

**Edelweiss Insurance Brokers Limited**

Financial Statements

together with the Auditors' Report

for the year ended 31 March 2018

# Edelweiss Insurance Brokers Limited

## **Financial statements together with the Auditors' Report**

### *Contents*

Auditors' Report

Balance sheet

Statement of profit and loss

Cash flow statement

Notes to the financial statements



**KHANDELWAL PRAKASH MURARI BHANDARI & CO.**  
CHARTERED ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT**

**TO**  
**THE MEMBERS OF**  
**EDELWEISS INSURANCE BROKERS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Edelweiss Insurance Brokers Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

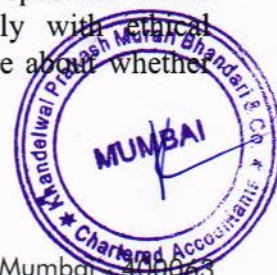
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the 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.

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





An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

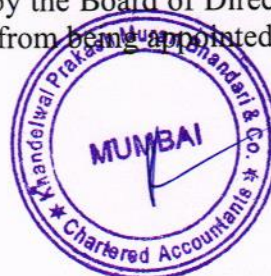
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, its Profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matter specified in the paragraph 3 and 4 of the order.
- 2) As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable.
  - e) On the basis of the written representations received from the Directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



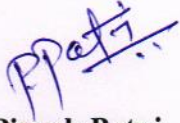


- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 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 disclosed the impact of pending litigation on its financial position in its financial statements - Refer note **2.28** to the financial statements
  - ii. The company did not have any long term contracts including derivative contracts for which any provision required for material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer note **2.30** to the financial statements

For **Khandelwal Prakash Murari Bhandari & Co.**

*Chartered Accountants*

Firm Registration No. 102454W

  
**Piyush Patni**

*Partner*

Membership No.143869

Mumbai

27<sup>th</sup> April 2018





**M/S EDELWEISS INSURANCE BROKERS LIMITED**

**Annexure "A" to Independent Auditor's Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2018, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
- c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not own any immovable property as at balance sheet date;
- (ii) Based on our examination of documents and records, the Company did not own any physical inventory at any time during the year. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanation given to us, during the year the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the applicable provisions of section 186 of the Act, where ever applicable with respect to the loans made. According to the information and explanations given to us, the Company has not granted any loan to directors under section 185 hence not applicable.
- (v) The Company has not accepted any deposits from public.
- (vi) The Central Government has not prescribed the maintenance of Cost records under section 148 (1) of Act, for the Company.
- (vii) (a) According to the information and explanation given to us and records examined by us, the Company is generally regular in deposit of undisputed statutory dues including income tax, Provident fund, service tax/GST and any other material statutory dues applicable to the company. As explained to us the Company does not have any dues on account of Employees' State Insurance, Sales Tax, Value Added Tax, wealth Tax, duty of custom and duty of excise.

According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of income tax, service tax/GST and any other material statutory dues applicable to the company which are outstanding as on 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.





(b) According to the information and explanations given, there are no dues of service tax/GST, provident fund other material statutory dues applicable to the company which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance for Provision for expenses, 26AS reconciliation and interest on income tax	43,460	Assessment Year 2013-14	CIT(Appeals)

- (viii) Based on the information available and explanations given by the management, the company has not taken any loan from financial institutions, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and records examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- (xv) According to the information and explanations given to us and records examined by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Khandelwal Prakash Murari Bhandari & Co.**

*Chartered Accountants*

Firm Registration No. 102454W

*P. Patni*

**Piyush Patni**

*Partner*

Membership No.143869

Mumbai

27<sup>th</sup> April 2018





## **Annexure-B to the Independent Auditors' Report**

### **Report on the Internal Financial Controls over financial reporting 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 Insurance Brokers Limited ("the Company")** as at 31<sup>st</sup> March 2018 in conjunction with our audit of the financial statements of the Company for the year ended and as 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 ('the Guidance Note'). 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 Act.

#### **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 Standard of Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, 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<sup>st</sup> 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 Khandelwal Prakash Murari Bhandari & Co.**

*Chartered Accountants*

Firm Registration No. 102454W



**Piyush Patni**

*Partner*

Membership No. 143869

Mumbai

27<sup>th</sup> April 2018





# Edelweiss Insurance Brokers Limited

## Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2018	As at 31 March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	25,000,000	25,000,000
Reserves and surplus	2.2	283,979,142	218,367,243
		<b>308,979,142</b>	<b>243,367,243</b>
<b>Non-current liabilities</b>			
Long-term provisions	2.3	10,225,000	8,658,628
<b>Current liabilities</b>			
Trade payables			
Total outstanding due of micro enterprises and small enterprises	2.26	-	-
Total outstanding due of creditors other than micro enterprises and small enterprises	2.4	42,096,494	15,541,895
Other current liabilities	2.5	47,481,738	51,472,921
Short-term provisions	2.6	6,748,364	9,048,639
<b>TOTAL</b>		<b>415,530,738</b>	<b>328,089,326</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Property plant and Equipment	2.7	16,524,436	13,083,566
Intangible assets	2.7	4,307,601	3,380,199
Capital work-in-progress		1,710,698	2,459,698
Deferred tax assets	2.8	7,076,444	6,619,294
Long-term loans and advances	2.9	55,695,436	36,808,271
Other non-current assets	2.10	5,692,241	5,322,730
		<b>91,006,856</b>	<b>67,673,758</b>
<b>Current assets</b>			
Trade receivables	2.11	189,711,820	126,701,880
Cash and bank balances	2.12	3,592,530	5,409,077
Short-term loans and advances	2.13	130,660,892	127,379,295
Other current assets	2.14	558,640	925,316
		<b>324,523,882</b>	<b>260,415,568</b>
<b>TOTAL</b>		<b>415,530,738</b>	<b>328,089,326</b>

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

**For Khandelwal Prakash Murari Bhandari & Co.**

Chartered Accountants

Firm Registration No. 102454W

*P. Patni*

**Piyush Patni**

Partner

Membership No: 143869

Mumbai

27 April 2018



**For and on behalf of the Board of Directors**

*Anil Kothuri*

**Anil Kothuri**

Director

DIN No.: 00177945

*Anurag Madan*

**Anurag Madan**

Director

DIN No.: 00010324

Mumbai

27 April 2018

# Edelweiss Insurance Brokers Limited

## Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue from operations</b>			
Commission income	2.15	369,104,492	295,154,119
Other operating revenue	2.16	10,097,852	363,012
Other income	2.17	1,136,098	11,467,970
<b>Total revenue</b>		<b>380,338,442</b>	<b>306,985,101</b>
<b>Expenses</b>			
Employee benefit expenses	2.18	159,623,091	159,134,677
Finance costs	2.19	(18,923)	601,856
Depreciation and amortization	2.7	8,929,444	6,991,265
Other expenses	2.20	116,077,726	74,021,323
<b>Total expenses</b>		<b>284,611,338</b>	<b>240,749,121</b>
<b>Profit before tax</b>		<b>95,727,104</b>	<b>66,235,980</b>
Tax expense:			
Current tax (includes short provision for earlier years Rs.12,37,355; Previous year: Rs. 1,684,070)		30,572,355	27,475,423
Deferred tax		(457,150)	(3,319,002)
<b>Profit for the year</b>		<b>65,611,899</b>	<b>42,079,559</b>
<b>Earnings per equity share:</b>			
<b>Basic and diluted (face value Rs. 10 each)</b>	2.22	<b>26.24</b>	<b>18.08</b>
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.

For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

Firm Registration No. 102454W

Piyush Patni

Partner

Membership No: 143869

Mumbai

27 April 2018



For and on behalf of the Board of Directors

*Anurag Madan*

Anil Kothuri

Director

DIN No.: 00177945

Anurag Madan

Director

DIN No.: 00010324

Mumbai

27 April 2018



# Edelweiss Insurance Brokers Limited

## Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Cash flow from operating activities</b>		
Profit before tax	95,727,104	66,235,980
<i>Adjustments for</i>		
Depreciation and amortization	8,929,444	6,991,265
Provision for gratuity	2,081,372	1,959,894
Provision for compensated leave absences	(116,315)	302,000
Provision for doubtful debts	1,867,178	6,678,287
(Profit)/loss on sale/ write-off of fixed assets	(663,874)	(4,947)
Interest on shortfall in payment of advance income tax	(81,148)	576,244
Interest income	(11,233,950)	(11,830,982)
<b>Operating cash flow before working capital changes</b>	<b>96,509,811</b>	<b>70,907,741</b>
Add / (Less): Adjustments for working capital changes		
(Increase) in trade receivables	(64,877,117)	(57,525,743)
Increase in loans and advances and other assets	(7,603,871)	(1,206,728)
Decrease in liabilities and provisions	22,563,417	18,776,518
<b>Cash generated from operations</b>	<b>46,592,240</b>	<b>30,951,788</b>
Income taxes paid	(31,898,680)	(21,411,322)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>14,693,560</b>	<b>9,540,466</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(13,699,168)	(12,438,867)
Proceeds from sale of fixed assets	1,814,325	155,370
Interest received	11,231,114	11,206,964
Interest on shortfall in payment of advance income tax	81,148	(576,244)
(Deployment of)/proceeds from unsecured loans given (net)	(15,937,526)	(22,713,076)
<b>Net cash (used in) / generated from investing activities - B</b>	<b>(16,510,107)</b>	<b>(24,365,853)</b>
<b>C Cash flow from financing activities</b>		
Issue of fresh equity share capital	-	18,050,000
<b>Net cash generated from financing activities - C</b>	<b>-</b>	<b>18,050,000</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>(1,816,547)</b>	<b>3,224,613</b>
Cash and cash equivalents as at the beginning of the year	5,409,077	2,184,464
Cash and cash equivalents as at the end of the year (refer note 2.12)	3,592,530	5,409,077

Notes:

1. Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

**For Khandelwal Prakash Murari Bhandari & Co.**

Chartered Accountants

Firm Registration No. 102454W

**Piyush Patni**

Partner

Membership No: 143869

Mumbai

27 April 2018



**For and on behalf of the Board of Directors**

**Anil Kothuri**

Director

DIN No.: 00177945

Mumbai

27 April 2018

**Anurag Madan**

Director

DIN No.: 00010324



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), (hereinafter referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian Rupees.

#### 1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities on the date of the financial statements and reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying 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 in current and future periods.

#### 1.3 Current / non-current classification

All assets and liabilities are classified into current and non-current.

##### *Assets*

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

##### *Liabilities*

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

#### 1.4 Revenue recognition

- a) Brokerage income is recognised on accrual basis at the inception of the insurance policy i.e. once the policy is issued by the insurance company based on the terms agreed with the insurance companies.
- b) Lenders insurance advisory fees is recognized on accrual basis when the corresponding service is provided based on the agreed terms.
- c) Interest income is recognised on accrual basis.





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (continued)

### 1.5 Fixed assets and depreciation

#### Tangible fixed assets and Capital work in progress

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

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

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

Class of asset	Estimated useful life
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

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

#### Intangible fixed assets

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

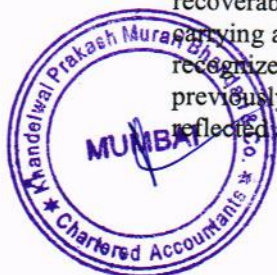
Intangibles such as software is amortised over a period of 3 years based on its estimated useful life.

### 1.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

### 1.7 Impairment of assets

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





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (continued)

### 1.8 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

Non monetary assets and liabilities are carried at historical cost using exchange rate on the date of the transaction.

### 1.9 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:

#### *Provident fund*

The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the statement of profit and loss.

#### *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 services in the current and prior periods, that 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 independent actuarial valuation by an actuary using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

#### *Compensated leave 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 statement of profit and loss 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.

### 1.10 Taxation

Income-tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

#### *Current tax*

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (continued)

### 1.10 Taxation (continued)

#### *Deferred tax*

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain, as the case may be, to be realised.

#### *Minimum alternative tax (MAT) Credit*

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

### 1.11 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### 1.12 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share”. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

### 1.13 Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.1 Share capital</b>		
<b>Authorised :</b>		
2,500,000 (Previous year: 2,500,000) equity shares of Rs. 10 each	25,000,000	25,000,000
<b>Issued, Subscribed and Paid up:</b>		
2,500,000 (Previous year: 2,500,000 ) equity shares of Rs. 10 (Previous year: Rs. 10) each, fully paid-up	25,000,000	25,000,000
	25,000,000	25,000,000

(The entire paid up capital is held by Edelweiss Financial Services Limited, the holding company and its nominees).

### a. Movement in share capital during the year

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,500,000	25,000,000	695,000	6,950,000
Issued during the year			1,805,000	18,050,000
Outstanding at the end of the year	2,500,000	25,000,000	2,500,000	25,000,000

### b. Rights of equity shareholders:

The Company has only one class of equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

### c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

	31 March 2018		31 March 2017	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Edelweiss Financial Services Limited, the holding company*	2,500,000	100%	2,500,000	100%
	2,500,000	100%	2,500,000	100%

### d. Details of shareholders holding more than 5% shares in the Company:

	31 March 2018		31 March 2017	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Equity Shares of Rs 10 each fully paid				
Edelweiss Financial Services Limited, the holding company*	2,500,000	100%	2,500,000	100%
	2,500,000	100%	2,500,000	100%

(\* Including shares held by its nominees)





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
--	------------------------	------------------------

### 2.2 Reserves and surplus

#### Surplus in statement of profit and loss

Opening balance	218,367,243	176,287,684
Add: profit for the year	65,611,899	42,079,559
	<u>283,979,142</u>	<u>218,367,243</u>

### 2.3 Long-term provisions

#### Provision for employee benefits

Gratuity	8,612,000	6,930,628
Compensated leave absences	1,613,000	1,728,000
	<u>10,225,000</u>	<u>8,658,628</u>

### 2.4 Trade payables

#### Trade payables

(includes sundry creditors, provision for expenses)

42,096,494	15,541,895
<u>42,096,494</u>	<u>15,541,895</u>



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
--	------------------------	------------------------

### 2.5 Other current liabilities

Other payables*		
Accrued salaries and benefits	35,300,842	43,211,033
Withholding tax and other taxes payable	9,345,246	2,949,340
Book overdraft	207,956	1,611,789
Others	2,627,694	3,700,759

\*There are Rs. Nil (Previous year: Rs. Nil) amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act 2013 as at the year end.

47,481,738	51,472,921
------------	------------

### 2.6 Short-term provisions

Provision for employee benefits		
Gratuity	1,341,000	941,000
Compensated leave absences	371,685	373,000

Others

Provision for taxation (net of advance tax and tax deducted at source)	5,035,679	7,734,639
--	-----------	-----------

6,748,364	9,048,639
-----------	-----------





## Edelweiss Insurance Brokers Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 2.7 Fixed assets

Description of assets	Gross Block				Depreciation and amortization			Net Block	
	As at 1 April 2017	Additions during the year	Deductions/ Adjustments during the year	as at 31 March 2018	As at 1 April 2017	Charge for the year	Deductions during the year	as at 31 March 2018	As at 31 March 2017
<b>Tangible assets</b>									
Furniture and fixtures	497,513	710,001	269,719	937,795	357,848	83,690	238,296	734,554	139,665
Vehicles	14,898,212	50,000	2,132,923	12,815,289	6,400,594	2,705,054	1,111,574	4,821,215	8,497,618
Office equipment	1,614,922	760,887	554,985	1,820,824	1,265,503	248,865	498,166	804,622	349,419
Computers	10,028,936	4,972,846	1,025,262	13,976,520	6,445,624	3,457,589	984,402	8,918,811	3,583,312
Leasehold premises	1,681,097	5,235,974	-	6,917,071	1,167,545	643,190	-	5,106,336	513,552
<b>Total : A</b>	<b>28,720,680</b>	<b>11,729,708</b>	<b>3,982,889</b>	<b>36,467,499</b>	<b>15,637,114</b>	<b>7,138,386</b>	<b>2,832,438</b>	<b>19,943,063</b>	<b>13,083,566</b>
<b>Intangible assets</b>									
Computer software	6,293,258	2,718,460	-	9,011,718	2,913,059	1,791,058	-	4,704,117	3,380,199
<b>Total : B</b>	<b>6,293,258</b>	<b>2,718,460</b>	<b>-</b>	<b>9,011,718</b>	<b>2,913,059</b>	<b>1,791,058</b>	<b>-</b>	<b>4,704,117</b>	<b>3,380,199</b>
<b>Grand Total [A+B]</b>	<b>35,013,938</b>	<b>14,448,168</b>	<b>3,982,889</b>	<b>45,479,217</b>	<b>18,550,173</b>	<b>8,929,444</b>	<b>2,832,438</b>	<b>20,832,037</b>	<b>16,463,765</b>
<b>Previous year</b>	<b>26,230,986</b>	<b>9,979,169</b>	<b>1,196,217</b>	<b>35,013,938</b>	<b>12,604,702</b>	<b>6,991,265</b>	<b>1,045,794</b>	<b>18,550,173</b>	<b>16,463,765</b>



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.8 Deferred taxes</b>		
<b>Deferred tax assets</b>		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	1,366,990	1,101,438
Disallowances under section 43B of the Income Tax Act, 1961	3,321,064	3,297,250
Provision for doubtful debts/advances	2,377,348	2,208,042
Share issue expenses	11,042	12,564
	<b>7,076,444</b>	<b>6,619,294</b>
<b>2.9 Long-term loans and advances</b>		
Unsecured, considered good		
Security deposits		
Rental deposits	13,791,840	6,243,120
Other deposits	500,000	500,000
Other loans and advances		
Advance income tax (net of provision for taxation)	41,403,596	30,065,151
	<b>55,695,436</b>	<b>36,808,271</b>
<b>2.10 Other non-current assets</b>		
Bank deposits with more than 12 months maturity, (pledged with Insurance Regulatory and Development Authority)	5,000,000	5,000,000
Accrued interest on fixed deposits	692,241	322,730
	<b>5,692,241</b>	<b>5,322,730</b>





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.11 Trade receivables</b>		
Unsecured, considered good		
Debtors outstanding for a period exceeding six months		
Unsecured, considered doubtful	8,545,464	6,678,287
	8,545,464	6,678,287
Less: Provision for doubtful debts	8,545,464	6,678,287
	-	-
Other debts		
Unsecured, considered good	189,711,820	126,701,880
	189,711,820	126,701,880
<b>2.12 Cash and bank balances</b>		
Cash and cash equivalents		
Cash in hand	28,376	11,937
Balances with banks		
in current accounts	3,564,154	5,397,140
	3,592,530	5,409,077
<b>2.13 Short-term loans and advances</b>		
Unsecured, considered good		
Loans and advances to a related party	126,996,564	111,059,038
Other loans and advances		
Deposits - others	400,000	200,000
Prepaid expenses	976,648	1,092,131
Loans and advances to employees	1,025,935	1,302,610
Vendor advances	201,194	174,861
Input tax credit	220,976	-
Advance tax and tax deducted at source (net of provision for taxation)	839,575	13,550,655
	130,660,892	127,379,295
<b>2.14 Other current assets</b>		
Accrued interest on loans given	558,640	925,316
	558,640	925,316



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.15 Commission income</b>		
Insurance brokerage income	367,974,492	294,940,369
Lenders insurance advisory fees	1,130,000	213,750
	<b>369,104,492</b>	<b>295,154,119</b>
<b>2.16 Other operating revenue</b>		
Interest income on loan	9,687,284	11,269,968
Interest income on fixed deposits	410,568	363,012
	<b>10,097,852</b>	<b>11,632,980</b>
<b>2.17 Other income</b>		
Interest Income - others	1,136,098	198,002
	<b>1,136,098</b>	<b>198,002</b>
<b>2.18 Employee benefit expenses</b>		
Salaries, allowances and bonus	149,489,442	150,669,352
Contribution to provident and other funds	5,306,579	4,704,963
Staff welfare expenses	4,827,070	3,760,362
	<b>159,623,091</b>	<b>159,134,677</b>
<b>2.19 Finance costs</b>		
Interest - others	5,887	414
Financial and bank charges	56,338	25,198
Interest on shortfall in payment of advance income tax (net)	(81,148)	576,244
	<b>(18,923)</b>	<b>601,856</b>





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.20 Other expenses</b>		
Business promotion expenses	7,499,105	6,747,796
Auditors' remuneration	652,500	616,500
Bad debts written off	106,059	-
Commission and brokerage	75,592	-
Communication	3,517,724	3,274,067
Computer expenses	2,872,859	874,878
Computer software	567,774	236,188
Dematerialisation charges	4,500	-
Donation	8,789	-
Electricity charges	2,827,577	2,275,412
Foreign exchange loss (net)	11,962	6,648
Insurance	848,219	745,080
Legal and professional fees	39,711,083	10,135,459
Profit on sale/ write-off of fixed assets (net)	(663,874)	(4,947)
Membership and subscription	1,090,695	974,334
Office expenses	1,208,987	796,638
Postage and courier	153,871	205,732
Printing and stationery	2,784,932	3,604,161
Provision for doubtful debts	1,867,178	6,678,287
Rates and taxes	1,056,781	948,704
Rent	25,047,056	16,754,370
Repairs and maintenance - Building	35,819	-
Repairs and maintenance - others	619,895	224,970
ROC Expenses	1,200	51,700
Seminar and conference	348,429	452,539
Service tax expenses	134,924	336,483
Travelling and conveyance	17,826,164	12,061,191
Miscellaneous expenses	1,029	2,921
Housekeeping and security charges	5,860,897	6,022,212
	<b>116,077,726</b>	<b>74,021,323</b>



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.21 Segment reporting

The Company has operated only in one business segment during the year viz. Agency business comprising of Insurance advisory and insurance products distribution services. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Since business operations of the Company are concentrated in India, the Company is considered to operate only in domestic segment and therefore there is no reportable geographic segment.

### 2.22 Earnings per share

In accordance with Accounting Standard 20 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

S. No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a)	Net amount attributable to the Equity shareholders (as per statement of profit and loss)	65,611,900	42,079,559
b)	Calculation of weighted average number of Equity Shares of Rs 10 each:		
	Number of equity shares at the beginning of the year	2,500,000	695,000
	Number of equity shares issued during the year	-	18,05,000
	Total number of equity shares outstanding at the end of the year	2,500,000	2,500,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	25,00,000	2,326,918
c)	Basic and diluted earnings per share (a/b)	26.24	18.08





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

- 2.23 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

S. No	Particulars
A.	<b>Names of related parties by whom control is exercised</b> Edelweiss Financial Services Limited, Holding company
B.	<b>Fellow Subsidiaries with whom the Company has transactions</b> Edelweiss Commodities Services Limited Edelweiss Broking Limited Edelweiss Housing Finance Limited Edelweiss Business Services Limited (Edelweiss Web Services Limited) Edelweiss Securities Limited Edelweiss Investment Advisors Limited ECL Finance Limited Edelweiss Agri Value Chain Limited(Formerly Edelweiss Integrated Commodity Management Limited) Edelweiss Alternative Asset Advisors Limited Edelweiss Global Wealth Management Limited Eternity Business Centre Limited ECap Equities Limited Burlington Business Solutions Limited EdelGive Foundation Edelweiss General Insurance Company Limited



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.23 Related parties

(C) Transactions with related party during the reporting year

Nature of Transaction	Name of related parties	2017-18	2016-17
<b>Current account transactions</b>			
Long term loans repaid by (Refer note below)	Edelweiss Commodities Services Limited	-	500,000
Short term loans given to (Refer note below)	Edelweiss Commodities Services Limited	31,984,527	33,848,419
Short term loans repaid by (Refer note below)	Edelweiss Commodities Services Limited	16,047,000	10,635,343
Interest income on loans from	Edelweiss Commodities Services Limited	9,687,284	11,269,968
Processing fees paid to	Edelweiss Business Services Limited	-	58,310
Legal and professional fees paid to	Edelweiss Business Services Limited	26,555,299	142,874
Sale of fixed assets to	Edelweiss Business Services Limited	5,184	1,798
	Edelweiss Agri Value Chain Limited	-	20,257
Purchase of fixed assets from	Edelweiss Broking Limited	-	56,423
	Edelweiss Business Services Limited	-	15,543
	Edelweiss Global Wealth Management Limited	-	7,198
	Edelweiss Agri Value Chain Limited	-	40,382
	ECL Finance Limited	-	62,992
	Edelweiss Commodities Services Limited	-	61,720
	Edelweiss Housing Finance Limited	-	10,278
	Edelweiss Securities Limited	-	53,971
	Edelweiss Financial Services Limited	-	16,990
	Edelweiss Investment Advisors Limited	-	25,298
Issue of Share Capital	Edelweiss Financial Services Limited	-	18,050,000
Receivable on account of reinsurance premium	Edelweiss General Insurance Company Limited	937,530	-
Cost reimbursements paid to	Edelweiss Financial Services Limited	896,252	-
	Edelweiss Securities Limited	2,135,862	-
	ECap Equities Limited	42,940	-
	Edelweiss Commodities Services Limited	11,470,388	1,310,354
	Edelweiss Global Wealth Management Limited	35,787	-
	Edelweiss Broking Limited	526,419	889,781
	Burlington Business Solutions Limited	23,381	-
	Eternity Business Centre Limited	13,138	223,918
Gratuity payable on account of employee transfer	Edelweiss Business Services Limited	433,000	-
	ECL Finance Limited	101,000	-
Reimbursements paid to	Edelweiss Financial Services Limited	-	9,740,955
	Edelweiss Commodities Services Limited	79,946,415	55,454,956
	Edelweiss Business Services Limited	3,669,787	9,141,616
Cost reimbursement from	Edelweiss Financial Services Limited	11,184,755	-
Donation Given	EdelGive Foundation	8,789	-





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.23 Related parties

(C) Transactions with related party during the reporting year

Nature of Transaction	Name of related parties	2017-18	2016-17
Balance with related parties as on 31 March 2018			
Accrued interest income on loans given to	Edelweiss Commodities Services Limited	558,641	925,316
Trade payables	Edelweiss Financial Services Limited	-	315,495
	Edelweiss Commodities Services Limited	1,177	4,417,233
	Edelweiss Business Services Limited	14,379,241	228,343
	Edelweiss Securities Limited	600,602	53,971
	Edelweiss Global Wealth Management Limited	20,614	7,198
	Edelweiss Alternative Asset Advisors Limited	-	15,543
	Edelweiss Investment Advisors Limited	-	25,298
	Edelweiss Broking Limited	-	56,423
	ECL Finance Limited	101,000	62,992
	Edelweiss Housing Finance Limited	-	10,278
	Edelweiss Agri Value Chain Limited	-	40,382
Trade receivable	Edelweiss Financial Services Limited	35,538	-
Short-term loans receivable given to	Edelweiss Commodities Services Limited	126,996,564	111,059,038

#### Note :

Loan given / taken to / from parties and margin money placed / refund received with / from related parties are disclosed based on the maximum incremental amount given / taken and placed / refund received during the reporting period.

Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee : Loans have been given for general business purpose.



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.24 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, actual identifications, basis of area occupied etc. On the same lines, branch running costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.20 include reimbursements paid.

### 2.25 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013: As at 31<sup>st</sup> March 2018

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	Not Applicable	Not Applicable	Not Applicable
(+) Permitted receipts			
(-) Permitted payments			
(-) Amount deposited in Banks			
Closing cash in hand as on 30.12.2016			
Note: The amount in receipts (SBN) represents cash returned by employees given to them as advances to meet expenses on behalf of the Company.			

Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013: As at 31<sup>st</sup> March 2017

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	32,000	480	32,480
(+) Permitted receipts	-	50,312	50,312
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	32,000	-	32,000
Closing cash in hand as on 30.12.2016	-	50,792	50,792
Note: The amount in receipts (SBN) represents cash returned by employees given to them as advances to meet expenses on behalf of the Company.			





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.26 Details of dues to micro and small enterprises

Trade Payables includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, and Small Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

### 2.27 Foreign currency

The Company has incurred expenditure in foreign currency of Rs. 1,121,673 during the year (Previous year Rs. 1,770,247) and there are no earning in foreign currency during the year (Previous year: Nil).

### 2.28 Capital commitments and contingent liabilities

#### Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs.427,963 (Previous year: Rs. . 2,428,000).

#### Contingent liabilities

Taxation matters in respect of which appeal is pending Rs. 43,460 (Previous year: Rs. 3,276,731 ).

### 2.29 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

#### A) Defined contribution plan (Provident fund):

Amount of Rs. 5,302,902 (Previous year: Rs.4,701,544) is recognised as expense and included in "Employee benefit expenses" – Note 2.18 in the statement of profit and loss.

#### B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expense recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the gratuity benefit plan.

#### Statement of profit and loss

##### Net employees benefit expenses:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	1,761,000	1,538,811
Interest on defined benefit obligation	499,000	436,700
Expected return on plan assets	-	-
Past Service Cost	676,000	-
Actuarial (gain) or losses	(100,000)	49,000
<b>Total included in Employee benefit expenses'</b>	<b>2,836,000</b>	<b>2,024,511</b>



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.29 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits Balance sheet

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Liability at the beginning of the year	7,871,628	5,911,734
Interest cost	499,000	436,700
Current service cost	1,761,000	1,538,811
Past service cost (not vested benefit)	-	-
Past service cost (vested benefit)	676,372	-
Benefits Paid	(221,000)	(64,617)
Transfer in/(out)	(534,000)	-
Actuarial (gain)/loss on obligations	(100,000)	49,000
<b>Liability at the end of the year</b>	<b>9,953,000</b>	<b>7,871,628</b>

Changes in Fair Value of Plan Assets are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Fair Value of plan assets at the beginning of the year	-	-
Acquisition Adjustment	-	-
Expected return on plan asset	-	-
Contribution	221,000	64,650
Benefits Paid	(221,000)	(64,650)
Actuarial (gain) or losses	-	-
<b>Liability at the end of the year</b>	<b>-</b>	<b>-</b>

Amount Recognised in the Balance Sheet:

Particulars	As at 31 March 2018	As at 31 March 2017
Liability at the end of the year	9,953,000	7,871,628
Fair value of plan assets at the end of the year	-	-
<b>Amount in Balance sheet</b>	<b>9,953,000</b>	<b>7,871,628</b>





# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.29 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

#### Details of provision for gratuity:

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current liability at the end of the year	9,953,000	7,871,628
Current liability at the end of the year	1,341,000	941,000

#### Experience Adjustment

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
On plan liabilities: (Gain)/ Loss	181,000	(210,000)	468,000	159,000	227,000
On plan assets: Gain / (Loss)	-	-	-	-	-
Estimated Contribution for the next year	-	-	-	-	-

#### Principle actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.30%	6.80%
Salary escalation rate	7%	7%
Employees attrition rate	13 %- 25%	13 %- 25%

### 2.30 Dues to Investor Protection Fund

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2018.

### 2.31 Operating leases

The Company has taken various premises on operating lease agreements. Gross rental expenses for the year ended 31 March 2018 aggregated to Rs. 21,268,409 (Previous year: Rs. 14,440,566) (Refer Note – 2.20) which has been included under the head other expenses – Rent in the statement of profit and loss.

#### Non-cancellable operating lease obligation:

Sr. No.	Particulars	As at 31 March 2018	As at 31 March 2017
1	Not later than one year	11,652,240	199,162
2	Later than one year but not later than five years	15,450,120	-
3	Later than five years	-	-



# Edelweiss Insurance Brokers Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.32 Previous year comparatives

Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current year's presentation.

As per our report of even date attached.

**For Khandelwal Prakash Murari Bhandari & Co.**

*Chartered Accountants*

Firm Registration No. 102454W



**Piyush Patni**

*Partner*

Membership No: 143869



Mumbai

27 April 2018

**For and on behalf of the Board of Directors**



**Anil Kothari**

*Director*

DIN no.: 00177945

Mumbai

27 April 2018



**Anurag Madan**

*Director*

DIN no.: 00010324