621
Auditors' remuneration	3	3
Communication	155	107
Directors' sitting fees	1	1
Insurance	1	1
Legal and professional fees	122	104
Printing and stationery	47	38
Rates and taxes	56	59
Rent	233	205
Repairs and maintenance	18	8
Other expenditure		
Electricity charges	25	22
Foreign exchange loss (net)	-	-
Computer expenses	47	47
Computer software	99	45
Clearing & custodian charges	10	8
Loss on sale of of fixed assets	-	3
Membership and subscription	16	8
Office expenses	53	33
Seminar & Conference	104	55
Goods & Service tax expenses	58	40
Travelling and conveyance	198	185
Miscellaneous expenses	28	20
Housekeeping and security charges	62	58
	2,103	**1,671**

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Edelweiss Tokio Life Insurance Co. Ltd. Mumbai

Insurance and Financial Risk

1.1 Risk Management Framework

a. Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders as well as policyholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The Company has an effective Risk Management Framework in place which provides for risk identification, risk assessment and evaluation, monitoring, tracking and feedback mechanism framework to identify, evaluate business risks and opportunities.

The Company has a risk balancing approach and follows the process of risk evaluation, monitoring and control. The Company has structured and uniform method of risk monitoring and control through the Risk and Control Self- Assessment (RCSA) Framework.

The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This is supplemented with the clear organisational structure and documented delegated authorities and responsibilities from the board of directors to various executive management committees.

b. Capital management objectives, policies and approach

The primary source of capital used by the Company is Equity. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analysis. The process is ultimately subject to approval by the Board.

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

• To comply with the insurance capital requirements that the IRDAI require. In this respect, the IRDAI has prescribed minimum solvency ratio of 150% (refer note on Capital Management for solvency ratio);

• To maintain the required level of stability of the Company, thereby providing a degree of security to policyholders

• To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.

• To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets

• To align the profile of assets and liabilities, taking account of risks inherent in the business

• To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders

• To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Company's Capital Management Policy for its business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

c. Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Company are subject to regulatory requirement within the jurisdiction it operates.

d. Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Company faces, due to the nature of its investments and liabilities, is interest rate risk. The Company manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of the Company's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The Company's ALM is:

• Integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities/

• As an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

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1.2 Insurance and Financial Risk of Insurance Business

a. Insurance risk

The Company's main lines of business are Participating Life (Individual), Non-Participating Life (Individual and Company) and Unit Linked Life (Individual and Company). Company has presence in Non-Participating Health (Individual), Non-participating Non-linked Variable Insurance (Company), Participating Pension (Individual), Unit Linked Pension (Individual) and Non-Participating Annuity (Individual) business as well. By nature of the business, the Company underwrites risks and provides financial protection. In doing so, the Company is exposed to various risks.

The principal risk, the Company faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company has developed a risk strategy to manage the risks appropriately. The Company's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. An action item for all the high risks is defined with clear owners and timelines. Company mitigates the risks by careful section of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiruing business from all parts of the Country

b. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features:

Ind AS 104 'Insurance Contracts' requires the Company to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

Insurance contracts are thos contracts where the Company has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance and investment contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits.

As a general guideline by IRDAI, the Company classifies contract under insurance contract and investment contracts with DPF, if the benefit payable on death is higher by at least 5% of the premium at any time during the life of the contract for other than unit linked products.

All other contracts are classified under Investment Contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Investment contracts, however, can be reclassified as insurance contracts after inception if insurance risk becomes significant.

c. The main Insurance Risks that the Company is exposed to are as follows:

(i) Persistency Risk - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

(ii) Mortality Risk - Risk of loss arising due to policyholder mortality experience being different than expected

(iii) Investment Risk - Risk of loss arising from actual returns being different than expected

(iv) Expense Risk - Risk of loss arising from expense experience being different than expected

(v) Reinsurance Risk - The Company enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.

(vi)Concentration Risk - The Company faces concentration Risk by selling business to specific geography or by writing only single line business etc.

Control Measures:

The Company has set up Risk Management framework to continuously monitor the Company's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. The Company has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and Group business to hedge against catastrphic eventys leading to higher than expected claim payouts.

Company has been taking efforts so as to mitigate concentration risk through diversification however company may still be exposed to channel concentration risk as company is in 8th year of operation and all the channels are not yet fully developed. Company has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates company from impact of catastrophic risk.

The Company has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. The Company has a detailed claims processing manual in place. Complicated and large claims are referred to the Company's Claims Committee.

d. Insurance and Investment Contract Liability

(Currency : Indian rupees in Millions)

Particulars	31-Mar-19				31-Mar-18			
	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities
Insurance Contract Laibility								
Life	3,222	5,799	12,982	22,003	2,208	3,417	9,543	15,168
Health	-	-	39	39	-	-	26	26
Annuity	-	-	313	313	-	-	243	243
Pension	647	252	-	899	427	175	-	602
Total	**3,869**	**6,051**	**13,334**	**23,254**	**2,635**	**3,592**	**9,813**	**16,039**
Investment Contract Liability								
Life	-	575	261	836	-	397	102	499
Health	-	-	-	-	-	-	-	-
Annuity	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-
Total	-	**575**	**261**	**836**	-	**397**	**102**	**499**

e. Movement of Life insurance contract liabilities

(Currency : Indian rupees in Millions)

Particulars	31-Mar-19				31-Mar-18			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	2,635	3,592	9,813	16,039	1,995	1,890	7,008	10,892
Add/(Less)	-	-	-		-	-	-	-
Premium	1,814	2,526	4,515	8,855	1,186	1,715	3,304	6,205
Unwinding of the discount /Interest credited	327	306	647	1,280	36	220	469	725
Changes in valuation for expected future benefits	(804)	(323)	(978)	(2,106)	(576)	(212)	(387)	(1,176)
Insurance liabilities released	(129)	(86)	(681)	(897)	(16)	(66)	(704)	(785)
Undistributed Participating Policyholders surplus (UPPS)	14	-	-	14	23	-	-	23
Others	-	-	-	-	-	-	-	-
Change in other Liabilities	12	37	19	69	[illegible]	45	123	154
Gross Liability at the end of the year	**3,869**	**6,051**	**13,334**	**23,254**	**2,635**	**3,592**	**9,813**	**16,039**

The geographical concentration of the Companys's life insurance contract liabilities and investment contract liabilities with DPF is in India only.

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1.2 Insurance and Financial Risk of Insurance Business

f. Investment contract liabilities without DPF are stated at fair value.
The investment contracts measured at fair value are mainly unit linked in structure and the fair value of the liability is equal to the unit reserve plus additional non-unit reserves, if required, on a fair value basis. These contracts are classified as Level 1 in the fair value hierarchy when the unit reserve is calculated as the publicly quoted unit price multiplied by the number of units in issue and any non-unit reserve is insignificant. Where the unit price is not publicly-available these contracts are classified as Level 2 in the fair value hierarchy provided the additional non-unit reserve is an insignificant input to the valuation. Where the non-unit reserve is a significant input in the valuation, the contracts are classified at Level 3 in the fair value hierarchy. The Group takes credit risk into account in assessing the fair value of the liabilities.
Investment contract liabilities without DPF are further analysed, as follows:

Movement of Investment Contract Liabilities (Currency : Indian rupees in Millions)

Particulars	31-Mar-19			31-Mar-18		
	Linked Business	Others	Total	Linked Business	Others	Total
At the beginning of the year	397	102	499	321	12	333
Additions	-	-		-	-	
Premium	188	151	339	80	97	177
Interest and Bonus credited to policyholders	35	14	49	31	6	37
Others	0	1	1	0	0	0
Deductions	-	-	-	-	-	-
Withdrawals / Claims	(39)	(5)	(44)	(30)	(14)	(44)
Fee Income and Other Expenses	(6)	(1)	(7)	(4)	(0)	(5)
At the end of the year	575	261	836	397	102	499

g. Change in insurance contract liabilities (Currency : Indian rupees in Millions)

Particulars	31-Mar-19				31-Mar-18			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
a) Policy Liabilities (Gross)	1,234	2,460	3,521	7,215	640	1,702	2,805	5,147
b) Amount ceded in reinsurance	-	-	-	(361)	-	-	-	(454)
c) Amount accepted in reinsurance	-	-	-	-	-	-	-	-
Net change in insurance contract liabilities	**1,234**	**2,460**	**3,521**	**6,853**	**640**	**1,702**	**2,805**	**4,693**

h. Change in Reinsurance assets w.r.t insurance contracts

(Currency : Indian rupees in Millions)

Particulars	31-Mar-19	31-Mar-18
Opening Reinsurance Assets	**2,490**	**2,036**
Premium	**302**	**194**
Unwinding of the Discount/Interest Credited	**148**	**66**
Change in Valuation for expected future benefits	**104**	**449**
Insuarance Liabilities released	**(193)**	**(254)**
Closing Reinsurance Assets	**2,852**	**2,490**

i. At 31 March 2019, the Company conducted an impairment review of the reinsurance assets and there is no impairment loss for the year.
During the year, the Company entered into reinsurance arrangements that resulted in losses of INR 41.93 Million for the financial year 2018-19 (PY INR 36.23 Million). This profit has been reflected in the statement of profit or loss.
At 31 March 2019 and 31 March 2018, there are no impaired reinsurance assets

j. **Key Assumptions**
Liabilities for life insurance policies are determined by the Appointed Actuary in accordance with the IRDAI regulations and relevant actuarial practice standards & guidance notes issued by the Institute of
For Linked business (UL), separate unit and non-unit reserve is maintained. The unit reserve is the current value of the assets underlying the unit funds and the non-unit reserve is kept to meet the liabilities due to the cost of insurance, expenses, commissions etc in excess of future charges. For lapsed policies under UL products the fund is transferred to a separate discontinuance fund as per IRDAI regulations and reserves have been kept for benefits payable post lock-in period. The discontinuance charges collected are kept as non-unit reserves till the lock-in period and the non-unit reserves for the discontinuance
Non-linked business is reserved using a prospective gross premium method of valuation. The reserves are established having regard to the assumptions as to future experience, including the interest rate that will be earned on premiums not yet received and future bonus rates for participating business. Assumptions as to the future bonus rates are set to be consistent with the interest rate assumptions. For participating policies the valuation interest rate used is 6.00% (no change from last year). For non-par policies, the valuation interest rate ranges between 5.58% - 6.75% (no change from last year) for the first 5 years and 4.00% - 6.00% (no change from last year) thereafter (for annuity, 2% assumed for year greater than 50 years)

The lapse assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For lapsed policies, revival reserves are maintained (till the policies are within the revival period) assuming 10.00% (previous year 10.00%) of them will get revived.
Mortality assumptions are set with reference to the published IALM (2006-2008) Ultimate Mortality Table. The mortality assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For annuity product, mortality rates are set with reference to the Modified Mortality for Annuitants - LIC (a) (1996-98) Ultimate Rates. Assumptions for morbidity and incidence of accidental death are based on terms available from reinsurers and the standard morbidity rate table CIBT 93
Assumptions for future expenses are considered as per the file & use assumptions (which are derived from long term business plan of the Company) and these expenses escalated each year by 5.00% p.a. (previous year 5.00%) to allow for inflation. An additional reserve has been included to allow for the contingency to cover maintenance expense overrun.

Commission has been allowed for at the rates specified in the products file and use.
Further it has been ensured that for each policy the reserve is sufficient to pay the surrender value.
For participating products, terminal bonuses are provisioned such that the reserves are at least equal to asset share at product level. Further any mark to market (MTM) gains / losses in Par fund is considered in
The provisions have been made for incurred but not reported death claims (IBNR), free look reserve, unearned premium reserve of the extra premium collected etc.
For riders, both unearned premium and gross premium reserves are calculated and the higher of these two is held as reserve. For OYRGTL plan (one year renewable group term life), the Unearned Premium Reserve is calculated as premium for the unexpired duration. In addition, the premium deficiency reserve and IBNR is also kept for OYRGTL.

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1.2 Insurance and Financial Risk of Insurance Business

Portfolio assumptions impacting net liabilities	Range	FY 2019	FY 2018
Mortality rates (as a % of Indian Assured Lives Mortality (2006-08))**	Max	195.0% (Without MAD)*	195.0% (Without MAD)*
	Min	19.8% (Without MAD)	24.0% (Without MAD)
Discount/ interest rates***	Max	8.00% (Without MAD)	8.00% (Without MAD)
	Min	7.25% (Without MAD)	7.25% (Without MAD)
Expense****	Max	8443 (INFL @5%) (without MAD) 16 (INFL @ 5%) (without MAD) for micro Insurance plan	8041 (INFL @5%) (without MAD) 15 (INFL @ 5%) (without MAD) for micro Insurance plan
	Min	255 (INFL @ 5%) (without MAD) 16 (INFL @ 5%) (without MAD) for micro Insurance plan	243 (INFL @ 5%) (without MAD) 15 (INFL @ 5%) (without MAD) for micro Insurance plan
MAD*		Mortality: 10%; additional 5% MAD to cater AIDS risk Interest: 95 - 575 bps Expenses: 10%	Mortality: 10%; additional 5% MAD to cater AIDS risk Interest: 100 - 575 bps Expenses: 10%

* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

** For annuity it is a % of Modified Mortality for Annuitants - LIC (a) (1996-98) Ultimate Rates.

*** Under Unit linked, for unit growth rate (i.e. Investment return) weighted average growth rate of various unit funds is used.

**** The value of future expenses has been derived to allow for all the future maintenace expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

1.2 Insurance and Financial Risk of Insurance Business

k. Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

For Year Ended March 31, 2019 (Currency : Indian rupees in Millions)

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	3,875	6,052	14,146	575	261
Mortality decreased by 10%	3,864	6,051	12,531	575	261
Lapses increased by 10%	3,868	6,051	13,166	575	261
Lapses decreased by 10%	3,870	6,052	13,512	575	261
Expenses increased by 10%	3,875	6,052	13,432	575	261
Expenses decreased by 10%	3,864	6,051	13,236	575	261
Interest Rate increased by 100 bps	3,558	6,024	10,727	559	261
Interest Rate decreased by 100 bps	4,242	6,081	16,751	593	261
Inflation Rate increased by 100 bps	3,873	6,052	13,428	575	261
Inflation Rate decreased by 100 bps	3,865	6,051	13,253	575	261

For Year Ended March 31, 2018 (Currency : Indian rupees in Millions)

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	2,641	3,593	10,431	397	102
Mortality decreased by 10%	2,630	3,591	9,192	397	102
Lapses increased by 10%	2,633	3,592	9,697	397	102
Lapses decreased by 10%	2,637	3,592	9,934	397	102
Expenses increased by 10%	2,640	3,592	9,893	397	102
Expenses decreased by 10%	2,630	3,592	9,734	397	102
Interest Rate increased by 100 bps	2,464	3,575	7,907	395	102
Interest Rate decreased by 100 bps	2,837	3,609	12,308	399	102
Inflation Rate increased by 100 bps	2,639	3,593	9,889	397	102
Inflation Rate decreased by 100 bps	2,631	3,592	9,748	397	102

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1.3 Financial Risks of Insurance Business

a. Credit risk

Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.
Credit risk is monitored by the Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties.
The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.

Detailed due diligence guidelines have been created to assess credit risk in potential investments to reduce relaince on Credit ratings alone. The due diligence includes industry, company and business model analysis. In addition, detailed financial statement analysis is carried out to assess the financial strength and debt repayment capability. Specific finanicla ratio criteria have been defined for various sectors (Banks, NBFCs, Housing & Infrastructure companies, and other non financial sector companies) to short list potential fixed income securities for investments.

In addition, credit quality review process is carried out quarterly to assess the possibility of credit deterioration and potential loss as a result of emerging market events which impact the holdings and take corrective actions.

Industry analysis - Risk concentration for 31 March 2019 (Currency : Indian rupees in Millions)

Particulars	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	Others	Total
Financial assets								
Cash and cash equivalent and other bank balances	4,497	-	-	-	-	-	-	**4,497**
Derivative financial instruments	-	-	-	-	-	-	-	**-**
Financial assets carried at fair value through profit and loss	1,254	-	705	1	0	-	124	**2,085**
Stock in trade	-	-	-	-	-	-	-	**-**
Debt securities designated at fair value through profit or loss	2,235	4,458	2,690	127	5	44	781	**10,339**
Financial assets - Amortised cost	-	583	-	-	-	-	-	**583**
Financial assets Valued at Other Comprehensive Income	2,479	9,501	1,069	475	-	-	46	**13,570**
Trade and other receivables	-	-	-	436	-	-	-	**436**
Loans	-	-	-	55	-	-	-	**55**
Other Financial Assets	144	-	-	95	-	-	-	**239**
	10,609	**14,542**	**4,464**	**1,189**	**6**	**44**	**951**	**31,804**
Other Commitments								
Total	**10,609**	**14,542**	**4,464**	**1,189**	**6**	**44**	**951**	**31,804**

Industry analysis - Risk concentration for 31 March 2018 (Currency : Indian rupees in Millions)

Particulars	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	Others	Total
Financial assets								
Cash and cash equivalent and other bank balances	4,301	-	-	-	-	-	-	**4,301**
Derivative financial instruments	-	-	-	-	-	-	-	**-**
Financial assets carried at fair value through profit and loss	1,919	-	904	-	3	11	129	**2,965**
Stock in trade	-	-	-	-	-	-	-	-
Debt securities designated at fair value through profit or loss	1,362	2,625	1,701	9	19	31	504	6,250
Financial assets - Amortised cost	756	-	-	-	-	-	-	**756**
Financial assets Valued at Other Comprehensive Income	3,292	6,032	2,076	-	-	-	44	**11,443**
Trade and other receivables	-	-	-	286	-	-	-	**286**
Loans	-	-	-	26	-	-	-	**26**
Other financial assets	202	-	-	103	-	-	-	**305**
	11,831	**8,657**	**4,680**	**424**	**22**	**42**	**676**	**26,331**
Other Commitments								-
Total	**11,831**	**8,657**	**4,680**	**424**	**22**	**42**	**676**	**26,331**

1.3 Financial Risks of Insurance Business

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the CRISIL Credit Agency's credit ratings of the counterparties. AAA is the highest possible rating.

As at March 31, 2019 (Currency : Indian rupees in Millions)

Particulars	AAA	AA	AA- and Below	Not Rated	Total
a) Financial Instruments :- Amortized cost financial assets					
- Debt securities	583	-	-	-	**583**
- Equity securities	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	
- Debt securities	11,105	1,076	1,389	-	**13,570**
- Equity securities	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
Financial assets at FVTPL	-	-	-	-	
- Debt securities	360	-	-	506	**866**
- Equity securities	-	-	-	5,512	**5,512**
- Mutual Funds	-	-	-	684	**684**
Designated Financial assets at FVTPL	-	-	-	-	
- Debt securities	5,167	121	73	-	**5,361**
- Equity securities	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
Total	**17,214**	**1,197**	**1,462**	**6,703**	**26,577**
b) Reinsurance assets	-	-	-	2,852	**2,852**
c) Insurance receivables	-	-	-	461	**461**
d) Cash and short term deposits	-	-	-	1,405	**1,405**
Total Credit Risk Exposure	**17,214**	**1,197**	**1,462**	**11,421**	**31,294**

As at March 31, 2018 (Currency : Indian rupees in Millions)

Particulars	AAA	AA	AA- and Below	Not Rated	Total
a) Financial Instruments :- Amortized cost financial assets					
- Debt securities	756	-	-	-	**756**
- Equity securities	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-
- Debt securities	8,994	1,049	1,333	67	**11,443**
- Equity securities	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
Financial assets at FVTPL	-	-	-	-	-
- Debt securities	770	-	-	33	**803**
- Equity securities	-	-	-	3,761	**3,761**
- Mutual Funds	828	-	-	185	**1,013**
Designated Financial assets at FVTPL	-	-	-	-	-
- Debt securities	3,331	49	-	-	**3,381**
- Equity securities	-	-	-	-	-
- Mutual Funds	-	-	-	256	**256**
Total	**14,680**	**1,099**	**1,333**	**4,303**	**21,414**
b) Reinsurance assets	-	-	-	2,490	**2,490**
c) Insurance receivables	-	-	-	299	**299**
d) Cash and short term deposits	-	-	-	940	**940**
Total Credit Risk Exposure	**14,680**	**1,099**	**1,333**	**8,032**	**25,143**

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1.3 Financial Risks of Insurance Business

b. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, the Company has bucketed both expected asset and liability cash flows into maturity buckets, and adopted a policy of investing assets with timing of liability cash flow requiremnets in mind and monitoring future liquidity position on a continuous

The Company actively monitors and controls the rating and maturity profile of its investements to avoid reinvestment/asset liquidation/concentration risk

The Company actively manages its product mix to ensure that there is no significant concentration of credit risk.

Maturity Profiles

The table below details the Company's remaining contractual maturity for its insurance contract liabilities. The contractual cash flows reflect the undiscounted cash flows of insurance contract liabilities based on the earliest date on which the Company can be required to pay.

(Currency : Indian rupees in Millions)

	Contractual cash flows as at March 31, 2019			Contractual cash flows as at March 31, 2018		
Contractual Cash Flows arising from	**1 year value or less**	**1 year to 5 years**	**5 years or more**	**1 year value or less**	**1 year to 5 years**	**5 years or more**
Policyholder Liabilities at the end of the year						
Insurance contract liabilities :						
With DPF	(1,152)	(4,200)	36,648	(679)	(2,662)	25,003
Linked	760	137	5,155	423	65	3,104
Others	(1,848)	(6,832)	51,863	(1,332)	(5,513)	32,321
	-	-	-	-	-	-
Investment contract liabilities :	-	-	-	-	-	-
Without DPF	-	-	-	-	-	-
Linked	575	-	-	397	-	-
Others	261	-	-	102	-	-
	-	-	-	-	-	-
Total	**(1,403)**	**(10,896)**	**93,665**	**(1,090)**	**(8,110)**	**60,428**
Assets held to cover for Policyholder Liabilities						
Amortized cost financial assets						
Financial assets at FVOCI	1,022	3,752	25,479	918	10,748	22,801
Financial assets at FVTPL	-	-	-	-	-	-
Designated FVTPL	859	1,825	9,952	323	3,825	7,753
Loans	-	-	-	-	-	-
Other financial assets	-	263	1,572	9	3,612	2,407
Cash and cash equivalents	-	-	-	-	-	-
Total	**1,881**	**5,840**	**37,003**	**1,250**	**18,185**	**32,961**

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1.3 Financial Risks of Insurance Business

c. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

. The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

. Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.

. The Company stipulates diversification benchmarks by type of instrument and geographical area, as the Company is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.
The Company issues unit–linked investment policies in a number of its operations. In the unit–linked business, the policyholder bears the investment risk on the assets held in the unit–linked funds as the policy benefits are directly linked to the value of the assets in the fund. The Company's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

d. Interest rate risk

Interest rate risk is a key investment risk as it has an impact on the present value of cash flows of assets and liabilities, and therefore, ultimately affects profitability. As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates. Currently, the Company uses Interest Rate derivatives to manage interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss and equity.
The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity.

(Currency : Indian rupees in Millions)

		31 March 2019		31 March 2018	
Currency	**Change in variables**	**Impact on profit before tax***	**Impact on equity****	**Impact on profit before tax***	**Impact on equity****
INR	+25%	(58)	(305)	(41)	(199)
INR	-25%	58	305	41	199

***Impact due to MTM change in IRF**

****Impact due to Fixed Income (Except Par and ULIP)**

e. Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit–linked business.

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each sector and market.

The analysis below is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the statement of profit or loss) and equity (that reflects changes in fair value of AFS financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear. The method used for deriving sensitivity information and significant variables did not change from the previous period.

(Currency : Indian rupees in Millions)

		31 March 2019	31 March 2018
Nature of Security	**Change in variables**	**Impact on profit before tax**	**Impact on profit before tax**
Equity	+5%	30	50
Equity	-5%	(30)	(50)

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1.3 Financial Risks of Insurance Business

6. Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.Operational risk: A risk arising from this category is resultant of inadequate or failed internal processes and controls, poor corporate governance or from external events such as sudden disasters crippling the operations of the Company.

Operational risks within the Company are categorized into 6 (six) types namely:
• Fraud
• Execution, delivery and process management
• Business disruption and system failures
• Clients, products and business practices
• Damage to physical assets
• Employment practices and workplace safety

Risk control and mitigation plan forms important part of the risk management processes within the Company. The Company ensures oversight on the risks by reviewing data, processes and by performing model checks at regular frequencies. Operational risk impact within the Company is rated basis frequency and severity matrix. Frequency and severity matrix is further utilized for evaluation of the risk which in turn helps in prioritization. The Company, to ensures that complete data is being processed, reconciles number of policies, premium and sum assured. The same is done by comparing Data Conversion System (DCS) output and on-off movement data as obtained from policy administration system.
The risk management team conducts an independent root cause analysis of operational risk incidents. Root cause analysis is followed by actual and potential risk exposure assessment. The root cause analysis helps to identify inadequacies in the control measures for known risks or identify new risks which need to be addressed. The resultant learning is then used to improve processes systematically.

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1.4 Net premiums

a. Gross premiums on insurance contracts and investment contracts with DPF

(Currency : Indian rupees in Millions)

Particulars	Note No.	31-Mar-19	31-Mar-18
Life Insurance	22	8,854	6,206
Total Gross Premiums		8,854	6,206

b. Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF

(Currency : Indian rupees in Millions)

Particulars	Note No.	31-Mar-19	31-Mar-18
Life Insurance	22	(302)	(194)
Total premiums ceded to reinsurers		(302)	(194)

The Company does not have Investment Contract with DPF.

1.5 Net benefits and claims

(Currency : Indian rupees in Millions)

Particulars	Note No.	31-Mar-19	31-Mar-18
a. Gross benefits and claims paid	27		
Life insurance contracts		819	819
Investment contracts with DPF		-	-
Total gross benefits and claims paid		**819**	**819**
b. Claims ceded to reinsurers			
Life insurance contracts		(194)	(133)
Investment contracts with DPF			
Total claims ceded to reinsurers		**(194)**	**(133)**
Net benefits and claims		**625**	**687**

1.6 **Statutory notes to accounts which are part of Schedule 16 of the IGAAP financial statements for the year ended March 31, 2019**

a. **Encumbrance**

There are no encumbrances on the assets of the company as at the Balance Sheet date except to the extent monies required to be deposited as margin contributions for investment trade obligations of the Company as

(Currency : Indian rupees in Millions)

S.No	Particulars	Current Year		Previous Year	
		Book Value	Market Value	Book Value	Market Value
1	**Clearing Corporation of India Ltd - CBLO**				
	Government Securities	16	16	18	18
	Cash	8	8	8	8
2	**NSCCL - Capital Market Segment**				
	Government Securities	165	159	124	124
	Cash	-	-	-	-
3	**NSCCL – Interest Rate Derivative**				
	Government Securities	91	88	92	92
	Cash	38	38	22	22
4	**Sales Tax deparments -**				
	Fixed Deposit	0	0	0	0
5	**Kolkata High Court - West Bengal as security**				
	Fixed Deposit	1	1	-	-
	Grand Total	**319**	**311**	**263**	**263**

b. **Policyholders' liabilities adequately backed by assets***

(Currency : Indian rupees in Millions)

Particulars	Current Year				Previous Year			
	Par	Non Par	Unit Linked	Total	Par	Non Par	Unit Linked	Total
Policyholders' Liabilities at end of the year **	3,867	10,818	6,643	21,328	2,671	7,501	4,002	14,174
Assets held to cover policyholders' liabilities								
Investments - Schedule 8A	3,996	11,539	190	15,725	2,723	7,764	136	10,623
Investments - Schedule 8B	-	-	6,453	6,453	-	-	3,865	3,865
Net Investments	**3,996**	**11,539**	**6,643**	**22,178**	**2,723**	**7,764**	**4,001**	**14,488**
Loans	19	32	2	53	8	11	0	20
Property, plant and equipment	100	248	-	348	156	435	-	591
Net Current Assets	(248)	(1,001)	(2)	(1,251)	(216)	(709)	(0)	(925)
Total Assets	**3,867**	**10,818**	**6,643**	**21,328**	**2,671**	**7,501**	**4,002**	**14,174**

*The above table is based on IRDA reporting framework applicable to the Life Insurance Business.

** Including fair value change account

c. **Micro, Small and Medium Enterprises Development Act, 2006**

The Company has requested its creditors to confirm the applicability to them under the Micro Small and Medium Enterprises Development Act, 2006. Based on the responses received by the Company, the details of dues to micro enterprises and small enterprises:

(Currency : Indian rupees in Millions)

Sr. No.	Particulars	Current Year	Previous Year
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any	4	3
2	The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date	Nil	Nil

* Principal amount within due period

d. **Percentage of business sector-wise**

Sector wise breakup of policy issued, lives covered and gross premium underwritten during the year is as follows.

Particulars	Current Year		Previous Year	
	Number of Policies	% of Policies	Number of Policies	% of Policies
Rural	18171	22.41%	12,869	19.86%
Urban	62903	77.59%	51,936	80.14%
	Current Year		**Previous Year**	
Social	Number of Lives Insured	Number of Policies	Number of Lives Insured	Number of Policies
	11,927	6,166	28,407	3,677
	Premium (₹'000)		Premium (₹'000)	
	1,122		8,393	

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1.6 **Statutory notes to accounts which are part of Schedule 16 of the IGAAP financial statements for the year ended March 31, 2019**

e. **Percentage of risk retained and risk reinsured**

Extent of risk retained and reinsured based on sum at risk, is as follows.

Particulars	Current Year	Previous Year
Individual Business		
Risk Retained	31%	31%
Risk Reinsured	69%	69%
Group Business		
Risk Retained	44%	50%
Risk Reinsured	56%	50%

f. **As required by IRDA Circular no. IRDA/F&I/CIR/CMP/174/11/2010, dated 04-11-2010 the statement of Age-wise Analysis of the Unclaimed Amount of the**

(Currency : Indian rupees in Millions)

Particulars	Total Amount	Age-Wise Analysis*							
		<1 Month	1-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36
Claims settled but not paid to the policyholders /Insured due to any reasons except under litigation from the insured/policyholders	8 (0)	- -	- -	8 (0)	- -	0 -	- -	- -	- -
Sum due to the insured/policyholders on maturity or otherwise	7 (4)	0 (2)	1 (0)	2 (2)	1 (0)	2 (0)	0 (0)	0 -	0 -
Any excess collection of the premium/tax or any other charges which is refundable	9 (4)	0 (1)	2 (0)	3 (1)	1 (1)	0 (1)	0 -	1 -	0 -
Cheques issued but not encashed by the policyholder/insured	2 (5)	- -	- (0)	- (1)	0 (0)	0 (5)	0 (0)	0 -	1 -

* Previous Year figures are shown in brackets.

Details of unclaimed amount and investment income for the year ended 31st March, 2019 is as under, as required under IRDA/F&A/CIR/CAM/134/07/2015

(Currency : Indian rupees in Millions)

Particulars	Current Year	Previous Year
Opening Balance	14	11
Add: Amount transferred to unclaimed amount	29	6
Add: Cheques issued out of the unclaimed amount but not encashed by the	-	0
Add: Investment Income	1	1
Less: Amount paid during the year	18	5
Closing Balance of Unclaimed Amount	26	14

g. **Limits on Expense of Management [Section 40B of the Insurance Law (Amendment) Act, 2015]**

The Expenses of Management in respect of the life insurance business transacted in india by the Compnay have been debited to the Policyholders' Revenue Account as expenses

(Currency : Indian rupees in Millions)

Particulars	Current Year	Previous Year
On account of excess of expenses over allowable expenses of management	2,020	1,554
Total amount charged to Shareholders' Account	**2,020**	**1,554**

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2.1 Offsetting

The Company manages associated ALM risk primarily with Exchange Traded derivatives by offsetting financial assets and liabilities and the net amount is presented in the balance sheet. These netting agreements and similar arrangements generally enable the counterparties to set-off liabilities against available assets received in the ordinary course of business and/or in the event of the counterparty's default. The offsetting right is a legal right to settle, or otherwise eliminate, all or a portion of an amount due by applying an amount receivable from the same counterparty against it, thus reducing credit exposure.

The tables on the following pages summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet

Financial assets subject to offsetting, netting arrangements

(Currency : Indian rupees in Millions)

At 31 March 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
Particulars	**Gross asset before offset**	**Offset with gross liabilities**	**Net asset recognised in balance sheet (A)**	**Financial liabilities (B)**	**Collaterals received ('C)**	**Assets after consideration of netting potential[3]** A - (B+C) can not be negative	**Assets recognised on the balance sheet**	**Recognised in the balance sheet**	**After consideration of netting potential**
Derivative financial assets	-	-	-	-	-	-	-	-	-
Cash collateral on securities borrowed and reverse repurchase agreements	-	-	-	-	-	-	-	-	-
Cash settlement balances from clearing houses	41	2	38	-	-	38	-	38	38
Offset against the Margin (Refer to other financial asset - Receivable from exchange /clearing house (net))	-41	-2	-38			-38		-38	-38

(Currency : Indian rupees in Millions)

At 31 March 2018	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
Particulars	**Gross asset before offset**	**Offset with gross liabilities**	**Net asset recognised in balance sheet (A)**	**Financial liabilities (B)**	**Collaterals received ('C)**	**Assets after consideration of netting potential[3]** A - (B+C) can not be negative	**Assets recognised on the balance sheet**	**Recognised in the balance sheet**	**After consideration of netting potential**
Derivative financial assets	-	-	-	-	-	-	-	-	-
Cash collateral on securities borrowed and reverse repurchase agreements	-	-	-	-	-	-	-	-	-
cash settlement balances from clearing houses	22	-	22	-	-	22	-	22	22
Offset against the Margin (Refer to other financial asset - Receivable from exchange /clearing house (net))	-22		-22			-22		-22	-22

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(Currency : Indian rupees in Millions)

At 1 April 2017 (i.e. 31 March 2017)	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
Particulars	Gross asset before offset	Offset with gross liabilities	Net asset recognised in balance sheet (A)	Financial liabilities (B)	Collaterals received ('C)	Assets after consideration of netting potential[3] A - (B+C) can not be negative	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	-	-	-	-	-	-	-	-	-
Cash collateral on securities borrowed and reverse repurchase agreements	-	-	-	-	-	-	-	-	-
cash settlement balances from clearing houses	88	4	84	-	-	84	-	84	84
Offset against the Margin (Refer to other financial asset - Receivable from exchange /clearing house (net))	-88	-4	-84						

Financial liabilities subject to offsetting, netting arrangements

(Currency : Indian rupees in Millions)

At 31 March 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum exposure to risk
Particulars	Gross liability before offset	Offset with gross assets	Net liability recognised in balance sheet (A)	Financial assets (B)	Collaterals paid / pledged ('C)	Liabilities after consideration of netting potential[(A-(B+C)] should not be negative	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
Cash collateral on securities lend and repurchase agreements	-	-	-	-	-	-	-	-	-
cash settlement balances payable to clearing houses	-	2	-2	-	-	-2	-	-2	-2

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2.2 **Impairment losses on financial instruments- FVOCI investments**

A. Gross carrying amount of DEBT investment at FVOCI:

(Currency : Indian rupees in Millions)

Sr. No.	DEBT investment - At FVOCI	As at 31 March 2019				As at 31 March 2018				As at 1 April 2017 (i.e. 31 March 2017)			
		12 months ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total	12 months ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total	12 months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
	DEBT securities at FVOCI												
	High grade *(Rating A and above)*	12,698		-	12,698	11,554	-	-	11,554	5,487			5,487
	Standard grade *(Rating A- to C)*	707		-	707	-		-	-				-
	Individually impaired *(Rating below C)*			-	-				-				-
	Total	13,405	-	-	13,405	11,554	-	-	11,554	5,487	-	-	5,487

B. Analysis of change in gross carrying amount of DEBT investment at FVOCI:

(Currency : Indian rupees in Millions)

Sr. No.	DEBT investment - At FVOCI	2018-19				2017-18			
		12 months ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total	12 months ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	Gross carrying amount - opening balance	11,554	-	-	11,554	5,487			5,487
	New assets originated or purchased	20,735			20,735	18,556			18,556
	Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	-19,715			-19,715	-13,166			-13,166
	Interest income during the period	831			831	677			677
	Changes to contractual cash flows due to modifications not resulting in derecognition				-				-
	Amounts written off				-				-
	Transfer to Stage 1				-				-
	Transfer to Stage 2				-				-
	Transfer to Stage 3				-				-
	Gross carrying amount - closing balance	13,405	-	-	13,405	11,554	-	-	11,554

Impairment losses on financial instruments- amortised cost investments

A. Gross carrying amount of DEBT investment at amortised cost:

Sr. No.	DEBT Investment - At amortised cost	As at 31 March 2019				As at 31 March 2018				As at 1 April 2017 (i.e. 31 March 2017)			
		12 months ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total	12 months ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total	12 months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
	DEBT securities at amortised cost												
	High grade (Rating A and above)	583			583	756			756	233			233
	Standard grade (Rating A- to C)				-				-				-
	Individually impaired (Rating below C)				-				-				-
	Total	583	-	-	583	756	-	-	756	233	-	-	233

B. Analysis of change in gross carrying amount of DEBT investment at amortised cost:

(Currency : Indian rupees in Millions)

Sr. No.	DEBT Investment - At amortised cost	2018-19				2017-18			
		12 months ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total	12 months ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	Gross carrying amount - opening balance	756	-	-	756	233			233
	New assets originated or purchased	122,067			122,067	161,529			161,529
	Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	-122,272			-122,272	-161,045			-161,045
	Interest income during the period	31			31	39			39
	Changes to contractual cash flows due to modifications not resulting in derecognition				-				-
	Amounts written off				-				-
	Transfer to Stage 1				-				-
	Transfer to Stage 2				-				-
	Transfer to Stage 3				-				-
	Gross carrying amount - closing balance	583	-	-	583	756	-	-	757

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2.3 Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, the Company has bucketed both expected asset and liability cash flows into maturity buckets, and adopted a policy of investing assets with timing of liability cash flow requiremnets in mind and monitoring future liquidity position on a continuous basis.
The Company actively monitors and controls the rating and maturity profile of its investements to avoid reinvestment/asset liquidation/concentration risk

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption in cash flow. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and the Company

Solvency ratios:

One of the measure by the Company to manage the liquidity risk and funding management is to monitor solvency ratio. The Company has a robust sytem to monitor the Solvecy Ratios periodically. For further details refer Note on Capital Management

(Currency : Indian rupees in Millions)

Solvency ratio(As per IGAAP)*	Mar-19	Mar-18	Mar-17
Available Solvency Margin (ASM)	2,309	1,586	1,209
Required Solvency Margin (RSM)	1,007	724	550
Solvency ratio (ASM/RSM)	229%	219%	220%

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2.4 **Analysis of non-derivative financial assets and liabilities by remaining contractual maturities**

A. **Analysis of non-derivative financial liabilities by remaining contractual maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial liabilities as at 31 March.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

(Currency : Indian rupees in Millions)

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	2,009	-	-	-	-	-	-	-	2,009
Other payables	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Subordinated financial liabilities	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	23	-	-	-	57	247	-	1	-	-	329
Insurance claims payable	-	46	-	-	-	-	-	-	-	-	46
Total undiscounted non-derivative financial liabilities	23	46	2,009	-	57	247	-	1	-	-	2,384

(Currency : Indian rupees in Millions)

As at 31 March 2018	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	1,277	-	-	-	-	-	-	-	1,277
Other payables	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Subordinated financial liabilities	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	23	-	-	-	52	321	-	6	-	-	403
Insurance claims payable	-	55	-	-	-	-	-	-	-	-	55
Total undiscounted non-derivative financial liabilities	23	55	1,277	-	52	321	-	6	-	-	1,735

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(Currency : Indian rupees in Millions)

As at 1 April 2017 (i.e. 31-Mar-2017)	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	873	-	-	-	-	-	-	-	873
Other payables	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-
Subordinated financial liabilities	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	23	-	-	-	12	255	-	5	-	-	295
Insurance claims payable	-	20	-	-	-	-	-	-	-	-	20
Total undiscounted non-derivative financial liabilities	23	-	873	-	12	255	-	5	-	-	1,187

B. **Analysis of non-derivative financial assets by remaining contractual maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial assets as at 31 March.

(Currency : Indian rupees in Millions)

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	-	-	-	424	-	-	-	512	340	4,807	6,083
Stock-in-trade	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	372	64	-	-	-	-	-	-	-	436
Other Receivables	-	-	-	-	-	-	-	-	-	-	
Loans	1	1	0	1	3	1	1	-	-	48	55
Investments at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-
Investments at fair value through profit or loss pledged as collateral	-	-	-	-	-	-	-	-	-	-	-
Investments at FVOCI	-	88	110	79	223	195	680	3,712	2,198	28,724	36,009
Investments at FVOCI pledged as collateral	-	-	-	-	-	-	-	-	-	-	-
Investments at amortised cost	-	583	-	-	-	-	-	-	-	-	583
Investments at amortised cost pledged as collateral	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	38	115	-	1	0	-	30	18	8	28	239
Investments at designated fair value through profit or loss	-	20	77	22	139	167	434	1,003	822	9,952	12,636
Total	39.21	1,179	251	527	365	363	1,146	5,245	3,368	43,559	56,041

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(Currency : Indian rupees in Millions)

As at 31 March 2018	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	940	-	-	-	2	2	4	609	3,003	2,407	6,967
Stock-in-trade	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	243	42	-	-	-	-	-	-	-	286
Loans	0	0	0	-	1	0	4	-	-	20	26
Investments at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-
Investments at fair value through profit or loss pledged as collateral	-	-	-	-	-	-	-	-	-	-	-
Investments at FVOCI	-	71	70	76	138	106	457	3,177	7,571	22,801	34,468
Investments at FVOCI pledged as collateral	-	-	-	-	-	-	-	-	-	-	-
Investments at amortised cost	-	756	-	-	-	-	-	-	-	-	756
Investments at amortised cost pledged as collateral	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	35	166	-	-	20	-	-	30	20	35	305
Investments at designated fair value through profit or loss	-	9	43	20	36	18	197	1,119	2,705	7,753	11,901
Total	975	1,245	156	96	198	126	662	4,935	13,299	33,016	54,709

(Currency : Indian rupees in Millions)

As at 1 April 2017 (i.e. 31-Mar-2017)	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	1,059	-	-	-	2	2	4	442	533	5,808	7,850
Stock-in-trade	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	222	50	-	-	-	-	-	-	-	272
Other Receivables	-	-	-	-	-	-	-	-	-	-	-
Loans	0	0	-	-	1	1	1	-	-	7	10
Investments at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-
Investments at fair value through profit or loss pledged as collateral	-	-	-	-	-	-	-	-	-	-	-
Investments at FVOCI	-	71	60	74	129	50	341	2,600	3,583	28,090	34,998
Investments at FVOCI pledged as collateral	-	-	-	-	-	-	-	-	-	-	-
Investments at amortised cost	-	233	-	-	-	-	-	-	-	-	233
Investments at amortised cost pledged as collateral	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	29	155	-	-	2	-	11	29	14	29	270
Investments at designated fair value through profit or loss	-	9	43	20	36	11	109	1,221	893	9,652	11,993
Total	1,088	690	152	94	170	63	467	4,293	5,023	43,586	43,633

D. **The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments.**

(Currency : Indian rupees in Millions)

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Undrawn loan commitments	-	-	-	-	-	-	-	-	-	-	-
Other commitments - RD	-	35.10	33.00	841.30	2.10	35.10	105.30	791.70	210.60	332.50	2,387
Other commitments - AIF	89	-	-	-	-	-	-	-	-	-	89
Financial guarantee contracts issued	-	-	-	-	-	-	-	-	-	-	-
Total	89	35	33	841	2	35	105	792	211	333	2,475
As at 31 March 2018	**On demand**	**1 to 14 days**	**15 days to 1 month**	**1 month to 2 months**	**2 months to 3 months**	**3 months to 6 month**	**6 months to 1 year**	**1 year to 3 years**	**3 years to 5 years**	**Over 5 years**	**Total**
Undrawn loan commitments	-	-	-	-	-	-	-	-	-	-	-
Other commitments - RD	-	33	2	35	35	105	211	633	1,026	727	2,808
Other commitments - AIF	75	-	-	-	-	-	-	-	-	-	75
Financial guarantee contracts issued	-	-	-	-	-	-	-	-	-	-	-
Total	75	33	2	35	35	105	211	633	1,026	727	2,883
As at 1 April 2017 (i.e. 31-Mar-2017)	**On demand**	**1 to 14 days**	**15 days to 1 month**	**1 month to 2 months**	**2 months to 3 months**	**3 months to 6 month**	**6 months to 1 year**	**1 year to 3 years**	**3 years to 5 years**	**Over 5 years**	**Total**
Undrawn loan commitments	-	-	-	-	-	-	-	-	-	-	-
Other commitments RD	-	38	2	40	40	124	238	965	964	1,303	3,714
Financial guarantee contracts issued	-	-	-	-	-	-	-	-	-	-	-
Total	-	38	2	40	40	124	238	965	964	1,303	3,714

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2.5 Trade receivables and Lease receivables

(Currency : Indian rupees in Millions)

Particulars	31-Mar-19	31-Mar-18	01-Apr-2017 (i.e. 31-Mar-17)
Receivables considered good - Secured			
Receivables considered good - Unsecured	436	286	272
Receivables which have significant increase in credit risk	-	-	-
Receivables - Credit impaired	-	-	-
	436	286	272
Less : Allowance for expected credit losses			
	436	286	272

Foot note: Debts due by directors or other officers of the NBFC or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member is INR NIL

Provision matrix for Trade and lease receivables

(Currency : Indian rupees in Millions)

	Trade receivables days past due	Current	1-90days	91-180 days	181-360 days	more than 360 days	Total
ECL rate							
31-Mar-19	Estimated total gross carrying amount at default	-	436	-	-	-	436
	Lease receivables	-	-	-	-	-	
	ECL - Simplified approach	-	-	-	-	-	-
	Net carrying amount	-	436	-	-	-	436
31-Mar-18	Estimated total gross carrying amount at default	-	1	-	-	-	1
	Lease receivables	-	-	-	-	-	
	ECL - Simplified approach	-	-	-	-	-	-
	Net carrying amount	-	1	-	-	-	1
01-Apr-2017 (i.e. 31-Mar-17)	Estimated total gross carrying amount at default	-	272	-	-	-	272
	Lease receivables	-	-	-	-	-	
	ECL - Simplified approach	-	-	-	-	-	-
	Net carrying amount	-	272	-	-	-	272

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2.6 Sensitivity Analysis

<u>Market risk</u>

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

- ▶ The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- ▶ Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.
- ▶ The Company stipulates diversification benchmarks by type of instrument and geographical area, as the Company is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.
- ▶ There is strict control over hedging activities

The Company issues unit–linked investment policies in a number of its operations. In the unit–linked business, the policyholder bears the investment risk on the assets held in the unit–linked funds as the policy benefits are directly linked to the value of the assets in the fund. The Company's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

(Currency : Indian rupees in Millions)

	2018-19					
Currency of borrowing / advances	**Increase in basis points**	**Effect on profit before tax**	**Effect on Equity**	**Decrease in basis points**	**Effect on profit before tax**	**Effect on Equity**
INR	25	-58	-305	25	58	305
US dollar (if any)	25	NA		25		
Others (if any)	25			25		

	2017-18					
Currency of borrowing / advances	**Increase in basis points**	**Effect on profit before tax***	**Effect on Equity****	**Decrease in basis points**	**Effect on profit before tax**	**Effect on Equity**
INR	25	-41	-199	25	41	199
US dollar (if any)	25	**NA**		25	**NA**	
Others (if any)	25			25		

***Impact due to MTM change in IRF**

****Impact due to Fixed Income (Except Par and ULIP)**

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(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non–trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges).

(Currency : Indian rupees in Millions)

	2018-19					
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	NA		5	NA	
EURO	5			5		
Others (if any)	5			5		

	2017-18					
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	NA		5	NA	
EURO	5			5		
Others (if any)	5			5		

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(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.

(Currency : Indian rupees in Millions)

	2018-19					
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	NA	NA	5	NA	NA
Others (Equity)	5	30	-	5	-30	-

	2017-18					
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	-	-	5	-	-
Others (Equity)	5	50	-	5	-50	-

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(iv) Index price risk

Index price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of equity indices.

(Currency : Indian rupees in Millions)

	2018-19					
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	NA		5	NA	
Embedded derivatives (Nifty-linked debentures)	5			5		

	2017-18					
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	NA		5	NA	
Embedded derivatives (Nifty-linked debentures)	5			5		

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(iv) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of market prices other than equity and index prices.

(Currency : Indian rupees in Millions)

	2018-19					
Impact on	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Nifty linked debentures held as assets	5	NA	NA	5	NA	NA
Security receipts of ARC trusts	5	21	NA	5	-21	NA
Units of AIFs and Trusts	5	3	NA	5	-3	NA
Others	5	NA	NA	5	NA	NA

	2017-18					
Impact on	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Nifty linked debentures held as assets	5	NA	NA	5	NA	NA
Security receipts of ARC trusts	5	1	NA	5	-1	NA
Units of AIFs and Trusts	5	1	NA	5	-1	NA
Others	5	NA	NA	5	NA	NA

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Quantitative analysis of significant unobservable inputs

Correlation

Correlation measures the inter-relationship of two variables in a given model. Correlation is expressed as a percentage, where 100% represents perfect correlation. Positive correlation implies the two variables move in the same direction, whilst negative correlation implies the two variables move in the opposite direction. Correlation may be unobservable, in which case, the Company estimates it based on various inputs, including: consensus pricing services, the Company trade prices, proxy correlations and examination of historical price relationships:

1. Rate-to-rate correlation represents correlation between interest rates in different currencies
2. Intra-curve correlation represents correlation between different tenor points of the same curve
3. Credit index correlation represents correlation between different indices across the various parts of the benchmark index structure
4. Equity-to-equity correlation represents correlation between different equity instruments and is particularly important for equity derivatives where the underlying is unquoted and/or not actively traded

Recovery rates

Recovery rates reflect the estimated loss that the Company will suffer given expected defaults. The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e. 100% recovery reflects 0% loss severity). In line with general market convention, loss severity is applied to asset-backed securities while recovery rate is more often used as pricing input for corporate or government instruments. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.

Equity dividend yields

Equity dividend yields represent the expected future dividends and are usually expressed in annualised percentage terms. They are usually unobservable for less liquid instruments with little historical data.

Equivalent bond prices/market proxies

All debt securities, including government securities under linked businesses are valued at market value, using CRISIL Bond Valuer / CRISIL Gilt Prices, as applicable. The discount or premium on money market instruments which is the difference between the purchase price and the redemption amount is amortized and recognized in the Revenue Account on a straight line basis over the remaining period to maturity of these securities. Unrealised gains or losses arising on such valuation are recognised in the Revenue Account.

2.7 Collateral held and other credit enhancements

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

(Currency : Indian rupees in Millions)

Sunday, March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Cash collateral on securities borrwed and reverse repurchase agreement	4,497	*NA*
Loans:		
Retail Loans	53	*Surrender Value of the Policy Holder Loan*
Wholesale loans		
Distressed assets		
Trade receivables	436	*NA*
Debt instruments at amortised cost	583	*Govt security/ Book debts*
Total financial assets at amortised cost	5,569	
Derivative financial instruments	-	
Financial assets at FVTPL (except equity)	7,063	*NA*
Debt securities designated at fair value through profit or loss	5,361	*NA*
Total financial instruments at fair value through profit or loss	12,424	
Debt instruments at fair value through OCI	13,570	*Govt security/ Book debts*
Total debt instruments at fair value through OCI	13,570	
	31,563	
Loan commitments	-	
Financial guarantee contracts	-	
Other commitments (max exposure)	-	
Total	31,563	

(Currency : Indian rupees in Millions)

31/03/2018	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Cash collateral on securities borrwed and reverse repurchase agreement	4,301	*NA*
Loans:		
Retail Loans	24	*Surrender Value of the Policy Holder Loan*
Wholesale loans	-	
Distressed assets	-	
Trade receivables	286	*NA*
Debt instruments at amortised cost	756	*Govt security/ Book debts*
Total financial assets at amortised cost	5,367	
Derivative financial instruments	-	
Financial assets at FVTPL (except equity)	5,578	*NA*
Debt securities designated at fair value through profit or loss	3,637	*NA*
Total financial instruments at fair value through profit or loss	9,215	
Debt instruments at fair value through OCI	11,443	*Govt security/ Book debts*
Total debt instruments at fair value through OCI	11,443	
	26,025	
Loan commitments	-	*NA*
Financial guarantee contracts	-	*NA*
Other commitments (max exposure)	-	
Total	26,025	

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(Currency : Indian rupees in Millions)

01/04/2017	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Cash collateral on securities borrwed and reverse repurchase agreement	4,783	*NA*
Loans:		
Retail Loans	9	*Surrender Value of the Policy Holder Loan*
Wholesale loans	-	
Distressed assets	-	
Trade receivables	272	*NA*
Debt instruments at amortised cost	233	*Govt security/ Book debts*
Total financial assets at amortised cost	5,297	
Derivative financial Instruments	-	
Financial assets at FVTPL (except equity)	3,741	*NA*
Debt securities designated at fair value through profit or loss	2,041	*NA*
Total financial instruments at fair value through profit or loss	5,782	
Debt instruments at fair value through OCI	5,630	*Govt security/ Book debts*
Total debt instruments at fair value through OCI	5,630	
	16,708	
Loan commitments	-	*NA*
Financial guarantee contracts	-	*NA*
Other commitments (max exposure)	-	
Total	16,708	

IV **Fair value of assets held as collateral**

Company holds collateral (of financial or non-financial assets) and is permitted to sell or repledge the collateral ***in the absence*** of default by the owner of the collateral

(Currency : Indian rupees in Millions)

Assets type	Mar-19	Mar-18	Apr-17
Assets pledged as collateral under CBLO borrowing and reverse repo agreement			
Customer deposits held as collateral for irrevocable commitments			
Others - Policy Loan Surrender Value	71	32	11
Total	71	32	11

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2.8 Total market risk exposure

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables.

Non–trading positions are managed and monitored using other sensitivity analyses.

(Currency : Indian rupees in Millions)

	31/03/2019			31/03/2018			01-Apr-2017 (i.e. 31-Mar-2017)			
Particulars	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Assets										
Cash and cash equivalent and other bank balances	4,497	-	4,497	4,301	-	4,301	4,783	-	4,783	Interest rate
Derivative financial instruments	-	-	-	-	-	-	-	-	-	Interest rate
Financial assets at FVTPL	7,063	5,927	1,136	5,578	5,293	285	3,741	3,487	254	Interest rate/Equity price
Debt securities designated at fair value through profit and loss	5,361	5,361	-	3,637	3,637	-	2,041	2,041	-	Interest rate
Stock-in-trade	-	-	-	-	-	-	-	-	-	
Loans	55	-	55	26	-	26	10	-	10	Interest rate
Trade receivables	436	-	436	286	-	286	272	-	272	
Financial investments– FVOCI	13,570	-	13,570	11,443	-	11,443	5,630	-	5,630	Interest rate
Financial investments– Amortised cost	583	-	583	756	-	756	233	-	233	Interest rate
Other Financial Assets	239	-	239	305	-	305	270	-	270	Interest rate
Total :	**31,804**	**11,288**	**20,515**	**26,331**	**8,930**	**17,402**	**16,979**	**5,528**	**11,451**	
Liability										
Borrowings (other than Debt Securities)	-	-	-	-	-	-	-	-	-	
Derivative financial instruments	-	-	-	-	-	-	-	-	-	
Financial liability designated at fair value through profit and loss	-	-	-	-	-	-	-	-	-	
Deposits	-	-	-	-	-	-	-	-	-	
Debt securities	-	-	-	-	-	-	-	-	-	
Trade payables	2,009	-	2,009	1,277	-	1,277	873	-	873	
Other Financial Liability	329	-	329	403	-	403	295	-	295	
Insurance Claims Payable	46	-	46	55	-	55	20	-	20	
Total	**2,339**	-	**2,339**	**1,735**	-	**1,735**	**1,168**	-	**1,168**	

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Market risk – trading (trading book) (including financial assets and financial liabilities designated at fair value through profit or loss)

Objectives and limitations of the VaR methodology

The company uses historical data of the past ten years to assess possible changes in the market value of the trading portfolio. The VaR models are designed to measure market risk in a normal market environment. Due to the fact that VaR relies heavily on historical data to provide information and does not clearly predict the future changes and modifications of the risk factors

VaR may also be under or overestimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level.

VaR assumptions

The VaR that the company measures is an estimate, using a confidence level of 99%, of the potential loss that is not expected to be exceeded if the current market risk positions were to be held unchanged for one day. The use of a 99% confidence level means that, within a one-day horizon, losses exceeding the VaR figure should occur, on average under normal market conditions, not more than once every hundred days. Since VaR is an integral part of the company's market risk management, VaR limits have been established for all trading operations and exposures are required to be reviewed daily against the limits by management.

FY	Date	Interest Rate			Equity		
		VaR	Exposure	%VaR	VaR	Exposure	%VaR
FY 19	31-03-2019	-212	11,518	1.84%	-19	732	2.64%
	28-02-2019	-196	11,151	1.76%	-18	684	2.67%
	31-01-2019	-196	11,027	1.77%	-20	736	2.70%
	31-12-2018	-192	11,069	1.73%	-13	482	2.71%
	30-11-2018	-149	9,472	1.57%	-13	469	2.71%
	31-10-2018	-159	10,462	1.52%	-14	502	2.78%
	30-09-2018	-143	9,908	1.45%	-25	897	2.81%
	31-08-2018	-148	9,933	1.49%	-32	1,111	2.87%
	31-07-2018	-139	8,987	1.54%	-34	1,219	2.76%
	30-06-2018	-147	9,937	1.48%	-35	1,264	2.74%
	31-05-2018	-148	10,433	1.41%	-38	1,314	2.86%
	30-04-2018	-150	10,904	1.38%	-39	1,388	2.78%
FY 18	31-03-2018	-158	10,408	1.52%	-35	1,350	2.62%
	28-02-2018	-135	9,179	1.47%	-38	1,440	2.64%
	31-01-2018	-141	8,853	1.59%	-42	1,559	2.71%
	31-12-2017	-156	8,614	1.81%	-37	1,382	2.66%
	30-11-2017	-105	5,801	1.82%	-23	869	2.65%
	31-10-2017	-103	5,469	1.88%	-13	537	2.49%
	30-09-2017	-100	5,646	1.77%	-13	529	2.51%
	31-08-2017	-99	5,545	1.78%	-14	547	2.53%
	31-07-2017	-97	5,428	1.79%	-13	508	2.51%
	30-06-2017	-91	5,260	1.72%	-15	692	2.21%
	31-05-2017	-87	5,302	1.65%	-17	760	2.26%
	30-04-2017	-92	5,344	1.72%	-11	378	2.89%

Notes: 1. VaR calculations are done for Non Par and Shareholders' fund

2. Interest Rate VaR calculated for Fixed Income instruments (G-Sec & Corporate Bonds)

3. Equity VaR calculated for Equity and INVIT

Calculation Methodology:

1. Equity VaR
- We have segregated equity exposures into three Companys; Large, Mid & Small cap.
- Historical %VaR for corresponding large, mid & small cap equity indices (Benchmarks) as at month ends are calculated
- Absolute VaR number is calculated by multiplying %VaR with corresponding portfolio equity exposure

2. Fixed Income
- Historical %VaR for benchmark bond indices are calculated based on YTM changes
- Final VaR number is calculated by multiplying benchmark VaR with corresponding portfolio equity exposure

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2.9 Analysis of risk concentration

The Company's concentrations of risk are managed by industry sector. The maximum credit exposure to any individual client or counterparty as of 31 March 2019 was INR 14542 million (2018: INR 8657 million).

Industry analysis - Risk concentration for 31 March 2019

(Currency : Indian rupees in Millions)

Particulars	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	Others	Total
Financial assets								
Cash and cash equivalent and other bank balances	4,497	-	-	-	-	-	-	4,497
Derivative financial instruments	-	-	-	-	-	-	-	-
Financial assets carried at fair value through profit and loss	3,111	-	3,008	51	6	44	844	7,063
Stock in trade	-	-	-	-	-	-	-	-
Debt securities designated at fair value through profit or loss	378	4,458	387	77	-	-	81	5,381
Financial assets - Amortised cost	-	583	-	-	-	-	-	583
Financial assets Valued at Other Comprehensive Income	2,479	9,501	1,069	475	-	-	46	13,570
Trade and other receivables	-	-	-	436	-	-	-	436
Loans				55				55
Other Financial Assets	144	-	-	95	-	-	-	239
	10,609	14,542	4,464	1,189	6	44	951	31,804
Other Commitments								
Total	10,609	14,542	4,464	1,189	6	44	951	31,804

Industry analysis - Risk concentration for 31 March 2018

(Currency : Indian rupees in Millions)

Particulars	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	Others	Total
Financial assets								
Cash and cash equivalent and other bank balances	4,301	-	-	-	-	-	-	4,301
Derivative financial instruments	-	-	-	-	-	-	-	-
Financial assets carried at fair value through profit and loss	2,684	-	2,243	9	22	42	578	5,578
Stock in trade	-	-	-	-	-	-	-	-
Debt securities designated at fair value through profit or loss	597	2,625	362	-	-	-	54	3,637
Financial assets - Amortised cost	756	-	-	-	-	-	-	756
Financial assets Valued at Other Comprehensive Income	3,292	6,032	2,076	-	-	-	44	11,443
Trade and other receivables	-	-	-	286	-	-	-	286
Loans				26				26
Other financial assets	202	-	-	103	-	-	-	305
	11,831	8,657	4,680	424	22	42	676	26,331
Other Commitments								-
Total	11,831	8,657	4,680	424	22	42	676	26,331

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Industry analysis - **Risk concentration for 01 April 2017** (i.e. 31-Mar-2017)

(Currency : Indian rupees in Millions)

Particulars	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	others	Total
Financial assets								
Cash and cash equivalent and other bank balances	4,783	-	-	-	-	-	-	4,783
Derivative financial instruments	-	-	-	-	-	-	-	-
Financial assets carried at fair value through profit and loss	2,420	-	1,009	34	13	8	257	3,741
Stock in trade	-	-	-	-	-	-	-	-
Debt securities designated at fair value through profit or loss	123	1,637	265	-	-	-	15	2,041
Financial assets - Amortised cost	233	-	-	-	-	-	-	233
Financial assets Valued at Other Comprehensive Income	1,390	3,474	693	-	-	-	72	5,630
Trade and other receivables	-	-	-	272	-	-	-	272
Loans				10				10
Other financial assets	178	-	-	92	-	-	-	270
	9,128	5,111	1,967	408	13	8	344	16,979
Other Commitments								
Total	9,128	5,111	1,967	408	13	8	344	16,979

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2.10 Disclosure related to collateral

Following table sets out availability of Company financial assets to support funding

(Currency : Indian rupees in Millions)

Sunday, March 31, 2019	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	4,496.91	-	-	4,496.91
Stock in trade	-	-	-	-	-
Trade receivables	-	435.80	-	-	435.80
Derivative assets	-	-	-	-	-
loans	-	55.15	-	-	55.15
Investments	-	26,576.73	-	-	26,576.73
Other financial assets	-	239.11	-	-	239.11
Investment property	-	378.73	-	-	378.73
Property, plant and equipment	-	481.08	-	-	481.08
Capital work in progress	-	102.22	-	-	102.22
Other non financial assets	-	663.75	-	-	663.75
Reinsurance assets	-	2,851.61	-	-	2,851.61
Current tax assets (net)	-	-	-	-	-
Total assets	-	36,281.08	-		36,281

(Currency : Indian rupees in Millions)

Saturday, March 31, 2018	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	0	-	-	0
Stock in trade	-	-	-	-	-
Trade receivables	-	0	-	-	0
Derivative assets	-	-	-	-	-
loans	-	26	-	-	26
Investments	-	21,414	-	-	21,414
Other financial assets	-	305	-	-	305
Investment property	-	397	-	-	397
Property, plant and equipment	-	524	-	-	524
Capital work in progress	-	30	-	-	30
Other non financial assets	-	480	-	-	480
Reinsurance assets	-	2,490	-	-	2,490
Current tax assets (net)	-	-	-	-	-
Total assets	-	25,666	-		25,666

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(Currency : Indian rupees in Millions)

Saturday, April 1, 2017	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	0	-	-	0
Stock in trade	-	-	-	-	-
Trade receivables	-	0	-	-	0
Derivative assets	-	-	-	-	-
loans	-	10	-	-	10
Investments	-	11,645	-	-	11,645
Other financial assets	-	270	-	-	270
Investment property	-	416	-	-	416
Property, plant and equipment	-	161	-	-	161
Capital work in progress	-	411	-	-	411
Other non financial assets	-	203	-	-	203
Reinsurance assets	-	2,036	-	-	2,036
Current tax assets (net)	-	-	-	-	-
Total assets	-	**15,151**	-		15,151

1 Represents assets which are not pledged and Company believes it is restricted from using to secure funding for legal or other reason

2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business

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2.11 Financials as at March 31, 2019

Fair Values of Financial Instruments

Valuation governance

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions. Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions. The independent price verification process for financial reporting is ultimately the responsibility of the independent price verification team within Finance which reports to the Chief Financial officer.

The IPV team validates fair value estimates by:

1.Benchmarking prices against observable market prices or other independent sources

2.Re-performing model calculations

3.Evaluating and validating input parameters.

The independent price verification team also challenges the model calibration on at least a quarterly basis or when significant events in the relevant markets occur. The independent price verification team works together with the Finance function's accounting policy team and is responsible for ensuring that the final reported fair value figures are in compliance with Ind AS and will propose adjustments when needed.

When relying on third-party sources (e.g., broker quotes, or other micro or macro-economic inputs), the independent price verification team is also responsible for:

1.Verifying and challenging the approved list of providers

2.Understanding the valuation methodologies and sources of inputs and verifying their suitability for Ind AS reporting requirements Valuation techniques and specific considerations for Level 3 inputs are further explained below.

A. Valuation Model

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

• Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

• Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments

• Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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B. Valuation framework

The Company has an established control framework for the measurement of fair values. This framework includes a Product Control function, which is independent of front office management and reports to the Chief Financial Officer, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- a review and approval process for new models and changes to models involving both Product Control and Company Market Risk;
- quarterly calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous month, by a committee of senior Product Control and Company Market Risk personnel.

When third party information, such as broker quotes or pricing services, is used to measure fair value, Product Control assesses and documents the evidence obtained from the third parties to support the conclusion that the valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Company for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes. Significant valuation issues are reported to the Audit Committee.

C. Financial instruments measured at fair value – Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

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The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

(Currency : Indian rupees in Millions)

	31 March 2019			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	-	-	-
Embedded derivative assets in market-linked debentures (provided embedded derivative shown separately)	-	-	-	-
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Government debt securities	-	-	-	-
Other debt securities and preference shares	-	-	-	-
Mutual fund units	-	-	-	-
Security receipts	-	-	-	-
Units of AIF	-	-	-	-
Warrants	-	-	-	-
Equity instruments	-	-	-	-
Other approved securities	-	-	-	-
Others*	-	-	-	-
Total stock-in-trade	-	-	-	-
Investments				
Government debt securities	-	14,030	-	**14,030**
Other debt securities and preference shares	64	4,837	-	**4,901**
Mutual fund units	684	-	-	**684**
Security receipts	-	-	457	**457**
Units of AIF	-	-	50	**50**
Warrants	-	-	-	-
Other approved securities	-	-	-	-
Equity instruments	**4,883**	**629**	-	**5,512**
Others** (InvIT & REIT)	**360**	-	-	**360**
Total investments measured at fair value	**5,991**	**19,496**	**506**	**25,994**
Total financial assets measured at fair value on a recurring basis	**5,991**	**19,496**	**506**	**25,994**

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(Currency : Indian rupees in Millions)

	31 March 2018			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives				-
OTC derivatives				-
Embedded derivative assets in market-linked debentures (provided embedded derivative shown separately)				-
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Government debt securities				-
Other debt securities and preference shares				-
Mutual fund units				-
Security receipts				-
Units of AIF				-
Warrants				-
Equity instruments				-
Other approved securities				-
Others*				-
Total stock-in-trade	-	-	-	-
Investments				
Government debt securities	-	8,057	-	**8,057**
Other debt securities and preference shares	139	6,178	-	**6,316**
Other debt securities - Company	-	714	-	**714**
Mutual fund units	1,270	-	-	**1,270**
Security receipts	-	-	10	**10**
Units of AIF	-	-	23	**23**
Equity instruments	3,761	252	-	**4,013**
Warrants	-	-	-	-
Other approved securities	-	-	-	-
Others** (InviT)	505	-	-	**505**
Total investments measured at fair value	**5,675**	**15,201**	**33**	**20,909**
Total financial assets measured at fair value on a recurring basis	**5,675**	**15,201**	**33**	**20,909**

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(Currency : Indian rupees in Millions)

	1 April 2017			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives				-
OTC derivatives				-
Embedded derivative assets in market-linked debentures (provided embedded derivative shown separately)				-
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Government debt securities				-
Other debt securities and preference shares				-
Mutual fund units				-
Security receipts				-
Units of AIF				-
Warrants				-
Equity instruments				-
Other approved securities				-
Others*				-
Total stock-in-trade	-	-	-	-
Investments				
Government debt securities	-	4,983	-	**4,983**
Other debt securities and preference shares	87	3,178	-	**3,265**
Other debt securities - Company	-	170	-	**170**
Mutual fund units	882	-	-	**882**
Security receipts	-	-	9	**9**
Units of AIF	-	-	-	-
Equity instruments	2,102	245	-	**2,347**
Warrants	-	-	-	-
Other approved securities	-	-	-	-
Others**	-	-	-	-
Total investments measured at fair value	**3,071**	**8,576**	**9**	**11,657**
Total financial assets measured at fair value on a recurring basis	**3,071**	**8,576**	**9**	**11,657**

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2.12 Fair Values of Financial Instruments

Movement in level 3 financial instruments measured at fair value

i *The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.*

(Currency : Indian rupees in Millions)

	Financial assets							Financial liabilities		
Particulars	**Derivative financial assets**	**Stock-in-trade**	**Investments in security receipts**	**Investments in units of AIF**	**Investments in unquoted equity shares categorised at Level 3**	**Other investments classified as FVTPL**	**Investments classified as FVTOCI**	**Derivative financial liabilities**	**Other financial liabilities**	**Total**
At 1 April 2018	-	-	0	0	-	-	-	-	-	0
Purchase			432	36						468
Sales			-12	-						-12
Issuances			-	-						-
Settlements			-	-						-
Transfer into level 3			-	-						-
Transfer from level 3			-	-						-
Gains / (losses) for the period (2018-19) recognised in profit or loss			26	-9						16
Gains / (losses) for the period (2018-19) recognised in other comprehensive income			-	-						-
At 31 March 2019	-	-	0	0	-	-	-	-	-	473
Unrealised gains / (losses) related to balances held at the end of the period			29	-11						17

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(Currency : Indian rupees in Millions)

Particulars	Financial assets							Financial liabilities		
	Derivative financial assets	Stock-in-trade	Investments in security receipts	Investments in units of AIF	Investments in unquoted equity shares categorised at Level 3	Other investments classified as FVTPL	Investments classified as FVTOCI	Derivative financial liabilities	Other financial liabilities	Total
At 1 April 2017			9							9
Purchase			-	25						25
Sales			-	-						-
Issuances			-	-						-
Settlements			-	-						-
Transfer into level 3			-	-						-
Transfer from level 3			-	-						-
Gains / (losses) for the period (2017-18) recognised in profit or loss			1	-2						-1
Gains / (losses) for the period (2017-18) recognised in other comprehensive income			-	-						-
At 31 March 2018	-	-	0	0	-	-	-	-	-	33
Unrealised gains / (losses) related to balances held at the end of the period			3	-2						1

2.13 Unobservable inputs used in measuring fair value categorised within Level 3

Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

(Currency : Indian rupees in Millions

Type of Financial Instruments	Fair value of asset as on 31 March 2019	Fair value of liability as on 31 March 2019	Valuation Techniques	Significant Unobservable Input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Increase in the unobservable input (% or as the case may be)	Change in fair value
Derivative financial assets			Discounted projected cash flow	Equity dividend yields	XX-XX				
Stock-in-trade				Prepayment rate	XX-XX				
Investments in security receipts - Group	456.572989			Projected cashflow	cashflow	5%	175	-5%	123
Investments in security receipts - Group			Discounted	DiscountRate	12.00%	12.50%	141	11.50%	158
Investments in units of AIF	49.72808775		Market proxy	Equivalent bond price/Market proxy	XX-XX				
Investments in unquoted equity shares categorised at Level 3			Market proxy	Equivalent bond price/Market proxy	XX-XX				
Other investments classified as FVTPL			Market proxy	Instrument Price	XX-XX				
Investments classified as FVTOCI			Discounted projected cash flow	Prepayment rate; Recovery rate; Discount	XX-XX				
Derivative financial liabilities			XX	XX	XX-XX				
Other financial liabilities			XX	XX	XX-XX				

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Type of Financial Instruments	Fair value of asset as on 31 March 2018	Fair value of liability as on 31 March 2018	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Increase in the unobservable input (% or as the case may be)	Change in fair value
Derivative financial assets				Equity dividend yields	XX-XX				
Stock-in-trade				Prepayment rate	XX-XX				
Investments in security receipts - Group	10		Discounted projected cash flow	Projected cashflow	cashflow	5%	4	-5%	3
Investments in security receipts - Group			Discounted	DiscountRate	12%	12.50%	3	11.50%	3
Investments in units of AIF	23		Market proxy	Equivalent bond price/Market proxy	XX-XX				
Investments in unquoted equity shares categorised at Level 3			Market proxy	Equivalent bond price/Market proxy	XX-XX				
Other investments classified as FVTPL			Market proxy	Instrument Price	XX-XX				
Investments classified as FVTOCI			Discounted projected cash flow	Prepayment rate; Recovery rate; Discount	XX-XX				
Derivative financial liabilities			XX	XX	XX-XX				
Other financial liabilities			XX	XX	XX-XX				

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(Currency : Indian rupees in Millions

Type of Financial Instruments	Fair value of asset as on 1 April 2017	Fair value of liability as on 1 April 2017	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Increase in the unobservable input (% or as the case may be)	Change in fair value
Derivative financial assets				Equity dividend yields	XX-XX				
Stock-in-trade			Discounted projected cash flow	Prepayment rate	XX-XX				
Investments in security receipts - Group	9			Projected cashflow	cashflow	5.00%	2	5.00%	1
Investments in security receipts - Group			Discounted	DiscountRate	12%	12.50%	1	11.50%	1
Investments in units of AIF			Market proxy	Equivalent bond price/Market proxy	XX-XX				
Investments in unquoted equity shares categorised at Level 3			Market proxy	Equivalent bond price/Market proxy	XX-XX				
Other investments classified as FVTPL			Market proxy	Instrument Price	XX-XX				
Investments classified as FVTOCI			Discounted projected cash flow	Prepayment rate; Recovery rate; Discount	XX-XX				
Derivative financial liabilities			XX	XX	XX-XX				
Other financial liabilities			XX	XX	XX-XX				

2.14 **Capital management**

The Company's policy is to always have a strong capital base with an objective to augment new business growth, seizing opportunities and also to meet the requirements of the policyholders, regulators, and rest of the stakeholders too. The Company periodically assesses both the short term and long term capital requirements on basis of the operational plan and long term strategic plan keeping a focus towards generating expected rate of return.

Insurance Business have met all of these requirements throughout the financial year. In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The company's Capital Management Policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

The solvency ratio of last 3 years has been summarized in the below table:

(Currency : Indian rupees in Millions)

Solvency ratio(As per IGAAP)*		Mar-19	Mar-18	Mar-17
Available Solvency Margin (ASM)		2,309	1,586	1,209
Required Solvency Margin (RSM)			724	550
Solvency ratio (ASM/RSM)		229%	219%	220%

The company also has additional capital beyond solvency requirement amounting to INR 6220 Million as on 31st March 2019 which will supports future business expansion and capital requirements if any.

The solvency position of the Company is robust and the current level of solvency as at March 31, 2019 is 229% (PY 219%) of RSM (minimum regulatory requirement is 150% of RSM). The Company has an additional fund of INR 6220 Million as at March 31, 2019 in shareholder account ('Fund beyond solvency') which is available for future expansion, support the increasing solvency requirements and for managing any adverse deviations in experience.

* As per Insurance Regulatory and Development Authority of India (Assets, Liabilities, and Solvency Margin of Life Insurance Business) Regulations, 2016

2.15 **Share-based payments**

The Holding / Ultimate Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans in force. Based on such ESOP schemes, parent entity has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

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2.16 Reconciliation of total tax charge

Particulars		2018-19	2017-18
Accounting profit before tax as per financial statements		-2,699	-2,357
Tax rate (in percentage)		12.50%	12.50%
Income tax expense calculated based on this tax rate		-337	-295
Adjustment in respect of current income tax of prior years		-	-
Effect of income not subject to tax:	A		
Long term capital gain on sale of shares	A1	-	-
Others	A2	-	-
Effect of non–deductible expenses:	B		
Penalties	B1	-	-
Others	B2	-	-
Effect of indexed cost being available as deduction	C	-	-
Effect of non-recognition of deferred tax asset on current-period losses	D	-	-
Effect of recognition of deferred tax asset on prior period losses - earlier not recognised	E	-	-
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised OR deferred tax assets on losses earlier recognised now considered not recoverable	F	337.31	294.59
Minimum alternate tax on book profits (incremental portion)	G	-	-
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	H	-	-
Write-down of available tax credits which are not considered recoverable (for example, Minimum Alternate Tax credit)	I	-	-
Impact of tax rate changes (between two accounting periods)	J	-	-
Impact of certain items being taxed at different rates (for example, capital gains at different rates, etc.)	K	-	-
Others*	L	-	-
Tax charge for the year recorded in P&L		-	-

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Details of temporary differences where deferred tax assets have not been recognised in the balance sheet

(Currency : Indian rupees in Millions)

As at 31 March 2019	Deductible temporary differences[1]					Unused tax losses[2]					Unused tax credits[3]				
Financial Year to which the loss relates to*	Item 1**		Item 2**		Total	Item 1**		Item 2**		Total	Item 1**		Item 2**		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
2011-12					-			158	2019-20	158					-
2012-13								650	2020-21	650					
2013-14								651	2021-22	651					
2014-15								604	2022-23	604					
2015-16								1,464	2023-24	1,464					
2016-17								2,049	2024-25	2,049					
2017-18								2,349	2024-25	2,349					
Total	-		-		-	-		7,924		7,924	-		-		-

(Currency : Indian rupees in Millions)

As at 31 March 2018	Deductible temporary differences[1]					Unused tax losses[2]					Unused tax credits[3]				
Financial Year to which the loss relates to*	Item 1**		Item 2**		Total	Item 1**		Item 2**		Total	Item 1**		Item 2**		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
2011-12					-			158	2019-20	158					-
2012-13								650	2020-21	650					
2013-14								651	2021-22	651					
2014-15								604	2022-23	604					
2015-16								1,464	2023-24	1,464					
2016-17								2,049	2024-25	2,049					
2017-18								2,349	2024-25	2,349					
Total	-		-		-	-		7,924		7,924	-		-		-

(Currency : Indian rupees in Millions)

As at 1 April 2017	Deductible temporary differences[1]					Unused tax losses[2]					Unused tax credits[3]				
Financial Year to which the loss relates to*	Item 1**		Item 2**		Total	Item 1**		Item 2**		Total	Item 1**		Item 2**		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
2011-12					-			158	2019-20	158					-
2012-13								650	2020-21	650					
2013-14								651	2021-22	651					
2014-15								604	2022-23	604					
2015-16								1,464	2023-24	1,464					
2016-17								2,049	2024-25	2,049					
Total	-		-		-	-		5,575		5,575	-		-		-

[1] Includes temporary differences other than unused tax losses (example (including but not limited to): expenses allowed on payment basis, etc.)

[2] Includes unused tax losses of various kinds (example (including but not limited to): business losses of revenue in nature, unabsorbed depreciation, capital losses, etc.)

[3] Includes unused tax credits of various kinds (example (including but not limited to): Minimum Alternate Tax credit, etc.)

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2.17 <u>Contingent liabilities, commitments and lease arrangements</u>

1. Legal claims

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Company is involved in various litigation, arbitration and regulatory proceedings in the ordinary course of its business. The Company has formal controls and policies for managing legal claims. Based on professional legal advice, the Company provides and/or discloses amounts in accordance with its accounting policies. At year end, the Company had several unresolved legal claims however individually any of the claim is not material. The aggregate value of claim against the Company is INR 9 Million.

2. Operating lease commitments - Company as a lessee

The Company has entered into commercial leases for premises. These leases have an average life of between 1 and 10 years with renewal option included in the contracts.

Future minimum lease payments under non–cancellable operating leases as at 31 March are, as follows:

(Currency : Indian rupees in Millions)

Particulars	31-Mar-19	31-Mar-18
Within one year	3	
After one year but not more than five years	-	
More than five years	-	-
Total	**3**	**-**

3. Operating lease - Company as a lessor

These leases have an average life of between 1 year and 5 years with renewal option included in the contracts.

Future minimum lease payments under non–cancellable operating leases as at 31 March are, as follows:

(Currency : Indian rupees in Millions)

Particulars	31-Mar-19	31-Mar-18
Within one year	36764520	34678800
After one year but not more than five years	64654200	101418720
More than five years		
Total	**101,418,720.00**	**136,097,520.00**

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2.18 **Related party transactions**

1. Company Structure

The Corporate Governance Guidelines stipulate the governance structure in insurance companies, including Board of Directors, Key Management Persons, constitution of various committees such as Investment Committee, Policyholders' Protection Committee, role of Appointed Actuaries, appointment of auditors, relationship with stakeholders, whistle blower policy and certain disclosure requirements in the financial statements.

The Company is in compliance with the Corporate Governance Guidelines.

Compensation of key management personnel of the Company

(Currency : Indian rupees in Millions)

Particulars	31-Mar-19	31-Mar-18
Short-term employee benefits		
Mr. Deepak Mittal (Upto May 25, 2018)	3	76
Mr. Sumit Rai (w.e.f. August 1, 2018)	31	-
Post-employment pension (defined contribution)	-	-
Termination benefits	-	-
Total	34	76

Related Party Disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

A. Where Control Exists (Holding Company)	:	Edelweiss Financial Services Limited
B. Enterprise having significant Influence	:	Tokio Marine Holding Inc.
	:	Tokio Marine & Nichido Fire Insurance Co Limited
C . Fellow Subsidiaries (with whom transactions have taken place)	:	Edelweiss Securities Limited
		Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)
		ECL Finance Limited
		Edelweiss Broking Limited
		Edelweiss Finance & Investments Limited
		Edel Finance Company Limited
		Serenity Business Park Limited (merged with Ecap Equities Limited)
		Eternity Business Centre Limited (merged with Ecap Equities Limited)
		Edelweiss Asset Reconstruction Company Limited
		Edelweiss Retail Finance Limited
		Edelweiss Housing Finance Limited
		Edelcap Securities ltd
		Ecap Equities Limited
		Edel Land Limited
		Edelweiss General Insurance Company Limited
		Edelweiss Business Services Limited (merged with Edelweiss Rural and Corporate Services Limited)
D. Key Managerial Personnel	:	Mr. P. Vaidyanathan, Independent Director (ceased to be an Independent Director w.e.f. July 24, 2018)
	:	Mr. P. N. Venkatachalam, Independent Director
	:	Mr. Navtej S. Nandra, Independent Director
	:	Mr. Kunnasagaran Chinniah, Independent Director (appointed as an Independent Director w.e.f October 10, 2018)
	:	Mr Deepak Mittal, Managing Director & CEO (Resigned on May 25, 2018)
	:	Mr. Sumit Rai, Managing Director & CEO (appointed w.e.f August 1, 2018)
E. Post Employment Benefit Plans	:	Edelweiss Tokio Life Insurance Company Limited – Employee Gratuity Trust

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(Currency : Indian rupees in Millions)

Sr. No.	Nature of Transaction	Name of the Related Party	Nature of the Relationship with the Company	FY 2018-19	FY 2017-18
	Capital Transaction				
1	Subscription towards share capital	Edelweiss Financial Services Limited	Holding Company	0	2,350
		Tokio Marine & Nichido Fire Insurance Co Ltd	Enterprise having Significant influence	0	4,350
	Transaction during the year				
2	Investments made in NCDs	Edelweiss Asset Reconstruction Company Limited	Fellow Subsidiary	0	(101)
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	0	(200)
3	Directors Nomination Deposit	Edelweiss Financial Services Limited	Holding Company	0	0
4	Refund of Directors Nomination Deposit	Edelweiss Financial Services Limited	Holding Company	0	(0)
5	Receipt of refund of Security Deposit	Ecap Equities Limited	Fellow Subsidiary	11	0
6	Purchase of Securities	Ecap Equities Limited	Fellow Subsidiary	0	(200)
		ECL Finance Limited	Fellow Subsidiary	(477)	(1,037)
		Edelcap Securities ltd	Fellow Subsidiary	(51)	0
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	0	(748)
		Edelweiss Finance & Investments Limited	Fellow Subsidiary	(86)	(50)
		Edelweiss General Insurance Company Limited	Fellow Subsidiary	(48)	(119)
7	Sale of Securities	ECL Finance Limited	Fellow Subsidiary	1,309	0
		Edelweiss Asset Reconstruction Company Limited	Fellow Subsidiary	0	50
		Edelweiss Finance & Investments Limited	Fellow Subsidiary	0	196
		Edelweiss General Insurance Company Limited	Fellow Subsidiary	65	0
8	Brokerage and Commission Paid	Edelweiss Broking Limited	Fellow Subsidiary	(41)	(25)
		Edelweiss Securities Limited	Fellow Subsidiary	(5)	(5)
9	Office Rent, Business Centre Charges and Facility Charges	Ecap Equities Limited	Fellow Subsidiary	(48)	(51)
		Eternity Business Centre Limited	Fellow Subsidiary	0	(9)
		Serenity Business Park Limited	Fellow Subsidiary	0	(17)
		Edel Finance Company Limited	Fellow Subsidiary	(0)	(1)
		ECL Finance Limited	Fellow Subsidiary	(4)	(0)
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	(1)	(4)
		Ecap Equities Limited	Fellow Subsidiary	(69)	(33)
10	Group Insurance Claims	ECL Finance Limited	Fellow Subsidiary	0	0
		Edelweiss Housing Finance Limited	Fellow Subsidiary	(31)	(21)
		Edelweiss Retail Finance Limited	Fellow Subsidiary	(13)	(8)
11	Interest income on NCD	ECL Finance Limited	Fellow Subsidiary	0	1
		Edelweiss Asset Reconstruction Company Limited	Fellow Subsidiary	33	33
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	19	5
		Edelweiss Finance & Investments Limited	Fellow Subsidiary	16	17
		Edelweiss Retail Finance Limited	Fellow Subsidiary	20	18
12	Managerial Remuneration (Refer note no. 12 of Schedule 16)	Mr. Deepak Mittal	Key Managerial Personnel	(3)	(76)
		Mr. Sumit Rai	Key Managerial Personnel	(31)	0
13	Sitting Fees	Mr. P. Vaidyanathan	Independent Director	0	0
		Mr. P. N. Venkatachalam	Independent Director	0	0
		Mr. Navtej S. Nandra	Independent Director	0	0
		Mr. Kunnasagaran Chinniah	Independent Director	0	0

(Currency : Indian rupees in Millions)

Sr. No.	Nature of Transaction	Name of the Related Party	Nature of the Relationship with the Company	FY 2018-19	FY 2017-18
14	Insurance Premium Collected	Edelweiss Financial Services Limited	Holding Company	34	25
		ECL Finance Limited	Fellow Subsidiary	69	7
		Edelweiss Housing Finance Limited	Fellow Subsidiary	405	355
		Edelweiss Retail Finance Limited	Fellow Subsidiary	3	59
		Mr. Deepak Mittal	Key Managerial Personnel	4	4
15	Reimbursement of Cost of premium*	Edelweiss Financial Services Limited	Holding Company	(123)	(3)
16	Royalty fees	Edelweiss Financial Services Limited	Holding Company	(24)	(24)
17	Training Centre Cost	Edel Land Limited	Fellow Subsidiary	(4)	0
18	Share of Gratuity for transferred employees	Edelweiss Financial Services Limited	Holding Company	0	0
		ECL Finance Limited	Fellow Subsidiary	(3)	1
		Edelweiss General Insurance Company Limited	Fellow Subsidiary	0	(0)
		Edelweiss Housing Finance Limited	Fellow Subsidiary	0	(0)
		Edelweiss Business Services Limited	Fellow Subsidiary	(1)	(0)
		Edelweiss Securities Limited	Fellow Subsidiary	0	0
19	ESOP Cross Charge	Edelweiss Financial Services Limited	Holding Company	4	0
20	Post Employee Benefits	Edelweiss Tokio Life Insurance Company Limited – Employee Gratuity	Others	15	15
	Investment Held				
20	Investment in NCDs	ECL Finance Limited	Fellow Subsidiary	0	3
		Edelweiss Asset Reconstruction Company Limited	Fellow Subsidiary	300	350
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	200	200
		Edelweiss Finance & Investments Limited	Fellow Subsidiary	150	150
		Edelweiss Retail Finance Limited	Fellow Subsidiary	150	151
	Balance Payable				
21	Office Rent, Business Centre Charges a	Ecap Equities Limited	Fellow Subsidiary	(47)	(31)
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	0	(4)
		ECL Finance Limited	Fellow Subsidiary	(3)	1
22	Gratuity Payable	ECL Finance Limited	Fellow Subsidiary	(3)	0
		Edelweiss Business Services Limited	Fellow Subsidiary	(1)	(0)
		Edelweiss General Insurance Company Limited	Fellow Subsidiary	0	(0)
23	Professional Tax	Edelweiss Business Services Limited	Fellow Subsidiary	(0)	0
24	Training Centre Charges	Edel Land Limited	Fellow Subsidiary	(4)	0
25	Brokerage and Commission	Edelweiss Broking Limited	Fellow Subsidiary	(9)	(5)
		Edelweiss Securities Limited	Fellow Subsidiary	(0)	0
27	Group Mediclaim Insurance Premium	Edelweiss Financial Services Limited	Holding Company	(4)	(28)
	Balance Receivable				
28	Gratuity Receivable	Edelweiss Housing Finance Limited	Fellow Subsidiary	0	(0)
		Edelweiss Securities Limited	Fellow Subsidiary	0	(0)
29	ESOP Cross Charge	Edelweiss Financial Services Limited	Holding Company	4	0
30	Security Deposit	Ecap Equities Limited	Fellow Subsidiary	29	41
31	Accrued Interest on NCDs	ECL Finance Limited	Fellow Subsidiary	0	0
		Edelweiss Asset Reconstruction Company Limited	Fellow Subsidiary	3	4
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	5	5
		Edelweiss Finance & Investments Limited	Fellow Subsidiary	11	11
		Edelweiss Retail Finance Limitec	Fellow Subsidiary	73	51

The transaction amount includes taxes, as applicable , amounts in ( ) denotes paid/payable

* The amount reported in current year is inclusive of reimbursement of costs of ₹ 56 Million for PY 2017-18.

2.19 **Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Currency : Indian rupees in Millions)

	31-Mar-19			31-Mar-18			01-Apr-17		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial assets									
Cash and cash equivalents	985	-	985	940	-	940	1,059	-	1,059
Other bank balances	420	3,092	3,512	0	3,361	3,361	4	3,720	3,724
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Stock-in-trade	-	-	-	-	-	-	-	-	-
Trade receivables	436	-	436	286	-	286	272	-	272
Loans	7	48	55	5	20	26	3	8	11
Investments	7,498	26,577	34,074	8,064	21,414	29,478	4,102	11,645	15,747
Other financial assets	186	54	240	221	84	305	197	72	270
	9,531	29,771	39,302	9,515	24,880	34,395	5,637	15,445	21,082
Non-financial assets									
Inventories	-	-	-	-	-	-	-	-	-
Current tax assets (net)	-	-	-	-	-	-	-	-	-
Deferred tax assets (net)	-	-	-	-	-	-	-	-	-
Investment property	-	379	379	-	397	397	-	416	416
Property, plant and equipment	-	481	481	-	524	524	-	161	161
Capital work-in-progress	-	-	-	-	-	-	-	263	263
Intangible assets under development	-	102	102	-	30	30	-	148	148
Goodwill	-	-	-	-	-	-	-	-	-
Other intangible assets	-	399	399	-	336	336	-	87	87
Other non-financial assets	265	-	265	144	-	144	-	116	116
Reinsurance Assets	-	2,852	2,852	-	2,490		-	2,036	2,036
	265	4,213	4,477	144	3,777	3,921	-	3,227	3,227
Total assets	**9,796**	**33,987**	43,782	**9,659**	**28,656**	38,316	**5,637**	**18,672**	24,309

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(Currency : Indian rupees in Millions)

Particulars	31-Mar-19			31-Mar-18			01-Apr-17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities									
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Trade payables	2,009	-	2,009	1,277	-	1,277	873	-	873
Debt securities	-	-	-	-	-	-	-	-	-
Borrowing (other than debt securities)	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-	-	-	-	-
Other financial liabilities	305	25	329	374	29	403	267	28	295
Insurance claims payable	46	-	46	55	-	55	20	-	20
	2,359	25	2,384	1,706	29	1,735	1,160	28	1,187
Non-financial liabilities									
Current tax liabilities (net)			-			-			-
Provisions	14	-	14	13	-	13	9	-	9
Deferred tax liabilities (net)	-	-	-	-	-	-	-	-	-
Other non-financial liabilities	500	-	500	359	-	359	186	-	186
Provision for policyholders' liabilities	-	23,254	23,254	-	16,039	16,039	-	10,892	10,892
Investment Contract Liability	-	836	836	-	499	499	-	333	333
	514	24,090	24,604	371	16,538	16,909	195	11,225	11,420
Total liabilities	**2,873**	**24,115**	26,988	**2,077**	**16,567**	18,644	**1,355**	**11,253**	12,608

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2.20 Credit quality of assets - Retail loan (collective)

GROSS CARRYING AMOUNT OF RETAIL LOANS ALLOCATED TO STAGE 1, STAGE 2, STAGE 3 AND POCI

(Currency : Indian rupees in Millions)

	31-Mar-19							31-Mar-18							01-Apr-2017 (i.e. 31-Mar-17)						
Particulars	12 Month ECL (Stage 1) individually	12 Month ECL (Stage 1) collective	Lifetime ECL Not Credit Impaired (Stage 2) individually	Lifetime ECL Not Credit Impaired (Stage 2) collective	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total	12 Month ECL (Stage 1) individually	12 Month ECL (Stage 1) collective	Lifetime ECL Not Credit Impaired (Stage 2) individually	Lifetime ECL Not Credit Impaired (Stage 2) collective	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total	12 Month ECL (Stage 1) individually	12 Month ECL (Stage 1) collective	Lifetime ECL Not Credit Impaired (Stage 2) individually	Lifetime ECL Not Credit Impaired (Stage 2) collective	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total
Loan measured at amortised cost																					
Performing																					
High grade*		53.07					53.07		24.19					24.19		8.75					8.75
Standard grade							-							-							-
Substandard grade							-							-							-
Past due but not impaired							-							-							-
Non-performing																					
Individually impaired							-							-							-
Total	-	53.07	-	-	-	-	53.07	-	24.19	-	-	-	-	24.19	-	8.75	-	-	-	-	8.75

* Loans include Policyholder loans and Loans to Employees.

Analysis of change in the gross carrying amount of loan asset and the corresponding ECL allowance in relation to retail loans

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GROSS CARRYING AMOUNT RECONCILIATION

GROSS CARRYING AMOUNT RECONCILIATION - RETAIL LOANS

(Currency : Indian rupees in Millions)

	2018-19							2017-18						
Particulars	**12 Month ECL (Stage 1) Individually**	**12 Month ECL (Stage 1) collective**	**Lifetime ECL Not Credit Impaired (Stage 2) individually**	**Lifetime ECL Not Credit Impaired (Stage 2) collective**	**Lifetime ECL Credit Impaired (Stage 3)**	**Purchased or originated as credit impaired (POCI)**	**Total**	**12 Month ECL (Stage 1) Individually**	**12 Month ECL (Stage 1) collective**	**Lifetime ECL Not Credit Impaired (Stage 2) individually**	**Lifetime ECL Not Credit Impaired (Stage 2) collective**	**Lifetime ECL Credit Impaired (Stage 3)**	**Purchased or originated as credit impaired (POCI)**	**Total**
Gross carrying amount opening balance	-	0	-	-	-	-	0		9					9
New assets originated or purchased		36					36		16					16
Assets derecognised or repaid (excluding write offs		-10					-10		-2					-2
Interest income during the period		3					3		2					2
Transfers to 12 Month ECL (Stage 1)		0					0		-0					-0
Transfers to lifetime ECL (Stage 2)							-							-
Transfers to lifetime ECL- Credit impaired (Stage 3)							-							-
Changes to contractual cash flows due to modifications not resulting in derecognition							-							-
Interest							-							-
Amounts written off							-							-
Gross carrying amount closing balance	-	29	-	-	-	-	29	-	24	-	-	-	-	24

The gross carrying amount as on March 31, 2019 includes loans given to employees of amount INR 5,500,353 (PY INR 4,923,654)

(24.19)

RECONCILIATION OF ECL BALANCE

RECONCILIATION OF ECL BALANCE ON RETAIL LOANS

(Currency : Indian rupees in Millions)

	2018-19							2017-18						
Particulars	**12 Month ECL (Stage 1) Individually**	**12 Month ECL (Stage 1) collective**	**Lifetime ECL Not Credit Impaired (Stage 2) individually**	**Lifetime ECL Not Credit Impaired (Stage 2) collective**	**Lifetime ECL Credit Impaired (Stage 3)**	**Purchased or originated as credit impaired (POCI)**	**Total**	**12 Month ECL (Stage 1) Individually**	**12 Month ECL (Stage 1) collective**	**Lifetime ECL Not Credit Impaired (Stage 2) individually**	**Lifetime ECL Not Credit Impaired (Stage 2) collective**	**Lifetime ECL Credit Impaired (Stage 3)**	**Purchased or originated as credit impaired (POCI)**	**Total**
ECL amount opening balance	-	1	-	-	-	-	1		1					1
New assets originated or purchased							-		-					-
Assets derecognised or repaid (excluding write offs)							-		-					-
Transfers to 12 Month ECL (Stage 1)							-		0					0
Transfers to lifetime ECL (Stage 2)							-							-
Transfers to lifetime ECL- Credit impaired (Stage 3)							-							-
changes to contractual cash flow due to modification not resulting in derecognition							-							-
Changes to the model and inputs used for ECL calculations (refer note...)							-							-
Recoveries		-0					-0							-
Amounts written off							-							-
ECL allowance - closing balance	-	0	-	-	-	-	0	-	1	-	-	-	-	1

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2.21 Unconsolidated structured entities

The following tables show the carrying amount of the Company's recorded interest in its consolidated balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities and asset management activities:

(Currency : Indian rupees in Millions)

	Sunday, March 31, 2019					Saturday, March 31, 2018					01-April-2017 (i.e. 31-March-2017)				
Particulars	Securitisation trusts	Alternative Investment Funds	Mutual Fund schemes	Total	Maximum exposure	Securitisation trusts	Alternative Investment Funds	Mutual Fund schemes	Total	Maximum exposure	Securitisation trusts	Alternative Investment Funds	Mutual Fund schemes	Total	Maximum exposure
Trading assets at fair value	457		-	457	457	10		-	10	10	9	-	-	9	9
Loans				-	-				-					-	
Positive market value of derivatives				-					-					-	
Financial investments classified as FVOCI				-					-					-	
Total Assets	457	-	-	457	457	10	-	-	10	10	9	-	-	9	9
Negative market value of derivatives				-					-					-	
Total Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposure				-					-					-	
Size of the structured entity			NA	-					-	NA				-	NA
Income from the structured entity			NA	-					-	NA				-	NA

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS FRN 109208W

Edelweiss Tokio Life Insurance Co. Ltd. Mumbai

2.22 Credit exposure loan to value ratios of retail loan portfolio

(Currency : Indian rupees in Millions)

		LTV Ratio						
31-Mar-19	**Unsecured loans (without any collateral)**	**0-30%**	**31-60%**	**61-90%**	**91-100%**	**101-120%**	**More Than 121%**	**Total**
Retail loans	6	-	-	48	-	-	-	54
Wholesale loans	NA	-	-	-	-	-	-	-
Distressed assets	NA	-	-	-	-	-	-	-
Total	**6**	**-**	**-**	**48**	**-**	**-**	**-**	**54**

(Currency : Indian rupees in Millions)

		LTV Ratio						
31-Mar-18	**Unsecured loans (without any collateral)**	**0-30%**	**31-60%**	**61-90%**	**91-100%**	**101-120%**	**More Than 121%**	**Total**
Retail loans (incl. Employee Loans)	5	-	-	20	-	-	-	25
Wholesale loans	NA	-	-	-	-	-	-	-
Distressed assets	NA	-	-	-	-	-	-	-
Total	**5**	**-**	**-**	**20**	**-**	**-**	**-**	**25**

(Currency : Indian rupees in Millions)

		LTV Ratio						
01-Apr-2017 (i.e. 31-Mar-2017)	**Unsecured loans (without any collateral)**	**0-30%**	**31-60%**	**61-90%**	**91-100%**	**101-120%**	**More Than 121%**	**Total**
Retail loans (incl. Employee Loans)	3	-	-	7	-	-	-	9
Wholesale loans	NA	-	-	-	-	-	-	-
Distressed assets	NA	-	-	-	-	-	-	-
Total	**3**	**-**	**-**	**7**	**-**	**-**	**-**	**9**

As per our report of even date

For K.S. Aiyar & Co
Chartered Accountants
Firm Regd. No.: 100186W

Rajesh S. Joshi
Partner
Membership No. 038526

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regd. No.: 109208W

G. Sankar
Partner
Membership No. 046050

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS FRN 109208W

Mumbai
Dated: 13 May 2019

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

For and on behalf of the Board of Directors

Sumit Rai
Managing Director & CEO
DIN: 08131728

Kamala K
Director
DIN: 07917801

Nilesh Sampat
Chief Financial Officer

Subhrajit Mukhopadhyay
Appointed Actuary

Subhrajit Mukhopadhyay

Tarun Khurana
Company Secretary

Edelweiss Tokio Life Insurance Co. Ltd. Mumbai

FIT FOR CONSOLIDATION IND AS FINANCIAL RESULTS
Edelweiss Tokio Life Insurance Company Limited
Registration Number 147 dated 10 May 2011

Financial Results for the quarter and year ended 31 March 2019

(` In INR Cr.)

	Particulars	Quarter ended			Year ended	
		March 31, 2019 (Audited)	December 31, 2018 (Unaudited)	March 31, 2018 (Audited)	March 31, 2019 (Audited)	March 31, 2018 (Audited)
1	**Revenue from operations**					
	(a) Interest income	38.42	40.33	40.74	149.86	115.48
	(b) Dividend income	2.68	2.23	4.29	10.44	7.22
	(c) Rental income	0.87	0.87	0.87	3.47	3.47
	(d) Fee and commission income	0.17	0.18	0.13	0.68	0.47
	(e) Net gain on fair value changes (including treasury income)	28.62	38.90	(24.96)	35.86	20.65
	(f) Premium from insurance business (net)	374.54	181.69	297.15	855.23	601.17
	(g) Other operating income	-	-	-	-	-
	Total revenue from operations	**445.30**	**264.20**	**318.22**	**1,055.54**	**748.46**
2	**Other income**	0.56	0.21	0.05	2.02	0.69
3	**Total Revenue (1+2)**	**445.86**	**264.41**	**318.27**	**1,057.56**	**749.15**
4	**Expenses**					
	(a) Finance costs	-	-	-	-	-
	(b) Employee benefits expense	71.36	79.51	72.65	282.05	220.97
	(c) Depreciation and amortisation expense	7.27	8.36	6.54	25.37	17.48
	(d) Change in insurance policy liability - actuarial (Net)	306.08	165.42	221.36	685.34	469.26
	(e) Policy benefits paid (net)	18.18	17.27	20.71	62.46	69.57
	(f) Impairment on financial instruments	2.12	0.17	0.10	2.32	0.30
	(g) Other expenses	108.90	53.83	92.10	269.86	207.25
	Total expenses	**513.91**	**324.56**	**413.46**	**1,327.42**	**984.83**
5	**Loss before tax (3-4)**	**(68.05)**	**(60.16)**	**(95.19)**	**(269.84)**	**(235.68)**
6	Tax expense	-	-	-	-	-
7	**Net loss after tax (5-6)**	**(68.05)**	**(60.16)**	**(95.19)**	**(269.84)**	**(235.68)**
8	Other Comprehensive Income after tax	11.33	63.81	(16.03)	38.36	(34.09)
9	**Total Comprehensive Income (7+8)**	**(56.72)**	**3.66**	**(111.22)**	**(231.48)**	**(269.77)**
10	**Earnings Per Share (`) (Face Value of ` 10/- each)**					
	- Basic (Not annualised)	(2.18)	(1.92)	(3.47)	(8.63)	(8.59)
	- Diluted (Not annualised)	(2.18)	(1.92)	(3.47)	(8.63)	(8.59)

Reconciliation of Net Profit for the quarter and year ended 31 March 2018 as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

(` In INR Cr.)

Particulars	Quarter ended March 31, 2018	Year ended March 31, 2018
Net loss after tax as reported under Indian GAAP	**(97.04)**	**(232.70)**
Ind AS adjustments increasing / (decreasing) net loss as reported under Indian GAAP:		
Effective interest rate on financial assets and liabilities (net)	10.77	11.04
Expected credit loss provision	(0.01)	0.00
Fair valuation of assets and liabilities	(7.26)	(23.76)
Re-measurment of Insurance & Investment contract liabilities in life insurance business	3.29	11.71
ESOP fair value charge	0.07	(0.69)
Others	(5.03)	(1.30)
Tax effect on above adjustments	-	-
Net loss as per Ind AS	**(95.19)**	**(235.68)**
Other Comprehensive Income after tax as per Ind AS	(16.03)	(34.09)
Total Comprehensive Income as per Ind AS	**(111.22)**	**(269.77)**

Other Comprehensive Income primarily includes impact of fair valuation of quoted non-current investments not held for trade and re-measurement gains/losses on actuarial valuation of post employment defined benefits.

K. S. AIYAR & CO. ★ Mumbai-11. ★ Chartered Accountants

V. SANKAR AIYAR & CO. ★ FRN 109208W ★ CHARTERED ACCOUNTANTS

Edelweiss Tokio Life Insurance Co. Ltd. ★ Mumbai

FIT FOR CONSOLIDATION IND AS FINANCIAL RESULTS
Edelweiss Tokio Life Insurance Company Limited
Registration Number 147 dated 10 May 2011

Balance Sheet as at (' In INR Cr.)

		March 31, 2019 (Audited)	March 31, 2018 (Audited)	April 01, 2017 (Audited)
A	**ASSETS**			
1	**Financial assets**			
	(a) Cash and cash equivalents	98.51	93.98	105.89
	(b) Other bank balances	351.18	336.09	372.39
	(c) Derivative financial instruments	-	-	-
	(d) Stock in trade	-	-	-
	(e) Trade receivables	43.58	28.56	27.20
	(f) Loans	5.51	2.56	0.96
	(g) Investments	2,657.67	2,141.42	1,164.46
	(h) Other financial assets	23.91	30.52	26.96
	Sub-total - Financial assets	**3,180.36**	**2,633.13**	**1,697.87**
2	**Non-financial assets**			
	(a) Inventories	-	-	-
	(b) Reinsurance assets	285.16	249.01	203.57
	(c) Current tax assets (net)	-	-	-
	(d) Deferred tax assets (net)	-	-	-
	(e) Investment property	37.87	39.71	41.64
	(f) Property, plant and equipment	48.11	52.37	16.06
	(g) Capital work in progress	-	-	26.31
	(h) Intangible assets under development	10.22	2.99	14.83
	(i) Goodwill	-	-	-
	(j) Other Intangible assets	39.92	33.57	8.69
	(k) Other non- financial assets	26.48	14.41	11.63
	Sub-total - Non-financial assets	**447.76**	**392.07**	**322.74**
	TOTAL - ASSETS	**3,628.12**	**3,025.19**	**2,020.61**
B	**LIABILITIES AND EQUITY**			
	Liabilities			
1	**Financial liabilities**			
	(a) Derivative financial instruments			
	(b) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	0.41	0.29	0.15
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	200.51	127.40	87.17
	(c) Insurance claims payable	4.56	5.51	1.97
	(c) Debt Securities	-	-	-
	(d) Borrowings (other than debt securities)	-	-	-
	(e) Deposits	-	-	-
	(f) Subordinated Liabilities	-	-	-
	(g) Investment Contract Liability	83.61	49.86	33.27
	(h) Other financial liabilities	32.94	40.31	29.45
	Sub-total - Financial liabilities	**322.03**	**223.36**	**152.01**
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)			
	(b) Provisions	1.42	1.26	0.93
	(c) Provision for policyholders' liabilities	2,325.41	1,603.94	1,089.24
	(d) Other non-financial liabilities	49.99	35.88	18.60
	Sub-total - Non-financial liabilities	**2,376.82**	**1,641.08**	**1,108.76**
3	**Equity**			
	(a) Equity share capital	312.62	312.62	261.59
	(b) Other equity	616.65	848.14	498.24
	Total Equity	**929.27**	**1,160.76**	**759.83**
	TOTAL LIABILITIES AND EQUITY	**3,628.12**	**3,025.19**	**2,020.61**

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

V. SANKAR AIYAR & CO. FRN 109208W CHARTERED ACCOUNTANTS

Edelweiss Tokio Life Insurance Co. Ltd. Mumbai