

Auditors' Report

Auditors' Report

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of **EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the related Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical Account") and the Receipts and Payments Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash-flows of the Company in accordance with the accounting principles generally accepted in India, including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/FA/059/03/2015 dated 31 March 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDAI Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDAI Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"/"Authority") in this regard and the Accounting Standards specified under Section 133 of the Act, further amended by Companies (Accounting Standard) Amendment Rules, 2016 and read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

- 3.1 Our responsibility is to express an opinion on these financial statements based on our audit.
- 3.2 We have taken into account the provisions of the Act, the Insurance Act, the IRDAI Act, the IRDAI Financial Statements Regulations, other regulations orders/directions issued by IRDAI, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
- 3.3 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

- 3.4 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
- 3.5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

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

- (i) in case of Balance Sheet, of the state of affairs of the Company as at 31 March 2018;
- (ii) in case of Revenue Account, of the net deficit (before contribution from shareholders' account) for the year ended on that date;
- (iii) in case of Profit and Loss Account, of the loss for the year ended on that date; and
- (iv) in case of Receipts and Payments Account, of the receipts and payments for the year ended on that date.

5. Other Matter

The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2018 is the responsibility of the Company's Appointed Actuary (the "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 31 March 2018 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Authority and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.



6. Report on Other Legal and Regulatory Requirements

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

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

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;
- 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 Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report are in agreement with the books of account;
- e. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, 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. in our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the IRDAI Financial Statements Regulations and/or orders/directions issued by the IRDAI in this regard;
- g. in our opinion the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and with the accounting principles prescribed in IRDAI Financial Statements Regulations and orders/directions issued by the IRDAI in this regard.

- h. on the basis of the written representations received from the directors, as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of section 164(2) of the Act;
- i. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"
- j. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position as per Note C.1 in the Notes to Accounts to the Financial Statements.
 - ii) The liability for insurance contracts, is determined by the Company's Appointed Actuary as per Note C.2 in the Notes to Accounts to the Financial Statements and is covered by the Appointed Actuary's certificate, referred to in paragraph 5 above, on which we have placed reliance. Based on the information & explanations provided to us, the Company was not required to make any provisions for material foreseeable losses, in respect of any other long term contracts including the interest rate future contracts entered into.
 - iii) The Company was not required to deposit or pay any dues in respect of the Investor Education and Protection Fund during the year.

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


Rajesh S. Joshi
Partner

Membership No. 038526

Place: Mumbai

Date: 2 May 2018



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


G. Sankar
Partner

Membership No. 046050

Place: Mumbai

Date: 2 May 2018



K. S. Aiyar & Co.

Chartered Accountants
F-7, Laxmi Mills, Shakti Mills Lane (Off. Dr. E Moses Rd),
Mahalakshmi, Mumbai 400 011

V. Sankar Aiyar & Co.

Chartered Accountants
2-C, Court Chambers, 35, New Marine Lines,
Mumbai 400020

INDEPENDENT AUDITOR'S CERTIFICATE

(Referred to in paragraph 6 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditor's Report dated May 02, 2018)

This certificate is issued to comply with the provisions of paragraph 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ("the IRDAI Financial Statements Regulations") read with Regulation 3 of the IRDAI Financial Statements Regulations.

The Company's Board of Directors is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/FA/059/03/2015 dated March 31, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDAI Act"), the IRDAI Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid

Our responsibility for the purpose of this certificate is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the Regulations. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issues by the Institute of Chartered Accountants of India (the 'ICAI'), which include the concepts of test checks and materiality.

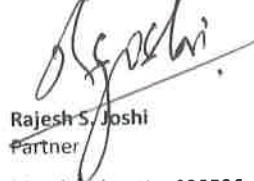
In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained **EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED** ("the Company") for the year ended March 31, 2018, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2018, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;

2. Based on the management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by IRDAI;
3. We have verified the cash balances to the extent considered necessary and securities relating to the Company's loans and investments as at March 31, 2018, by actual inspection or on the basis of certificates/confirmations received from the Custodian and/ or Depository Participants appointed by the Company, as the case may be. As at March 31, 2018, the Company does not have reversions and life interests;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.

This certificate is issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ("the IRDAI Financial Statements Regulations") read with Regulation 3 of the IRDAI Financial Statements Regulation and is not intended to be used or distributed for any purpose.

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


Rajesh S. Joshi
Partner


Membership No. 038526

Place: Mumbai

Date: 2 May 2018



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


G. Sankar
Partner

Membership No. 046050

Place: Mumbai

Date: 2 May 2018



Annexure - A to the Auditors' Report

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 2018 in conjunction with our audit of the standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

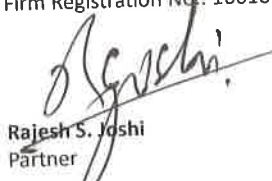
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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


Rajesh S. Joshi
Partner

Membership No. 038526

Place: Mumbai

Date: 2 May 2018



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


G. Sankar
Partner

Membership No. 046050

Place: Mumbai

Date: 2 May 2018



Edelweiss Tokio Life Insurance Company Limited

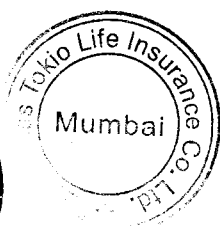
Balance Sheet

as at 31st March 2018

(Currency : Indian rupees)

Particulars	Note	31 March 2018
I. EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share capital	2.1	3,12,62,08,820
(b) Reserves and surplus	2.2	8,42,92,74,348
(c) Money received against share warrants		-
		<u>11,55,54,83,168</u>
(2) Share application money pending allotment		-
(3) Non-current liabilities		
(a) Long-term borrowings	2.3	-
(b) Deferred tax liabilities (Net)	2.4	-
(c) Other Long term liabilities	2.5	2,32,83,000
(a) Long-term provisions	2.3	<u>13,24,88,64,246</u>
		<u>13,27,21,47,246</u>
(4) Current liabilities		
(a) Short-term borrowings	2.7	-
(a) Trade payables	2.4	1,38,78,91,456
(b) Other current liabilities	2.5	75,95,76,455
(c) Short-term provisions	2.6	<u>93,72,62,032</u>
		<u>3,08,47,29,943</u>
TOTAL		<u><u>27,91,23,60,357</u></u>
II. ASSETS		
(1) Non-current assets		
(a) Fixed assets	2.7	
(i) Tangible assets		52,37,06,742
(ii) Intangible assets		33,57,44,952
(iii) Capital work-in-progress		2,98,87,472
(iv) Intangible assets under development		-
(b) Non-current investments	2.8	14,07,14,88,877
(c) Deferred tax assets (Net)	2.4	-
(d) Long-term loans and advances	2.9	10,77,96,608
(e) Other non-current assets	2.10	<u>3,34,82,06,367</u>
		<u>18,41,68,31,018</u>
(2) Current assets		
(a) Current Investments	2.11	7,43,39,26,756
(b) Inventories	2.16	-
(c) Trade receivables	2.12	43,71,39,284
(d) Cash and cash equivalents	2.13	94,85,06,563
(e) Short-term loans and advances	2.14	20,92,17,275
(f) Other current assets	2.15	<u>46,67,39,467</u>
		<u>9,49,55,29,345</u>
TOTAL		<u><u>27,91,23,60,357</u></u>

TOTAL



Edelweiss Tokio Life Insurance Company Limited

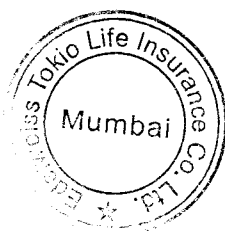
Profit and Loss Account

for the period ended 31st March 2018

(Currency : Indian rupees)

Particulars	Note	31 March 2018
I. Revenue from operations		
Fee and Commission Income	2.21	-
Income from treasury operations	2.16	51,63,01,411
Interest Income	2.17	1,07,94,12,916
Premium Income		6,18,89,18,275
Other operating revenue	2.24	3,46,78,800
II. Other income	2.18	42,24,291
III. Total revenue		<u>7,82,35,35,693</u>
IV. Expenses:		
Cost of materials consumed		-
Purchases of stock-in-trade		-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		-
Employee benefit expenses	2.19	2,20,41,47,181
Finance costs	2.20	1,04,61,614
Depreciation and amortization expenses		15,55,09,216
Other expenses	2.21	7,78,03,75,192
Total expenses		<u>10,15,04,93,203</u>
V. Profit before exceptional and extraordinary items and tax		(2,32,69,57,510)
VI. Exceptional items		-
VII. Profit before extraordinary items and tax		(2,32,69,57,510)
VIII. Extraordinary items		-
IX. Profit before tax		(2,32,69,57,510)
X. Tax expense:		
(1) Income Tax (includes excess provisions for earlier years Rs.Nil)		-
(2) MAT credit entitlement		-
(3) Deferred tax benefit		-
XI. Profit/ (Loss) for the period from continuing operations		<u>(2,32,69,57,510)</u>
XII. Profit/ (Loss) from discontinuing operations		-
XIII. Tax expense of discontinuing operations		-
XIV. Profit/ (Loss) from discontinuing operations (after tax)		-
XV. Profit/ (Loss) for the period		<u>(2,32,69,57,510)</u>

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Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

as at 31st March 2018

(Currency : Indian rupees)

2.1 Share capital

31 March 2018

Authorised :

325000000(Previous year: 275000000) equity shares of Rs. 10 each

3,25,00,00,000

Issued, Subscribed and Paid up:

312,620,882 Equity shares(previous years: 261,592,176) of Rs 10 each (Previous year: Rs 10), fully paid-up

3,12,62,08,820

(of the above 159,436,650 (Previous year: 133,412,010) paid up Equity shares are held by Edelweiss Capital Limited, the holding company and its nominees)

3,12,62,08,820

The Company has only one class of shares referred to as equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distributable preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

2.2 Reserves and surplus

Capital reserve - Opening balance

-

Add : Transferred from Profit and Loss Account

-

-

Capital redemption reserve - Opening balance

-

Add : Transferred from Profit and Loss Account

-

-

Securities Premium- Opening balance

Add : Additions during the period

16,84,84,77,519

Stock options outstanding

-

Foreign Exchange Translation Reserves

-

General reserve - Opening balance

-

Add : Transferred from Profit and Loss Account

-

-

Fair Value Change Account

(4,40,38,567)

Profit and loss account - Opening Balance

(6,04,82,07,094)

Add: Net profit after tax transferred from Profit and Loss

(2,32,69,57,510)

Amount available for appropriation

(8,37,51,64,604)

Appropriations:

Interim dividend

-

Final dividend

-

Dividend distribution tax

-

Transfer to general reserve

-

Transfer to capital redemption reserve

-

Transfer to capital reserve

-

Transfer to Special Reserve under Section 45-IC of the Reserve

-

Transfer to Special Reserve under Section 29C of The National Housing Bank Act, 1987

-

Dividend on preference shares

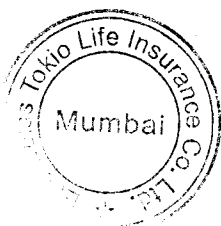
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Balance in profit and loss account

(8,37,51,64,604)

8,42,92,74,348

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Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

as at 31st March 2018

(Currency : Indian rupees)

31 March 2018

2.4 Deferred taxes

Deferred tax assets

Difference between book and tax depreciation	-
Provision for doubtful debts/advances	-
Disallowances under section 43B of the Income Tax Act, 1961	-
Any other item	-
	-

Deferred tax liabilities

Difference between book and tax depreciation	-
	-

Deferred tax asset or liability

2.5 Other long term liabilities

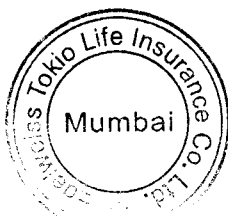
Income received in advance	-
Unamortised processing fees	-
Trade Payables	-
Others	-
Deposits from sub-brokers	-
Rental Deposits	2,32,83,000
Retention money payable	-
	2,32,83,000

2.3 Long-term provisions

Provision for employee benefits	
Gratuity	12,80,044
Compensated leave absences	1,12,73,097
Deferred bonus	-
Other	-
Provision for standard assets	-
Provision for Taxation(Net of Advance Tax)	-
Provision for capex	-
Provision for property tax	-
Provision for Policy liability	13,23,63,11,105

13,24,88,64,246

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Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

as at 31st March 2018

(Currency : Indian rupees)

31 March 2018

2.4 Trade payables

Trade payables (Includes sundry creditors and provision for expenses)	1,35,97,36,547
Trade payables from related parties:	-
Trade payables from related parties:	-
Trade payables from related parties:	-
Trade payables from related parties:	2,81,54,909
Trade payables from related parties:	-
Book Overdraft	-
	<u>1,38,78,91,456</u>

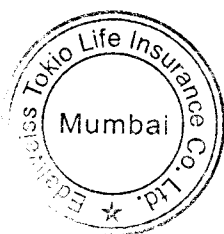
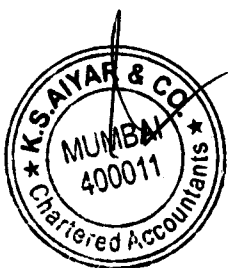
2.5 Other current liabilities

Current maturities of long term debt	-
Current maturities of finance lease obligations	-
Interest accrued but not due on borrowings	-
Interest accrued and due on borrowings	-
Income received in advance	2,96,29,667
Unpaid dividends	-
Application money received for allotment of securities and due for refund and interest accrued thereon	-
Unpaid matured deposits and interest accrued thereon	-
Premium received on exchange traded options	-
Other payables	
Accrued salaries and benefits	32,14,00,000
Payable to exchange / clearing house (net)	-
TDS, Service tax and other taxes payable	18,32,96,180
Payable to client (net) (in CM books)	-
Advances payable	-
Book overdraft	-
Unamortised processing fees	-
Proposal Deposits	22,51,79,642
Payable to contractors	70,966
Retention money payable	-
Provision for short sale	-
Others	-
	<u>75,95,76,455</u>

2.6 Short-term provisions

Provision for employee benefits	
Gratuity	-
Leave encashment provision	-
Deferred bonus	-
Others	
Proposed dividend	-
Provision for dividend distribution tax	-
Provision for standard assets	-
Provision for taxation (Net of advance tax)	-
Provision for Policy liability	93,72,62,032
	<u>93,72,62,032</u>

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Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

as at 31st March 2018

(Currency : Indian rupees)

31 March 2018

2.8 Non-current Investments

Trade (quoted)

Investments in equity instruments	-
Investments in preference instruments	15,20,000
Investments in debentures or bonds	-
	<u>15,20,000</u>

Trade (unquoted)

Investments in equity instruments	-
Investments in preference instruments	-
	<u>-</u>

Others (quoted)

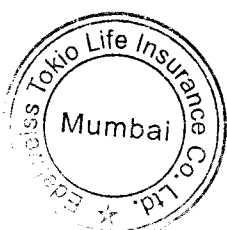
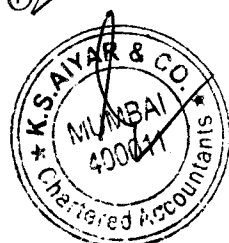
Investments in equity instruments of subsidiary companies (fully paid up)	-
Investments in debentures, bonds & CDs	5,93,19,11,075
Investments in equity instruments of associate companies (fully paid up)	-
	<u>5,93,19,11,075</u>

Others (unquoted)

Investment property	41,80,02,000
Investments in equity instruments	-
Less : Diminution in value of investments	-
Share application money pending allotment	-
Investments in Government or trust securities	7,58,26,90,913
Investments in debentures, bonds & CDs	-
Investments in warrants	-
Investments in venture funds	-
Investments in mutual funds	-
Investments in partnership firms	-
- Capital account	-
Investments in preference shares of companies (fully paid up)	13,73,64,889
	<u>8,13,80,57,802</u>

14,07,14,88,877

B



31 March 2018

Long-term loans and advances

Secured, considered good

Receivable from financing business -
 - considered good
 - considered non performing asset
 Less: Provision for non performing assets

Unsecured, considered good

Capital Advances -
 Security Deposits
 Rental deposits 9,57,86,577
 Rental deposit with related party -
 Deposits placed with/ for exchange/ depositories -
 Other deposits 61,45,668

Receivable from financing business -
 Less : Provision for NPA -

Loans and advances to related parties -
 Other loans and advances (specify nature) e.g.
 Prepaid expenses 58,64,363
 Unamortised loan origination & processing costs -
 Advance income taxes -
 MAT credit entitlement -
 Loans and advances to employees -
10,77,96,608

Doubtful

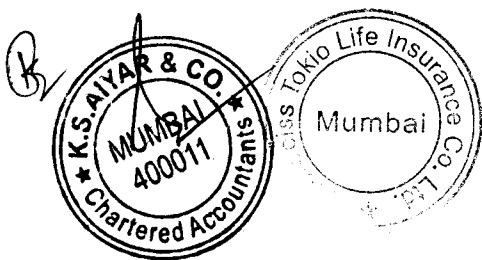
Capital Advances -
 Security Deposits -
 Loans and advances to related parties (giving details thereof) -
 Other loans and advances (specify nature) -
10,77,96,608

Other non-current assets

Long Term Trade Receivables (including trade receivables on defined credit terms)
 Secured, considered good 4,59,314
 Accrued interest on fixed deposits 70,20,47,053
 Doubtful -
 Gratuity -

Long term deposits with Bank
 Bank Deposits with > 12 months maturity from reporting date 2,64,57,00,000

3,34,82,06,367



Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

as at 31st March 2018

(Currency : Indian rupees)

31 March 2018

2.11 Current investments - at lower of cost and fair value

Trade (quoted)

Investments in equity instruments -
Investments in preference instruments -

Trade (unquoted)

Investments in equity instruments -
Investments in preference instruments -

Others (quoted)

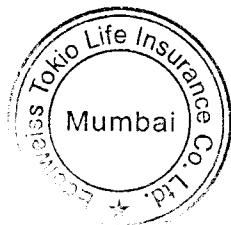
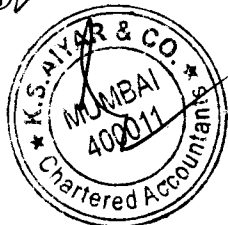
Investments in equity instruments 3,50,82,12,199
Investments in debentures or bonds (Others Quoted) 88,47,64,554
Investments in preference instruments -
4,39,29,76,753

Others (unquoted)

Investment property -
Investments in equity instruments -
Investments in preference shares -
Investments in Government or trust securities(Treasury Bill) 41,52,65,953
Investments in debentures or bonds -
Investments in warrants -
Investments in venture funds -
Investments in mutual funds 1,26,97,29,942
Investments in partnership firms -
Other investments - CBLO 1,35,59,54,108
Share application money pending allotment -
3,04,09,50,003

7,43,39,26,756

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Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

as at 31st March 2018

(Currency : Indian rupees)

31 March 2018

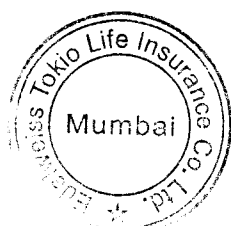
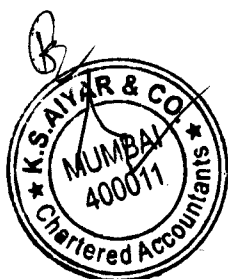
2.12 Trade receivables

Debtors outstanding for a period exceeding six months	
Secured, considered good	-
Unsecured, considered good	-
Secured, considered doubtful	-
Unsecured, considered doubtful	-
	<hr/>
	-
Less: Provision for doubtful debts	-
	<hr/>
	-
Other debts	
Secured considered good	-
Unsecured considered good	43,71,39,284
Secured, considered doubtful	-
Unsecured, considered doubtful	-
	<hr/>
	43,71,39,284
Less: Provision for doubtful debts	-
	<hr/>
	43,71,39,284
	<hr/>
	43,71,39,284

2.13 Cash and Bank Balances

Cash and Cash Equivalents	
Cash on hand	4,27,29,809
Cheques, drafts on hand	22,38,32,287
Balances with Banks	
- In Current Account	68,18,90,877
-In fixed deposits with maturity less than 3 months	-
Balances with Banks	
- in fixed deposits, held as margin money or security against borrowings, guarantees	-
- Other bank deposits with maturity less than 12 months	53,590
Other Non-current assets	
Bank Deposits with > 12 months maturity from reporting date	-

94,85,06,563



Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

as at 31st March 2018

(Currency : Indian rupees)

31 March 2018

2.14 Short-term loans and advances

Secured, considered good

Receivable from financing business
- considered good
- considered non performing asset
Less: Provision for non performing assets

-
-

Unsecured, considered good

Loans and advances to related parties
Other loans and advances (specify nature)
Receivable from financing business
Edelweiss ARF - I Trust
Loan given to partnership firm
Deposits placed with/ for exchange/ depositories
Rental deposits
Advances to others
Electricity and other deposits
Prepaid expenses
Unamortised loan origination & processing costs
Share application money pending allotment
Loans and advances to employees
Vendor Advances
Intercompany deposits placed
Cenvat and VAT assets
Advance tax and tax deducted at source
MAT credit entitlement
Contribution to gratuity fund
Advances recoverable in cash or in kind or for value to be received

-
-
-
-
-
-
1,95,63,024
10,16,090
1,72,27,534
-
-
73,99,180
22,39,780
-
15,83,08,186
34,63,481
-
-
-

20,92,17,275

Doubtful

Loans and advances to related parties
Other loans and advances

-
-

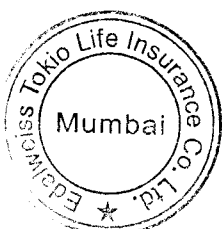
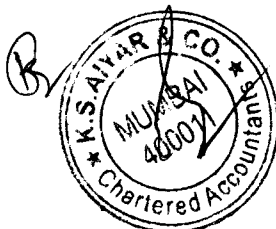
20,92,17,275

2.15 Other current assets

Accrued interest on fixed deposits
Accrued interest on Inter-corporate deposits
Accrued interest on debt instruments
Accrued interest on loans given
Accrued interest on margin
Accrued interest on OFCD
Dividend receivable
Cenvat and VAT assets
Receivable from exchange / clearing house (net)
Receivable from client (net) (in CM books)
MTM On Derivatives
Unamortised discount
Currency options premium paid
Equity Index/Stock Options Premium Account
Gratuity
Margin placed with broker

1,30,85,358
-
40,27,98,093
5,98,392
-
-
67,76,195
-
4,34,81,429
-
-
-
-
-
-
-

46,67,39,467



Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

for the period ended 31st March 2018

(Currency : Indian rupees)

31 March 2018

Revenue from operations

2.21 Fee and commission income

Income from Securities Broking	-
Income from Commodities Broking	-
Investment banking fees	-
Advisory and other fees	-
	-
	-

2.16 Income from treasury operations & Investments

Profit/(loss) on trading in securities (net)	-
Profit/ (loss) on trading in equity derivative instruments (net)	-
Profit/ (loss) on trading in commodity derivatives instruments (net)	-
Profit/ (loss) on trading in currency derivatives (net)	-
Profit/ (loss) in interest rate swaps (net)	-
Profit / (loss) on trading in Commodities (net)	-
Gain/ Loss on foreign exchange movement on trade	-
Profit / (loss) on benchmark linked ICD	-
Profit on sale of real estate	-
Profit/(loss) on sale of current investment (net)	44,41,06,892
Profit/(loss) on sale of long term investment (net)	-
Dividend on stock in trade	-
Dividend on current investment	7,21,94,519
Dividend on long term Investment	-
Profit / (loss) on benchmark linked Debenture	-
Share of (loss)/ profit in partnership firm	-
Share of (loss)/ profit in Associates companies	-
	51,63,01,411

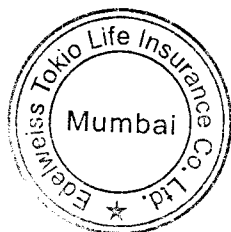
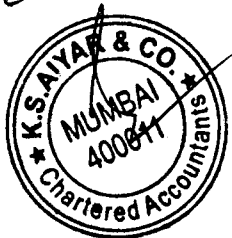
Finance Company

2.17 Interest income

On Loan (for finance company)	-
On Loan to subsidiary companies (for finance company)	-
On Intercompany Deposits (for finance company)	-
On advances with customers (for finance company)	-
On fixed deposits	30,48,44,723
On debt instrument	77,45,68,193
On margin with brokers	-
On Collateralised borrowing and lending operations (for finance company)	-
On Interest Rate swap (for finance company)	-
On Others (for finance company)	-

1,07,94,12,916

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Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

for the period ended 31st March 2018

(Currency : Indian rupees)

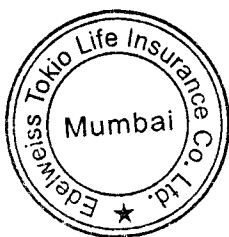
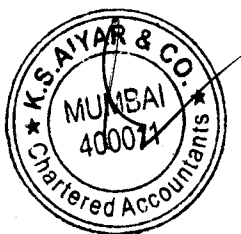
31 March 2018

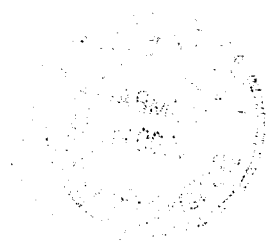
2.24 Other operating revenue

Interest income on margin with suppliers (for non-finance company)	-
Interest income on loan (for non-finance company)	-
Interest income on loan to subsidiary companies (for non-finance company)	-
Interest income on Intercompany Deposits (for non-finance company)	-
Interest income on fixed deposits (for non-finance company)	-
Interest income on debt instrument (for non-finance company)	-
Interest income on margin with brokers (for non-finance company)	-
Interest income on overdue accounts (for non-finance company)	-
Profit on securitisation of receivables (for non-finance company)	-
Delayed payment charges	-
Income from Training Centre	-
Warehouse charges	-
Rental Income	-
	3,46,78,800
	3,46,78,800

2.18 Other Income

Gain on Structured Products (for non-finance company)	-
Profit on sale of Current Investment (for non-finance company)	-
Profit on sale of long term investment (for non-finance company)	-
Dividend on stock in trade	-
Dividend on Current Investment (for non-finance company)	-
Dividend on long term Investment (for non-finance company)	-
Provision for doubtful debts, advances, excess provision written back	-
Provision on standard assets written back	-
Provision for NPA written back	-
Profit on sale of fixed assets (net)	-
Foreign exchange gain	-
Profit on sale of receivable	-
Miscellaneous income	25,99,552
Interest Income - Others	16,24,739
Interest Income - Others	-
	42,24,291
	1,63,46,17,418





Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

for the period ended 31st March 2018

(Currency : Indian rupees)

31 March 2018

2.19 Employee benefit expenses

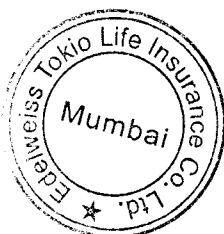
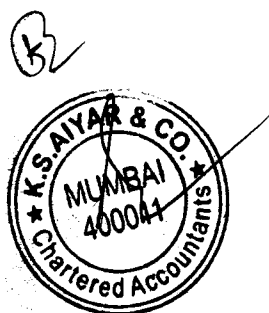
Salaries and wages	1,99,52,96,775
Contribution to provident and other funds	10,77,34,349
Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)	-
Staff welfare expenses	10,11,16,057

2,20,41,47,181

2.20 Financial costs

Interest on debentures	-
Interest on Inter-corporate deposits	-
Interest on term loan	-
Interest on bank overdraft	-
Interest on deposits	-
Interest on loan from holding company	-
Interest expense	-
Interest on Margin	-
Interest - Interest rate swaps	-
Interest - others	-
Discount on commercial paper	-
Financial & Bank charges	1,04,61,614
Net gain/loss on foreign currency transactions and translation	-
Discount on NLD	-
Interest on Collateralised borrowing and lending operations	-

1,04,61,614



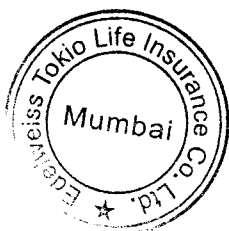
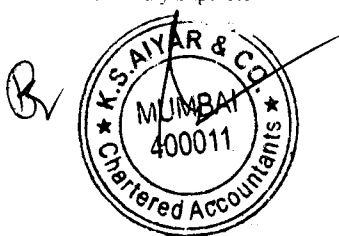
Edelweiss Tokio Life Insurance Company Limited

Notes to the financial statements

for the period ended 31st March 2018

(Currency : Indian rupees)

	31 March 2018
2.21 Other expenses	
Advertisement and business promotion	62,07,19,983
Auditors' remuneration	25,00,000
Bad- debts and advances written off	-
Commission and brokerage	40,08,79,694
Communication	10,68,85,962
Computer expenses	4,79,48,935
Computer software	4,46,44,366
Clearing & custodian charges	81,36,207
Change in Policy Liability - Actuarial	4,97,56,45,755
Dematerialisation charges	-
Dimunation in value of current investments	-
Directors' sitting fees	7,60,000
Donation	87,111
Electricity charges	2,15,45,713
EMF - NFO Expenses	-
Foreign exchange loss (net)	(5,213)
Freight & Forwarding Expenses	-
Insurance	8,21,173
Loss on sale of Investments	-
Legal and professional fees	10,40,02,389
Loss on sale/ write-off of fixed assets (net)	11,79,759
Membership and subscription	80,38,664
Mutual Fund Expenses	-
Manufacturing Expenses	-
Office expenses	2,02,58,949
Postage and courier	1,53,25,237
Printing and stationery	3,84,34,934
Provision for standard assets	-
Provision for NPA	-
Provision for doubtful debts	40,39,313
Rates and taxes	44,74,382
Rating Support Fees	-
Rent	13,24,68,571
Rent to related party	7,81,98,254
Repairs and maintenance - Building	-
Repairs and maintenance - others	80,67,131
ROC Expenses	-
Security transaction tax	-
Seminar & Conference	5,51,72,400
Service tax	4,17,25,376
Site related expenses	-
Stamp duty	4,85,12,637
Stock exchange expenses	-
Trusteeship Fees	-
Transportation Charges	-
Travelling and conveyance	18,53,04,338
Warehousing charges	-
Wealth Tax	-
Vault Charges	-
Miscellaneous expenses	2,06,999
Selling & Distribution expenses	-
Policy Benefit	74,59,35,575
Housekeeping and security charges	5,84,60,598
Operating losses	-
Preliminary Expenses	-
	<u>7,78,03,75,192</u>



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

Schedule 16 – Significant Accounting Policies and Notes to Accounts

A Corporate Information

Edelweiss Tokio Life Insurance Company Limited, ("the Company") is a joint venture between Edelweiss Financial Services Limited 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 10 May 2011) from the Insurance Regulatory and Development Authority of India ("IRDAI") for carrying Life Insurance business on 10 May, 2011. The license is in force as at March 31, 2018.

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.

B Summary of significant accounting policies

i Basis of preparation

The financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on the accrual basis of accounting in accordance with:

- Accounting principles generally accepted in India (Indian GAAP), in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, further amended by Companies (Accounting Standards) Amendment Rules, 2016 and read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable.
- The accounting principles prescribed by the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, as amended from time to time.
- The provisions of Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular no. IRDAI/F&A/CIR/FA/059/03/2015 dated 31 March 2015 and the Insurance Regulatory and Development Authority Act, 1999, as amended from time to time.

Accounting policies are consistently applied by the Company, except where differential treatment is required as per new pronouncement made by the regulatory authorities.

ii Use of Estimates

The Company's management makes estimates and assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities and disclosures relating to contingent liabilities as on the date of financial statements. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively.

iii Revenue Recognition

• Premium income

- Premium Income for non-linked policies is recognised as income when due from policyholders. For unit linked policies, premium is recognised as income when the associated units are created.
- Premium on lapsed policies is recognised as income as and when such policies are reinstated.
- Top up premiums paid by unit linked policyholders' are considered as single premium and recognised as income when the associated units are created.

• Reinsurance Premium Ceded

Reinsurance premium ceded is accounted in accordance with the terms and conditions of the relevant treaties with the reinsurer.

• Income from Investment

- Interest Income on investments is recognised on accrual basis.
- Dividend Income is recognised on 'ex-dividend date'
- Profit or loss on sale/redemption of debt securities is calculated as the difference between net sale proceeds/redemption proceeds and the weighted average amortised cost.
- Profit or loss on sale/redemption of equity shares/ equity exchange traded funds (ETFs) and mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Gain/Yield on Security Receipts is accounted for, based on the redemption advice received from the trust.
- Lease rentals on investment property is recognised on accrual basis and include only the realised rent and does not include any notional rent, as prescribed by IRDAI (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002. Costs related to operating and maintenance of investment property are recognised as expense in the Revenue Account or P&L Account, as applicable.



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

- Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.
 - **Income from unit linked policies**
 - Income from unit linked policies, which include fund management charges, policy administration charges, mortality charges and other charges, wherever applicable, are recovered from the unit linked funds in accordance with the terms and conditions of the policies issued and are recognised as and when due.
 - **Interest Income on policy loan**
 - Interest Income on policy loans is recognised on accrual basis.
 - Fees and other charges are recognised when recovered.
- iv Acquisition Costs**
- Acquisition costs such as commission, medical fees, etc. are costs that vary with and are primarily related to the acquisition of insurance contracts and are expensed in the period in which they are incurred.
- v Benefits paid**
- Benefit paid consists of the policy benefit and claim settlement costs, if any.
- **Non Linked Business**

Death, Rider, Withdrawals and Surrender claims are accounted for on receipt of written intimation.

Maturity and Survival benefit are accounted when due.
 - **Linked Business**

Death and Rider are accounted for on written receipt of intimation.

Maturity claims and survival benefit are accounted for on due basis when the associated units are de-allocated.

Surrenders and withdrawals are accounted for on receipt of intimation when associated units are de-allocated.

Amount payable on lapsed/discontinued policies are accounted for on expiry of lock in period of these policies.

Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
- Reinsurance claims receivable are accounted for in the same period as the related claim.
- vi Investments**
- Investments are made in accordance with the Insurance Act, 1938, the IRDAI (Investment) Regulations, 2016 and various other circulars/notifications/amendments issued by the IRDA in this context as amended from time to time.
- Investments are recorded on trade date at cost, which includes brokerage and related taxes, if any but excludes pre-acquisition interest.
- Broken period interest paid/receive is debited/credited to interest receivable account.
- Any impairment loss is recognized as an expense in the Revenue/Profit and Loss Account to the extent of the difference between the re-measured fair value of the security/investment and its acquisition cost as reduced by any previous impairment loss recognized as an expense in the Revenue/Profit and Loss Account. Any reversal of impairment loss, earlier recognized in Revenue/ Profit and Loss Account, is recognized in the Revenue/Profit and Loss Account.
- Bonus and Rights entitlements are recognised as investments on the 'ex-bonus date'/'ex-rights date' respectively.
- Investments Classification**
- Investments maturing within 12 months from the balance sheet date and investments made with the specific intention to dispose off within 12 months from the balance sheet date are classified as "short term" investments. Investments other than short term investments are classified as "long term" investments.
- Investments Valuation**
- Debt securities**
- a) Non linked, non unit reserve investments and shareholders' investments**
- Debt securities, including government securities, are considered as "held to maturity". Debt securities are stated at amortised cost. Discount or premium on purchase of debt securities is amortised over the remaining period to maturity on straight line basis and is recognised in the revenue account or the profit and loss account, as applicable.
- In case of security with call/put option, the first date of call/put is considered as maturity date.



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

b) Linked business

All debt securities, including government securities under linked businesses are valued at market value, using SEBI approved valuation agencies. 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.

Equity / Equity Exchange Traded Funds (ETFs) /Preference Shares

a) Non linked, non unit reserve investments and shareholders' investments

Listed equity shares, equity exchange traded funds (ETFs) and preference shares are stated at fair value, being the last quoted closing prices on National Stock Exchange (in case it is not traded on National Stock Exchange then last quoted closing price on the Bombay Stock Exchange is used) as at the Balance Sheet date. Unrealised gains / losses arising due to change in fair value are recognised under the head 'Fair Value Change Account' in the Balance Sheet.

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

In case the equity exchange traded Funds (ETFs) are not traded either on the Primary or the Secondary Exchange on the Balance Sheet date, then the equity ETFs are valued at the latest available Net Asset Value (NAV).

b) Linked business

Listed equity, equity exchange traded funds (ETFs) and preference shares are valued and stated at fair value, being the last quoted closing prices on National Stock Exchange (in case it is not traded on National Stock Exchange then last quoted closing price on the Bombay Stock Exchange is used) as at the Balance Sheet date. Unrealised gains or losses arising on such valuation are recognised in the Revenue Account.

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

In case the equity exchange traded Funds (ETFs) are not traded either on the Primary or the Secondary Exchange on the Balance Sheet date, then the equity ETFs are valued at the latest available NAV.

Mutual Funds

a) Non linked, non unit reserve investments and shareholders' investments

Mutual Fund units as at balance sheet date for Liquid fund are valued at previous day's net asset values and other than Liquid fund are valued at previous working day's net asset values. Unrealised gains/losses arising due to changes in the fair value of mutual fund units are recognized under the head 'Fair Value Change Account' in the Balance Sheet.

b) Linked business

Mutual Fund units as at balance sheet date for Liquid fund are valued at previous day's net asset values and other than Liquid fund are valued at previous working day's net asset values. Unrealised gains/losses arising due to changes in the fair value of mutual fund units are recognized under the head 'Fair Value Change Account' in the Balance Sheet.

Alternate Investment Funds (AIFs)

Investments in Alternate Investment Funds (AIFs) are valued at latest available NAV. Unrealised gains or losses arising due to change in the fair value of Alternate Investment Funds (AIFs) are recognised in the Balance Sheet under "Fair value change account".

Derivatives : Interest Rate Futures (IRF)

Non linked, non unit reserve investments and shareholders' investments

Interest Rate Future (IRF) - Derivative contracts, as permitted by IRDA to hedge risks on forecasted transactions are recognized in the financial statement at fair value as on Balance Sheet date in pursuance of IRDAI guidelines on Interest Rate Derivatives. For IRF contracts the realised profit / loss is recognised as 'Profit / loss on sale of Investments' in the Revenue Account for policyholders fund or in the Profit & Loss Account for shareholder funds. The unrealised gains / losses arising due to change in fair value of outstanding IRF contracts are recognised under the head 'Fair Value Change Account' in the Balance Sheet. Fair Value is determined using quoted closing market prices in an actively traded market.

Investment Property

Investment property is held to earn rental income or for capital appreciation.

Investment property is initially valued at cost including any directly attributable transaction costs. Investment property is revalued at least once in every three years. The change in carrying amount of investment property is taken to "Revaluation reserve" in the Balance Sheet.



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

Transfer of Investments

a) Transfer from the shareholders' account to the policyholders' account

Transfers of investments made from shareholders' account to the policyholders' account, as and when made, are made at the book value or market price, whichever is lower.

b) Transfer between policyholders' funds

No transfers of investments are made between different policyholders' funds.

c) Purchase / Sale transactions between units linked funds

The sale/purchase of investments between Unit Linked Funds is done at prevailing market price during market hours. If the prevailing market price is not available, then it is carried out at previous day's closing market price.

vii Policyholder Liability

The policyholder liabilities are calculated in accordance with the following Acts, Regulations & Actuarial Practice Standards -

Insurance Laws (Amendment) Act 2015, IRDA Act 1999, Insurance Regulatory and Development Authority of India (Assets, Liabilities, and Solvency Margin of Life Insurance Business) Regulations 2016, IRDA (Distribution of Surplus) Regulations 2002, Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations 2016 and Actuarial Practice Standard including APS-1, APS-2, APS-5, APS-7 (issued by Institute of Actuaries of India).

viii Fixed Assets and Depreciation

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

• Tangible Assets

The Company has adopted the Written down Value method of depreciation so as to depreciate the cost of the following type of assets at rates equal to those prescribed under Schedule II of the Companies Act, 2013, based on the Management's estimate of useful life of such assets, as stated below:

Categories of assets	Estimated Useful Life (in years)
Building	60
Furniture and Fixtures (Except Chairs)	10
Information Technology Equipment	3
Information Technology Servers	6
Office Equipment	5
Office Equipments (Mobile Phones & Tab up to ₹ 25,000)	1
Furniture and Fixtures (Chairs)	3
Vehicle	8

Leasehold improvements are amortised equally over the period of lease.

• Intangible Assets

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. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably and are amortised over the revised useful life of software.

These costs are amortised on straight line basis over a period of 5 years.

• Capital work in Progress

Capital work-in-progress is carried at cost, comprising direct cost and related incidental expenses.

• Impairment of Assets

The carrying amounts of assets are reviewed at the Balance Sheet date if there is any indicator of impairment based on the internal/ external factors. An impairment loss is recognized wherever carrying amount of an asset exceeds its recoverable amounts. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to maximum of depreciable historical cost, if applicable.



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

ix Loans

Loans are valued at historical cost, subject to provision for impairment, if any.

x Preliminary Expenses

Preliminary expenses are charged off to the profit and loss account in the year in which they are incurred.

xi Foreign Currency Transactions

- Transactions in foreign currency are recorded at the prevailing exchange rate on the date of the transaction.
- Monetary assets and liabilities in foreign currency, if any, are translated at the year-end closing rates.
- Foreign Exchange gains and losses arising on such translations are recognized either in the Revenue or Profit and Loss Account, as the case may be.

xii Segmental Reporting

As per Accounting Standard 17 on "Segment Reporting" read with IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, the Company has prepared the Revenue Account and Balance Sheet for the primary business segments namely Participating [Individual (Life and Pension)], Non-Participating [Individual (Life, Pension and Health), Group and Group Variable] and Unit Linked [Individual (Life and Pension) and Group]. There are no reportable geographical segments, since all business is written in India.

The allocation of revenue, expenses, assets and liabilities to specific business segments is done on the following basis, which is applied on consistent basis.

- a) Revenues and expenses, assets and liabilities, that are directly attributable and identifiable to the respective business segments, are directly accounted for in that segment.
- b) Other revenue, expenses, assets and liabilities which are not directly identifiable to a business segment are allocated based on the nature of the transactions and its logical relationship to the various business segments. The criteria used for allocation to a particular segment are based on the various drivers which includes;
 - i) Number of policies
 - ii) Premium
 - iii) Sum Assured
 - iv) Assets Under Management
- c) The accounting policies used in segmental reporting are same as those used in the preparation of financial statements
- d) As per the requirements of Insurance Regulatory and development Authority of India (Expenses of Management of Insurers transacting life Insurance business) Regulations, 2016, the expenses of management in excess of allowable limit on the segmental basis is charged/transferred to the shareholders' Profit & Loss account.

xiii Employee Benefits

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

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

Provident fund

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the Revenue/Profit & Loss account.

Gratuity

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

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

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Benefits in respect of gratuity are funded through employee gratuity trust which has invested in a group insurance plan approved by Insurance Regulatory and Development Authority of India (IRDAI)



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

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

Compensated Absences

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

xiv Provisions, Contingent Liabilities and Contingent Assets

- Provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- Provisions are determined based on the management estimate of amount required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- A disclosure of a contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or it cannot be reliably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- Contingent Assets are neither recognised nor disclosed.

xv Unclaimed amount of policyholders

Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI circular No. IRDA/F&A/CIR/GLD/195/08/124 dated August 14, 2014, IRDA/F&A/CIR/CPM/134/07/2015 dated July 24, 2015, IRDA/F&A/CIR/CLD/114/05/2015 dated May 28, 2015 and Investment Regulations, 2016 as amended from time to time.

- Unclaimed amount of policyholders is invested in money market instruments and / or fixed deposits of scheduled banks which is valued at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a straight line basis
- 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 is determined on the basis of NAV of the units outstanding as at the valuation date.

xvi Operating Lease

Leases where the lessor effectively retains substantially all the risk and the benefits of ownership are classified as operating leases. Operating lease rentals are recognised as an expense, on a straight line basis, over the lease period.

xvii Taxation

Direct Taxes

- Income-tax expenses comprise of current tax (i.e., amount of tax for the year determined in the accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).
- Provision of current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.
- The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Indirect Tax

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



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

xviii Earnings Per Share

In accordance with the requirement of Accounting Standard (AS) 20, "Earnings Per Share", basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xix Cash and Cash Equivalent

Cash and cash equivalents for the purposes of Receipts and Payments Account comprise of cash, cheques and Stamps in hand, Bank balances, Money-market instruments and Fixed deposits with original maturity of three months or less. Receipts and Payments Account is prepared and reported using the Direct Method in accordance with Accounting Standard (AS) 3, "Cash Flow Statements"

xx Funds for Future Appropriations

The Funds for Future Appropriations (FFA), in the participating segment, represents the surplus, which is not allocated to policyholders or shareholders as at the Balance Sheet date. Any allocation to the par policyholders would also give rise to a transfer to Shareholders' Profit and Loss Account in the required proportion.

C NOTES TO ACCOUNTS

1 Contingent Liabilities

	(₹ '000)	
Particulars	Current Year	Previous Year
Partly-paid up investments	-	-
Claims, other than against policies, not acknowledged as debts by the Company	-	-
Underwriting commitments outstanding (in respect of shares and securities)	-	-
Guarantees given by or on behalf of the Company	-	-
Statutory demands / liabilities in dispute, not provided for	183,242*	75,232*
Reinsurance obligations to the extent not provided for in accounts	-	-
Others (Claims against policies under litigation)	7,621	6,859

* The Company has received show cause-cum-demand notices relating to Service tax demand amounting to ₹.183,242 thousands (Previous year ₹.75,232 thousands) from the Service Tax Department, which is being contested.

2 Actuarial 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 Actuaries of India.

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 policies are also kept assuming the policy will continue to be in the discontinuance fund till the lock-in period of five years.

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 (Critical Illness Rate Table for year 93)



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

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 of closure to new business and 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.

The provisions have been made for incurred but not reported death claims (IBNR), free look reserve, unearned premium reserve of the extra premium collected, data inadequacy reserve, guarantee reserve, catastrophic reserve, claims in payment reserve, reinstatement of reduced paid-up reserve, in-force policies getting converted to reduced paid up reserve, claims expense reserve, claims in payment expense reserve, reserve for bulk surrender payout for Group variable insurance plan, unearned premium reserve for mortality charge, reserve for 'Non-negative residual additions to meet RIY' and reinsurance default risk reserve.

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.

3 Taxation

The Company carries on life insurance business and therefore the provisions of section 44 read with the rules contained in the First Schedule of the Income tax Act, 1961 are applicable for computation of profits and gains from business. The Company has not made any provision for taxation for the year under consideration, since it does not have any net taxable income.

According to Accounting standard 22 on "Accounting for Taxes on Income" carry forward of losses under tax laws should be recognised as a deferred tax asset only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which a deferred tax asset can be realized.

As life insurance business has a longer gestation period and in view of the resultant uncertainty, the Company believes that in the initial years it would not be prudent to recognize deferred tax asset.

4 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 below:

(₹ '000)

Particulars	Current Year		Previous Year	
	Book Value	Market Value	Book Value	Market Value
1 Clearing Corporation of India Ltd - CBLO Segment				
Government Securities	17,685	18,108	-	-
Cash	8,100	8,100	11,100	11,100
2 NSCCL - Capital Market Segment				
Government Securities	123,625	123,521	-	-
Cash	-	-	-	-
3 NSCCL - Interest Rate Derivative				
Government Securities	92,049	91,929	-	-
Cash	21,706	21,706	87,549	87,549
4 Sales Tax departments - Jammu as security deposit for registration				
Fixed Deposit	50	50	50	50
Grand Total	263,214	263,414	98,699	98,699

5 Restructuring of Assets

There are no assets, including loans, which are subject to restructuring during the year (previous year ₹ Nil).

6 a. Commitment made and outstanding for Loans, Fixed Assets and Investment

The commitments made and outstanding (net of advances) for fixed assets and Investment amount to ₹ 520,331 thousand (Previous Year ₹ 332,527 thousand).



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

b. Capital work in Progress

Capital work in progress consists ₹ 29,887 towards software development (Previous Year ₹ 2,61,869 towards office premises not ready for use and ₹ 149,573 thousands towards software development).

7 Premium Income

All business of the Company is written in India.

8 Employee Benefits

The Company has recognized below employee benefits as an expense and included in "Employee remuneration & welfare benefits" Schedule 3 in Revenue Account and in "Expenses other than those directly related to insurance business" under schedule 3A in Profit & Loss account.

	(₹ '000)	
Particulars	Current Year	Previous Year
i Defined Contribution Plans		
Contribution to Employees Provident Fund	77,020	53,356
Contribution to Labour Welfare Fund and Employee Deposit Linked Insurance (EDLI)	117	99
Contribution to Employee State Insurance Corporation (ESIC)	11,468	2,736
ii Defined Benefit Plan (Gratuity)		
The following tables summarise the disclosure of employee benefits.		
Reconciliation of benefit obligations and planned assets for the period:		
Particulars	Current Year	Previous Year
Present value of the defined benefit obligations at year end	45,855	34,410
Fair value of plan assets at year end	44,574	33,698
Net asset/(liability) recognised in Balance Sheet at end of the year	(1,281)	(712)
Particulars	Current Year	Previous Year
Opening Plan assets	33,698	28,219
Contributions during the year	15,000	6,500
Benefits Paid	(6,934)	(4,724)
Expected Return on Plan Assets	2,006	1,886
Actuarial (Loss)/Gain	804	1,817
Fair Value of Plan assets at the end of the year	44,574	33,698
Actual Return on Plan Assets	2,810	3,703
Expected Employer Contributions for the coming period	1,000	1,000
Particulars	Current Year	Previous Year
Net employee benefit expenses (recognized in employee cost)		
Current service cost	10,375	8,010
Interest on defined benefit obligation	2,297	2,012
Expected return on plan assets	(2,006)	(1,886)
Past service cost	3,129	-
Actuarial (gain) or losses	1,374	102
Total net cost recognised as employee remuneration in Revenue/ Profit and loss account	15,169	8,238



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

Particulars	(₹ '000)	
	Current Year	Previous Year
Changes in the defined benefit obligation :		
Defined benefit obligation at the beginning of the year	34,410	28,207
Interest cost	2,297	2,012
Current service cost	10,375	8,010
Past service cost	3,129	-
Liability assumed on Transfer of employees in / (Out)	400	(1,014)
Benefits paid	(6,934)	(4,724)
Actuarial (gain)/loss	2,178	1,919
Present value of the defined benefit obligations at the end of the year	45,855	34,410

Particulars	(₹ '000)	
	Current Year	Previous Year
Principal actuarial assumptions :		
Discount rate	7.00%	6.60%
Salary escalation	7.00%	7.00%
Employee attrition rate	13%-60%	13%-60%
Expected Return on Plan Assets	6.60%	7.40%
Mortality Rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working lives of employees	3 Years	3 Years

Particulars	(₹ '000)				
	2018	2017	2016	2015	2014
Experience Adjustments					
Defined Benefit Obligation	45,855	34,410	28,207	17,852	11,462
Fair Value of Plan Assets	44,574	33,698	28,219	-	-
Surplus/(Deficit)	(1,281)	(712)	12	(17,852)	(11,462)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	2909	888	3,512	(214)	901
Experience Adjustment on Plan Assets: Gain/(Loss)	561	1,715	NA	NA	NA

The broad categories of plan assets held by the Trust as a percentage of total plan assets are as given below:

Particulars	(₹ '000)	
	Current Year	Previous Year
Insurer Managed Funds (Unit-linked)	100%	100%
Cash and Bank	0%	0%
Total	100%	100%

iii Compensated Absence

Particulars	(₹ '000)	
	Current Year	Previous Year
Compensated Absence	2,680	1,453



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

9 ESOPs

The employees of the company are entitled to participate in the ESOPs scheme of the holding company whose shares are listed on stock exchange. The charge of such ESOPs, if any, is borne by the holding company.

10 a) Value of contracts outstanding in relation to investments

Value of unsettled contracts relating to investments as at 31 March 2018.

(₹ '000)

Particulars	Linked Business		Shareholders and Non Linked Business	
	Current Year	Previous Year	Current Year	Previous Year
Purchases where deliveries are pending	73,670	46,291	50,108	62,886
Sales where receipts are due	7,802	2,988	121,212	50,893

b) Details of participation in Repo/Reverse Repo transactions

As required under IRDA Circular No. IRDA/F&I/CIR/INV/250/2012 dated 4 December 2012, the details of participation in Repo/Reverse Repo transactions are as follows:

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily average Outstanding during the year	Outstanding as on 31 March 2018
Securities Sold under repo				
i. Government Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
ii. Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Securities purchased under reverse repo				
i. Government Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
ii. Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

* Previous Year figures are shown in brackets.

c) Disclosure under clause 11 (C) of Schedule I of IRDA Investments Regulations, 2016

In accordance with the IRDAI (Investment) Regulations 2016 and IRDAI circular IRDA/F&I/INV/CIR/062/03/2013 dated March 26, 2013, the Company has declared March 31, 2018 as a business day. NAV for all unit linked funds were declared on March 31, 2018. All applications received till 3 PM on March 31, 2018, were processed with NAV of March 31, 2018. Applications received after this cut-off for unit linked funds are taken into the next financial year.

d) Derivatives : Interest Rate Futures (IRF)

The Company has entered into exchange traded Interest Rate Future (IRF) transactions to hedge the Interest rate risk for forecasted transactions pursuant to IRDA Circular No. IRDA/F&I/INV/ CIR/138/06/2014 dated 11 June 2014. The Company carries out Asset Liability Management (ALM) to avoid interest rate risk through duration matching by using sensitivity parameters like PV01.

In line with the Company's risk management policy, the interest rate risk is hedged using IRF contracts apart from other ALM related hedges. The detail of outstanding of IRF contracts is as under:

Sr. No.	Name of the Derivative Contract	Current Year		Previous Year	
		Number of Contracts	Number of units involved	Number of Contracts	Number of units involved
1	Interest rate Derivative Long position	12,500	25,000,000	6,250	12,500,000
		(679GS2027-FUTIRC-26 APR2018)		(759GS2026-FUTIRC-27Apr2017)	
2	Interest rate Derivative Long position	-	-	3,750	7,500,000
				(697GS2026-FUTIRC-27Apr2017)	

As the IRFs are traded and settled by the recognised stock exchanges, i.e., National Stock Exchange or Bombay Stock Exchange, it is prudent to assume that there is no/minimal counterparty failure risk. The Loss which would be incurred if counterparty fails to fulfil their obligation under the outstanding Interest Rate Future contracts as at 31 March 2018 is ₹ Nil (Previous year ₹ Nil)



Schedules forming part of Financial Statements

For the year ended 31 March 2018 (Continued)

As at 31 March 2018, the Company has deposited ₹. 21,706 thousands [Previous year ₹.87,549 thousands] towards margin requirement of National Securities Clearing Corporation Limited (NSCCL) for IRF deals which forms part of "Other Receivables" disclosed in Schedule 12 "Advances and Other Assets" of Balance Sheet for outstanding IRF contracts. The net realised loss during the year from IRF contracts amounting to ₹ 133,886 thousands (Previous year loss ₹ 21,205 thousands) has been disclosed under Profit/Loss on sale of Investments of Revenue Account. The unrealised loss amounting to ₹ 12,192 thousands (Previous year ₹ 3,994 thousands) arising due to change in fair value is recognised under the head 'Fair Value Change Account' in the Balance Sheet.

e) Policyholders' liabilities adequately backed by assets

(₹ '000)

Particulars	Current Year				Previous Year			
	Par	Non Par	Unit Linked	Total	Par	Non Par	Unit Linked	Total
Policyholders' Liabilities at end of the year *	2,671,020	7,500,898	4,001,656	14,173,574	1,947,403	5,044,072	2,217,224	9,208,699
Assets held to cover policyholders' liabilities								
Investments - Schedule 8A	2,722,721	7,764,066	136,247	10,623,034	1,874,669	4,717,355	673	6,592,697
Investments - Schedule 8B	-	-	3,864,911	3,864,911	-	-	2,143,162	2,143,162
Net Investments	2,722,721	7,764,066	4,001,158	14,487,945	1,874,669	4,717,355	2,143,835	8,735,859
Loans	8,459	10,604	498	19,561	3,539	1,907	550	5,996
Fixed Assets	156,197	435,036	-	591,233	51,137	196,424	-	247,561
Net Current Assets	(216,357)	(708,808)	-	(925,165)	18,058	128,386	72,839	219,283
Total Assets	2,671,020	7,500,898	4,001,656	14,173,574	1,947,403	5,044,072	2,217,224	9,208,699

* Including fair value change account and fund for future appropriations.

11 Additional disclosures on expenses

As required under Circular no 067/IRDA/F&A/CIR/MAR -08 dated March 28, 2008, expenses incurred under the following heads are as follows:

(₹ '000)

Sr. No.	Particulars	Current Year	Previous Year
1	Outsourcing Expenses	53,498	482,640
2	Business Development	5,187	16,753
3	Marketing & Sales promotion	404,666	272,793

12 Managerial remuneration

The remuneration of the Managing Director & CEO included in employee remuneration and welfare benefits is as follows:

(₹ '000)

Particulars	Current Year	Previous Year
Salary & Bonus	58,905	51,096
Allowances & Valued Perquisites	17,044	9,904
Total	75,949	61,000

The Salary and Bonus includes provision for bonus which is payable subject to review and approval from the Nomination and Remuneration Committee of the Board and from the Board of the Company. The Company submits application for approval of managerial remuneration every year with IRDAI in accordance with the requirement of Section 34A of the Insurance Act, 1938 [amended by the Insurance Laws (Amendment) Act, 2015] and managerial remuneration is paid in accordance with such approval received from the IRDAI. Managerial remuneration in excess of ₹ 15,000 thousands has been charged to shareholder's account.

Expenses towards gratuity and leave encashment provision are determined actuarially for the company as a whole and accordingly have not been considered in the above information.



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

13 Operating lease commitments

The Company has taken various office premises on operating lease under leave and license agreements. Lease payments are recognised in the Revenue Account under 'Rent, Rates and Taxes'. The total operating lease rentals debited to revenue account during the year is ₹ 197,582 thousands (previous year ₹ 171,031 thousands).

The lease arrangements contain provisions for renewal and escalation. The terms of the lease agreements do not contain any exceptional/restrictive covenants which will have significant detrimental impact on the Company's financials.

14 Related Party Disclosures

The disclosures relating to related parties

A. Related Parties where Control Exists:

Sr No.	Nature of Relationship	Name of Related Party
1	Holding Company	Edelweiss Financial Services Limited

B. Related Parties and Nature of Relationship:

Sr No.	Nature of Relationship	Name of Related Party
1	Joint Venture Partner	Tokio Marine Holding Inc.
2	Enterprise having significant influence	Tokio Marine & Nichido Fire Insurance Co Limited
3	Fellow Subsidiaries (with whom transaction have taken place)	Edelweiss Securities Limited Edelweiss Commodities Services Limited ECL Finance Limited Edelweiss Broking Limited Edelweiss Finance & Investments Limited Edel Finance Company Limited Serenity Business Park Limited Eternity Business Centre Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Retail Finance Limited Edelweiss Housing Finance Limited Edelcap Securities Limited Ecap Equities Limited Edel Land Limited Edelweiss Multi Strategy Fund Advisors LLP Edelweiss General Insurance Company Limited Edelweiss Business Services Limited
4	Key Management Personnel	Mr. Deepak Mittal, Managing Director & CEO



EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED

Registration Number 147 dated 10 May 2011

Schedules forming part of Financial Statements

For the year ended 31 March 2018 (Continued)

C. The following are the transactions and year-end outstanding balances of related parties in the ordinary course of business:

(₹ '000)

Sr No.	Name of the Related Party	Nature of the Relationship with the Company	Nature of Transactions	Current Year	Previous Year
1	Edelweiss Financial Services Limited	Holding Company	Received subscription towards Share capital(Including share premium)	2,350,025	-
			Premium Collected on group Insurance policy	25,198	19,086
			Reimbursement of Cost of premium towards Group Term Life Master Policy and Medical Insurance Policy	(3,081)	(32,504)
			Directors Nomination Deposit	300	-
			Refund of Directors Nomination Deposit	(300)	-
			Royalty fees for Trade Logo Usage	(23,600)	(57,500)
			Share of Gratuity for transferred employees	98	-
			Balance Payable	(28,154)	(84,981)
2	Tokio Marine & Nichido Fire Insurance Co Ltd	Enterprise having Significant influence	Received subscription towards Share capital(Including share premium)	4,349,975	-
3	Mr. Deepak Mittal	Key Managerial Personnel	Managerial Remuneration (Refer note no. 12 of Schedule 16)	(75,949)	(61,000)
			Premium received for Life Insurance policies	3,950	2,500
4	Edelweiss Securities Limited	Fellow Subsidiary	Brokerage Paid (For capital market transactions)	(5,093)	(2,715)
			Rent paid for office premises	-	(3,450)
			Reimbursement of Technology Related Service Cost	-	(802)
			Share of Gratuity for transferred employees	-	22
			Balance Payable	(15)	(711)
5	Edelweiss Commodities Services Limited	Fellow Subsidiary	Edelweiss House Space & Facility Charges	(4,052)	(2,551)
			Purchase of Securities	(747,647)	(769,736)
			Sale of Securities	-	780,254
			Reimbursement of Technology Related Service Cost	-	(693)
			Share of Gratuity for transferred employees	-	3
			Interest on Non-Convertible Debentures	4,815	-
			Investments made in NCD's	(200,253)	-
			Investments held in NCD's	200,000	-
			Accrued Interest on Non-Convertible Debentures	5,068	-
			Balance Payable	(3,967)	(3,171)



EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED

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Schedules forming part of Financial Statements
For the year ended 31 March 2018 (Continued)

(₹ '000)

Sr No.	Name of the Related Party	Nature of the Relationship with the Company	Nature of Transactions	Current Year	Previous Year
6	ECL Finance Limited	Fellow Subsidiary	Premium Collected on Group Credit Insurance Plan	7,016	46,740
			Claims payments under Group Credit Insurance plan	-	(2,182)
			Purchase of Securities	(1,037,487)	(31,085)
			Edelweiss House Space & Facility Charges	(40)	-
			Share of Gratuity for transferred employees	598	-
			Interest on Non Convertible Debentures (NCD)	976	1,438
			Accrued Interest on NCD Investment - Balance	12	3,589
			Investments held in NCD's	2,601	15,583
			Balance Receivable	561	-
7	Edelweiss Broking Limited	Fellow Subsidiary	Commission as Corporate agent	(23,768)	(16,129)
			Brokerage Paid (For capital market transactions)	(772)	-
			Sale of Used Information Technology Equipments	-	167
			Share of Gratuity for transferred employees	-	(181)
			Balance Payable	(4,715)	(2,677)
8	Edelweiss Finance & Investments Limited	Fellow Subsidiary	Interest on NCD	16,500	16,485
			Purchase of Securities	(50,452)	(978,781)
			Sale of Securities	196,479	2,262,815
			Accrued Interest on NCD Investment - Balance	11,121	11,121
			Investments held in NCD's	150,000	150,000
9	Edel Finance Company Limited	Fellow Subsidiary	Operating Lease Rent for Office Equipment	(736)	(1,385)
10	Serenity Business Park Limited	Fellow Subsidiary	Business centre Charges	(16,775)	(67,101)
			Security Deposit - Balance	-	29,174
11	Eternity Business Centre Limited	Fellow Subsidiary	Business centre Charges	(8,961)	(35,844)
			Security Deposit - Balance	-	11,476
			Balance Payable	-	(9,442)
12	Edelweiss Asset Reconstruction Company Limited	Fellow Subsidiary	Interest on NCD	33,332	32,162
			Sale of NCD's	50,474	-
			Investment made in NCD's	(100,858)	-
			Accrued Interest on NCD Investment - Balance	3,797	3,358
			Investments held in NCD's	350,196	300,000



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Schedules forming part of Financial Statements

For the year ended 31 March 2018 (Continued)

(₹ '000)

Sr No.	Name of the Related Party	Nature of the Relationship with the Company	Nature of Transactions	Current Year	Previous Year
13	Edelweiss Retail Finance Limited	Fellow Subsidiary	Premium Collected on Group Credit Insurance Plan	59,489	27,086
			Claims payments under Group Credit Insurance plan	(7,572)	(3,114)
			Interest on NCD	18,125	17,455
			Accrued Interest on NCD Investment - Balance	51,107	31,397
			Investments held in NCD's	151,338	152,923
14	Edelweiss Housing Finance Limited	Fellow Subsidiary	Premium Collected on Group Credit Insurance Plan	354,867	111,786
			Claims payments under Group Credit Insurance plan	(21,297)	(4,817)
			Share of Gratuity for transferred employees	(4)	-
			Balance Payable	(4)	-
15	Edelcap Securities Limited	Fellow Subsidiary	Purchase of Securities	-	(50,139)
16	Ecap Equities Limited	Fellow Subsidiary	Purchase of Securities	(200,253)	-
			Business centre Charges	(84,327)	-
			Security Deposit - Balance	40,650	-
			Balance Payable	(30,720)	-
17	Edel Land Limited	Fellow Subsidiary	Share of Gratuity for transferred employees	-	17
			Balance Payable	-	17
18	Edelweiss Multi Strategy Fund Advisors LLP	Fellow Subsidiary	Share of Gratuity for transferred employees	-	(875)
			Balance Payable	-	(875)
19	Edelweiss General Insurance Company Limited	Fellow Subsidiary	Purchase of Securities	(118,776)	-
			Share of Gratuity for transferred employees	(144)	-
			Balance Payable	(144)	-
20	Edelweiss Business Services Limited	Fellow Subsidiary	Share of Gratuity Payable for transferred employees	(148)	-
			Balance Payable	(148)	-

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

15 Earnings per share

Sr No	Particulars	Current Year	Previous Year
a)	Shareholders' earnings (as per profit and loss account) (₹ '000)	(2,326,958)	(2,158,310)
b)	Calculation of weighted average number of Equity Shares of ₹ 10 each:		
	- Number of shares at the beginning of the year	261,592,176	261,592,176
	- Number of shares issued during the year	51,028,706	-
	Total number of equity shares outstanding at the end of the year	312,620,882	261,592,176
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	274,454,206	261,592,176
c)	Basic and diluted earnings per share (in Rupees) (a/b)	(8.48)	(8.25)

There are no dilutive equity shares or potential equity shares issued by the Company



Schedules forming part of Financial Statements

For the year ended 31 March 2018 (Continued)

16 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:

		(₹ '000)	
Sr. No.	Particulars	Current Year	Previous Year
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year.	2,889*	1500*
2	The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	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 when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil

* Principal amount within due period.

- 17 In accordance with IRDA regulation, the Company has recognised Shareholders' contribution of ₹ 1,513,970 thousands to the Policyholders' account for the current year [Previous Year ₹ 2,933,958 thousands] which is irreversible in nature, to the extent applicable.

18 Segment Reporting

As per Accounting Standard 17 on 'Segment Reporting' read with the IRDA Financial Statements Regulations, the Company's segmental results are disclosed at Annexure A.

As per the requirements of Insurance Regulatory and development Authority of India (Expenses of Management of Insurers transacting life Insurance business) Regulations, 2016, the Company has put in place a Board approved policy for allocation of direct expenses and apportionment of indirect expenses of management amongst various business segments.

19 Auditors Remuneration

		(₹ '000)	
Particulars		Current Year	Previous Year
a) As Auditor		2,300	1,800
b) As adviser or in any other capacity, in respect of			
a) Taxation matters		-	-
b) Insurance matters		-	-
c) Management services		-	-
c) In any other capacity		-	-
d) Out of Pocket Expenses		200	200
TOTAL		2,500	2,000

20 Foreign Exchange Earnings and outgo

		(₹ '000)	
Particulars		Current Year	Previous Year
Earnings (Current year includes Capital Infusion of ₹ 4,349,075)		4,379,706	79,123
Outgo		51,619	48,143



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

21 The Fund wise Revenue Account and Balance Sheet for unit linked business has been annexed to this schedule as **Appendix I**. Disclosure for ULIP Business as per Unit Linked Disclosure Norms issued vide Circular No. 054/IRDA/F & A/FEB-07 dated February 20, 2007, has been annexed to this schedule as **Appendix II**.

22 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	12,869	19.86%	9,500	20.71%
Urban	51,936	80.14%	36,368	79.29%
	Number of Lives Insured	Number of Policies	Number of Lives Insured	Number of Policies
Social	28,407	3,677	21,586	6710
	Premium (₹ '000)		Premium (₹ '000)	
	8,393		62,535	

23 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%	30%
Risk Reinsured	69%	70%
Group Business		
Risk Retained	50%	61%
Risk Reinsured	50%	39%



Schedules forming part of Financial Statements

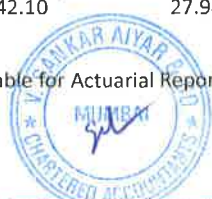
For the year ended 31 March 2018 (Continued)

24 Summary of Financial Statements

		(₹ '000)				
Sr No.	Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
POLICYHOLDER'S A/C						
1	Gross premium income	6,382,596	4,413,331	3,100,660	1,930,822	1,109,039
2	Net premium income	6,188,918	4,258,919	3,001,807	1,865,746	1,062,071
3	Income from investments (Net)	833,826	684,611	245,037	206,068	70,775
4	Other Income	4,224	2,212	564	376	220
4a	Contribution from Shareholder to Policyholder Account	1,513,970	2,933,958	2,126,681	1,445,361	1,191,408
5	Total Income	8,540,938	7,879,700	5,374,088	3,517,551	2,324,474
6	Commissions (Net)	400,185	288,866	265,426	198,992	145,892
7	Brokerage	-	-	-	-	-
8	Operating Expenses relating to insurance business	2,381,766	2,886,259	2,363,462	1,845,757	1,515,406
9	Service Tax / GST on Charges	30,175	10,545	4,826	-	-
10	Provision for Doubtful debts	1,993	1,119	1,882	703	-
11	Total Expenses	2,814,119	3,186,789	2,635,596	2,045,452	1,661,298
12	Payment to policy holders	737,223	429,591	183,631	77,216	54,442
13	Increase in actuarial liability	4,952,195	4,263,320	2,554,862	1,394,883	608,734
14	Surplus/ Deficit from operations	37,401	-	-	-	-
SHAREHOLDER'S A/C						
15	Total income under Shareholders' Account	810,518	822,862	626,719	766,111	508,318
16	Total Expenses under shareholder's Account*	3,137,476	2,981,172	2,174,514	1,476,195	1,201,148
17	Profit/ (loss) before tax	(2,326,958)	(2,158,310)	(1,547,795)	(710,084)	(692,830)
18	Provisions for tax	-	-	-	(52)	(258)
19	Profit/ (loss) after tax	(2,326,958)	(2,158,310)	(1,547,795)	(710,032)	(692,572)
20	Balance at the beginning of the year	(6,048,207)	(3,889,897)	(2,342,102)	(1,632,070)	(939,498)
21	Profit/ loss carried to Balance Sheet	(8,375,165)	(6,048,207)	(3,889,897)	(2,342,102)	(1,632,070)
MISCELLANEOUS						
22	(A) Policyholders' account:					
	Total funds (including unit linked funds)	14,173,574	9,208,698	4,928,152	2,382,043	981,191
	Total investments	14,487,945	8,735,859	5,105,984	2,454,979	976,849
	Yield** on investments (%)	8.03%	11.84%	8.47%	12.63%	8.57%
	(B) Shareholders' account:					
	Total funds	11,555,483	7,319,644	9,393,897	5,685,289	6,371,670
	Total investments	9,892,607	6,137,745	8,875,651	5,078,679	5,533,384
	Yield** on investments (%)	10.70%	14.06%	11.16%	13.61%	9.76%
	Yield** on total investments	9.31%	13.18%	10.17%	13.39%	9.50%
23	Paid up equity capital	3,126,209	2,615,922	2,615,922	1,802,865	1,802,865
24	Net worth	11,555,483	7,319,644	9,393,897	5,685,289	6,371,670
25	Total Assets	28,106,967	18,045,977	15,699,291	8,926,990	7,884,166
26	Earnings per share (basic)(₹)	(8.48)	(8.25)	(8.01)	(3.94)	(4.14)
27	Earnings per share (diluted)(₹)	(8.48)	(8.25)	(8.01)	(3.94)	(4.14)
28	Book Value per share(₹)	42.10	27.98	35.81	31.53	35.34

* Including contribution to Policyholders' A/C

** Yield calculated based on TWRR method as applicable for Actuarial Report



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

25 Financial Ratios

		(₹ '000)	
Sr No	Particulars	Current Year	Previous Year
1	New Business Premium Income Growth (segment wise) (New Business premium Current Year - New Business premium Previous Year) / New Business premium Previous Year)		
	Participating – Individual Life	411%	-23%
	Participating – Pension	2%	81%
	Non Participating – Individual Life	7%	-1%
	Non Participating – Annuity	-33%	429%
	Non Participating – Health	-3%	-4%
	Non Participating – Group	30%	61%
	Non Participating – Group Variable	1056%	199%
	Unit Linked – Individual	77%	87%
	Unit Linked – Pension	-60%	14%
	Unit Linked – Group	2967%	-97%
2	Net Retention ratio (Net Premium / Gross Premium)		
	Net Premium	6,188,918	4,258,919
	Gross Premium	6,382,596	4,413,331
	Retention Ratio	96.97%	96.50%
3	Ratio of Expenses of management (Expenses of management / Total Gross direct Premium)		
	Management Expenses	2,814,119	3,186,789
	Total Gross Premium	6,382,596	4,413,331
	Ratio	44.09%	72.21%
4	Commission Ratio (Gross Commission paid to Gross Premium)		
	Gross commission	400,185	288,866
	Gross Premium	6,382,596	4,413,331
	Ratio	6.27%	6.55%
5	Ratio of Policyholders' liabilities to shareholders' funds		
	Policyholders liability	14,173,574	9,208,698
	Shareholders' funds (Net Worth)	11,555,483	7,319,644
	Ratio	122.66%	125.81%
6	Growth rate of Shareholders' funds		
	Shareholders' funds (Net Worth)	11,555,483	7,319,644
	Growth Rate	57.87%	-22.08%
7	Ratio of surplus / (deficit) to Policy holders liability		
	Surplus / (Deficit) in Revenue Account	37,402	-
	Policyholders liability	14,173,574	9,208,698
	Ratio	0.3%	-
8	Change in net worth		
	Net Worth	11,555,483	7,319,644
	Change (Including Fair Value Change)	4,235,839	(2,074,253)
9	Profit after tax / Total Income	NA	NA
	The Company does not have any profit after tax and therefore this ratio cannot be calculated		



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

		(₹ '000)	
Sr No	Particulars	Current Year	Previous Year
10	Total of Real Estate + Loans / Cash & invested assets		
	Loans	19,561	5,996
	Investment Properties-Real Estate*	686,220	679,871
	Cash & Invested Assets	25,326,677	15,889,171
	Ratio	2.79%	4.32%
	* includes investments in Fixed Assets – Building as per IRDA Circular on Public Disclosures. .		
11	Total Investments / Total of (Capital + Surplus)		
	Total Investments	24,380,552	14,873,604
	Share Capital	3,126,209	2,615,922
	Surplus /(Deficit) as per Balance Sheet (Including Fair Value Change)	(8,419,204)	(5,955,043)
	Reserves	16,848,478	10,658,765
	Ratio	210.99%	203.20%
12	Total affiliated Investments / Total of (Capital + Surplus)		
	Total affiliated Investments	854,135	626,259
	Capital	3,126,209	2,615,922
	Surplus /(Deficit) as per Balance Sheet (Including Fair Value Change)	(8,419,204)	(5,955,043)
	Reserves	16,848,478	10,658,765
	Ratio	7.39%	8.56%
13	Solvency Ratio	219%	220%
14	Persistency Ratio*		
	Persistency Rate (Premium)		
	For 13th month	76.9%	71.5%
	For 25th month	60.9%	58.5%
	For 37th month	51.6%	45.8%
	For 49th Month	40.3%	42.8%
	for 61st month	44.3%	31.1%
	Renewal Rate (Premium)		
	For 13th month	76.8%	71.4%
	For 25th month	81.8%	79.4%
	For 37th month	85.8%	85.3%
	For 49th Month	90.0%	91.8%
	for 61st month	92.2%	81.7%

The persistency ratios are calculated in accordance with the IRDA circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated 23 January 2014.

* For FY 2017-18, policies issued from March 2017 to February 2018 have been measured on March 31, 2018.

26 Impairment of Assets

There are no impairments on any assets of the Company as on the balance sheet date.



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

27 Details of the controlled funds pursuant to IRDA Circular number IRDA/F&I/CIR/ F&A/045/03/2010 dated 17 March 2010

(₹ '000)

Sr No	Particulars	Current Year	Previous Year
1	Computation of Controlled fund as per the Balance Sheet		
	Policyholders' Fund (Life Fund)		
	Participating		
	Individual Assurance	2,242,533	1,706,171
	Individual Pension	405,036	241,231
	Funds for Future Appropriations	23,451	-
	Non-participating		
	Individual Assurance	6,273,030	4,229,946
	Group Assurance	957,047	637,414
	Individual Annuity	243,239	159,710
	Any other (Health)	27,581	17,002
	Linked		
	Individual Assurance	3,429,402	1,788,653
	Group Assurance	-	-
	Individual Pension	175,215	107,690
	Group Superannuation	-	-
	Group Gratuity	397,039	320,880
	Any other	-	-
	Funds for Future Appropriations	-	-
	Total (A)	14,173,573	9,208,699
	Shareholders' Fund		
	Paid up Capital	3,126,209	2,615,922
	Reserves & Surpluses	16,848,478	10,658,765
	Fair Value Change	(44,039)	93,164
	Total (B)	19,930,648	13,367,851
	Misc. expenses not written off	-	-
	Credit / (Debit) from P&L A/c.	(8,375,165)	(6,048,207)
	Total (C)	(8,375,165)	(6,048,207)
	Total shareholders' funds (B+C)	11,555,483	7,319,644
	Controlled Fund [Total (A+B+C)]	25,729,056	16,528,342
2	Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account		
	Opening Balance of Controlled Fund	16,528,342	14,322,051
	Add: Inflow		
	Income		
	Premium Income	6,382,596	4,413,331
	Less: Reinsurance ceded	(193,678)	(154,412)
	Net Premium	6,188,918	4,258,920
	Investment Income	833,826	684,611
	Other Income	4,224	2,212
	Funds transferred from Shareholders' Accounts	1,513,970	2,933,958
	Total Income	8,540,938	7,879,700



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

		(₹ '000)	
Sr No	Particulars	Current Year	Previous Year
	Less: Outgo		
	(i) Benefits paid (Net)	736,992	429,421
	(ii) Interim Bonus Paid	231	170
	(iii) Change in Valuation of Liability	4,952,195	4,263,320
	(iv) Commission	400,185	288,866
	(v) Operating Expenses	2,381,766	2,886,259
	(vi) Service Tax Exp on ULIP Charges	30,175	10,545
	(vii) Provision for Doubtful debts	1,993	1,119
	(viii) Provision for Taxation	-	-
	(a) FBT	-	-
	(b) I.T.	-	-
	Total Outgo	8,503,537	7,879,701
	Surplus/(Deficit) of the Policyholders' Fund	37,402	-
	Less: transferred to Shareholders' Account	(13,951)	-
	Net Flow in Policyholders' account	23,451	-
	Add: Net income in Shareholders' Fund	(2,326,958)	(2,158,310)
	Net In Flow / Outflow	14,224,835	12,163,740
	Add: change in valuation Liabilities	4,952,195	4,263,320
	Add: Fair value change	(10,771)	17,226
	Add: Increase in Paid up Capital (Including fair value change & share premium)	6,562,797	84,055
	Closing Balance of Controlled Fund	25,729,056	16,528,342
	As Per Balance Sheet	25,729,056	16,528,342
	Difference, if any	-	-
3	Reconciliation with Shareholders' and Policyholders' Fund		
	Policyholders' Funds		
3.1	Policyholders' Funds - Traditional-PAR and NON-PAR		
	Opening Balance of the Policyholders' Fund	6,991,475	3,758,109
	Add: Surplus of the Revenue Account	23,451	-
	Add: change in valuation Liabilities	3,167,762	3,216,140
	Add: Fair value change (Policyholders)	(10,771)	17,226
	Total	10,148,466	6,991,475
	As per Balance Sheet	10,148,466	6,991,475
	Difference, if any	-	-
3.2	Policyholders' Funds - Linked		
	Opening Balance of the Policyholders' Fund	2,217,224	1,170,043
	Add: Surplus of the Revenue Account	-	-
	Add: change in valuation Liabilities	1,784,432	1,047,181
	Total	4,001,656	2,217,224
	As per Balance Sheet	4,001,656	2,217,224
	Difference, if any	-	-
	Shareholders' Funds		
	Opening Balance of Shareholders' Fund	7,319,644	9,393,897
	Add: net income of Shareholders' account (P&L)	(2,326,958)	(2,158,310)
	Add: Infusion of Capital (Including fair value change)	6,562,797	84,058
	Closing Balance of the Shareholders' fund	11,555,483	7,319,644
	As per Balance Sheet	11,555,483	7,319,644
	Difference, if any	-	-



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

28 As required by IRDA Notification F.No. IRDA/Reg/2/52/2010, dated 01-07-2010 disclosures relating to discontinued policies are as under:

		(₹ '000)	
Sr No	Particulars	Current Year	Previous Year
1	Opening balance as on April 01, 2017	128,685	74,963
	Add: Amount transferred to the "Funds for discontinued policies"	211,958	87,391
	Less: Amount refunded to the policyholders	31,001	31,791
	Less: Funds of Policies revived during the year	2,853	1,878
	Closing balance as on March 31, 2018	306,790	128,685
2	Number of policies discontinued during the financial year	2062	1504
3	% of discontinued to total policies during the year :-		
	Product -Wise		
	Wealth Accumulation (Accelerated Cover) - UIN: 147L003V01	0.01%	2.58%
	Wealth Accumulation (Accelerated cover) - UIN: 147L003V02	12.69%	7.28%
	Wealth Accumulation (Cover Plus) - UIN: 147L004V01	-	2.22%
	Wealth Accumulation (Cover Plus) - UIN: 147L004V02	1.14%	9.50%
	Wealth Accumulation (Comprehensive Cover)	0.00%	0.74%
	Wealth Accumulation (Privilege)	0.01%	3.51%
	Easy Pension (Risk)	2.44%	2.68%
	Edelweiss Tokio Life - Wealth Ultima	0.88%	-
	Edelweiss Tokio Life - Wealth Plus	0.02%	-
4	Policies revived during the year		
	No. of policies	492	497
	% of policies revived	13.33%	19.75%
5	Charges imposed on account of discontinued policies	5,774	3,849
6	Charges reversed on account of revival of discontinued policies	1,211	1,192



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

29 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 Policyholders is as under:

(₹ '000)

Particulars	Total	Age-Wise Analysis*							
	Amount	<1 Month	1-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 Months
Claims settled but not paid to the policyholders /Insured due to any reasons except under litigation from the insured/policyholders	158	-	-	158	-	-	-	-	-
Sum due to the insured/ policyholders on maturity or otherwise	4,368 (9)	1,658 (1)	270 (8)	2,131 -	108 -	184 -	17 -	- -	- -
Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as may be directed by the Authority but not refunded so far	3,705 (5,994)	1,447 (1,428)	436 (2,212)	545 (1,237)	529 (821)	748 (214)	- (8)	- (2)	- (72)
Cheques issued but not encashed by the policyholder/insured	5,446 (4,822)	- (49)	74 (216)	559 (411)	166 (787)	4,514 (1,000)	133 (666)	- (749)	- (944)

* Previous Year figures are shown in brackets.

Details of unclaimed amount and investment income for the year ended 31st March, 2018 is as under, as required under IRDA/ F&A/CIR/CAM/134/07/2015:

Particulars	Current Year	Previous Year
Opening Balance	10,825	20,835
Add: Amount transferred to unclaimed amount	6,319	5,490
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	84	-
Add: Investment Income	1,153	625
Less: Amount paid during the year	4,705	16,126
Closing Balance of Unclaimed Amount	13,676	10,825

30 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 Company have been debited to the Policyholders' Revenue Account as expenses in accordance with limits prescribed under the Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting life insurance business) Regulation, 2016. The amount of excess of the limits have debited to shareholders' Profit & Loss Account as below:

(₹ '000)

Particulars	Current Year	Previous Year
On account of excess of expenses over allowable expenses of management.	1,554,173	-
Total amount charged to Shareholders' Account	1,554,173	

* Previous year figures are not given as the EOM Regulation is applicable from the current year.



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

31 Loan Assets restructured during the year [IRDA Circular number IRDA/F&A/CIR/ 232/12/2013 dated 11-12-2013]

Particulars	(₹ '000)	
	Current Year	Previous Year
Total amount of Loan Assets subject to restructuring	NA	NA
Total amount of Standard Assets subject to restructuring	NA	NA
Total amount of Sub-Standard Assets subject to restructuring	NA	NA
Total amount of Doubtful Assets subject to restructuring	NA	NA

32 Foreign Exchange gain/ (loss)

The amount of foreign exchange gain (net) in Revenue Account for the year ended March 31, 2018 is ₹ 5 thousand (previous year (₹ 37) thousands).

33 Pending litigations

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2018. Refer Note C.1 of Sch 16 for details on contingent liabilities. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of 22,970 thousand at March 31, 2018 (previous year ₹ 6,492 thousand).

34 Participations in Joint Lenders Forum formed under Reserve bank of India (RBI) Guidelines

The Company has not participated in any Joint Lenders Forum formed under RBI guidelines for loan accounts which could turn into potential NPAs.

35 Assets to be deposited under local laws

There are no assets required to be deposited by the company under any local laws or otherwise encumbered in or outside India at March 31, 2018. (previous year - ₹ Nil) excepts the assets disclosed in the notes C.4.

36 Statement containing names, description, occupations if any directorships held by the person in charge of managements of the business under section 11(2) of Insurance Act, 1938 (amended by the Insurance laws (Amendment) Act, 2015)

Name	Designation	Directorships held by the Person-in-charge during the year or as at March 31, 2018	Occupation
Mr Deepak Mittal	Managing Director & CEO	Edelweiss Tokio Life Insurance Company Limited	Employment
	Director	Edelgive Foundation	Directorship

37 Change in estimate of useful life of Intangible software

The Company has revised the estimate useful lives of Intangible software during year. The revision has resulted in lower depreciation charge of ₹ 1,264 thousands.

38 Fund for Future Appropriations

The balance of participating FFA ₹ 23,451 thousands (Previous year ₹ Nil) is not available for distribution to shareholders. Such amount is classified under Fund for Future Appropriations.



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

39 Prior year comparatives

Prior year amounts have been regrouped as under:

(₹ '000)

Regrouped from		Regrouped to	Remarks
Particular	Amount	Particular	
Employees' remuneration & welfare benefits (Sch 3)	15,211	Business Support Expenses (Sch 3)	Regrouped for appropriate presentation
Travel, conveyance and vehicle running expenses (Sch 3)	16,366	Training expenses (Sch 3)	
Business Development, Marketing & Sales Promotion (Sch 3)	13,790	Travel, conveyance and vehicle running expenses (Sch 3)	
General & Other Insurance Expenses (Sch 3)	1,900	Claims by Death (Sch 4)	
Service Tax / GST (Sch 3)	2,473	Service Tax / GST on Charges (Revenue A/c)	
Others - Payable (Sch 13)	2,399	Security Deposit Received (Sch 13)	
Assets held for unclaimed amount of policyholders (Sch 12)	2,051	Interest Accrued on unclaimed policyholders ((Sch 12)	
Unclaimed amount - policyholders (Sch 13)	2,051	Interest Accrued on unclaimed policyholders (Sch 13)	
Receipt and payment account (Purchases of investments)	379,829	Receipt and payment account (Cash and cash equivalents at the beginning of the year)	
Receipt and payment account (Cash and cash equivalents at the beginning of the year)	50	Receipt and payment account (Purchases of investments)	
Total	436,121	Total	



Schedules forming part of Financial Statements For the year ended 31 March 2018 (Continued)

40 Penal actions taken during 2017-18 by various Government Authorities in pursuant to IRDA Circular number IRDA/F&A/CIR/232/12/2013 dated 11-12-2013

(₹ '000)


Sr No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil
2	Income Tax Authorities	Nil	Nil	Nil	Nil
3	Service Tax / GST Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government / Statutory Authority	Nil	Nil	Nil	Nil

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

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


Rashesh Shah
Chairman
DIN:00008322


Deepak Mittal
Managing Director & CEO
DIN: 00010337


Rajesh S. Joshi
Partner
Membership No. 038526


G. Sankar
Partner
Membership No. 046050


Venkat Ramaswamy
Director
DIN: 00008509


Himanshu Kaji
Director
DIN: 00009438



Subhrajit Mukhopadhyay
Appointed Actuary


Sharad Maheshwari
Finance Controller

Mumbai
Dated: 2 May 2018


Tarun Khurana
Company Secretary

