

Edelweiss General Insurance Company Limited

Financial Statements
together with Auditor's Report
for the year ended 31 March 2017

Edelweiss General Insurance Company Limited

Financial statements together with Independent Auditors' Report
for the year ended 31 March 2017

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To
The Members of Edelweiss General Insurance Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Edelweiss General Insurance Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the 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 of 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 31 March 2017, and its loss and its cash flows for the period ended on that date.

B - 46, 3rd Floor, Pravasi Estate, V N Road, Goregaon (E), Mumbai - 400 063.

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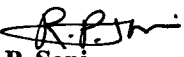
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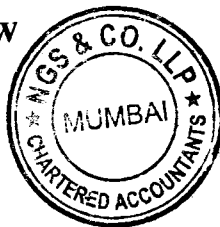


Report on Other Legal and Regulatory Requirements

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 matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the 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 statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
 - e. on the basis of written representations received from the Directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, 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 separate report in "Annexure B"; and
 - 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 does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 – Refer Note 2.18.

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


R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 15 May 2017

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss General Insurance Company Limited ('the Company') on the financial statements for the period ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the 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 nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) Based on our examination of documents and records, the Company does not own any inventory during the period. Therefore, the provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, 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, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the period by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, services tax, sales tax, value added tax, duty of excise and duty of custom.

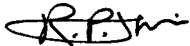
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, cess and other material statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, and cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.

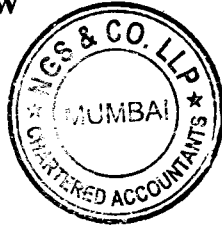


- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the period, 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 by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, 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 NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 15 May 2017

Annexure B 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 General Insurance Company Limited ("the Company")** as of 31 March 2017 in conjunction with our audit of financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

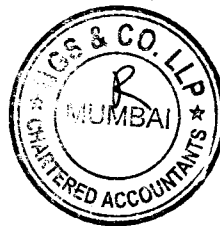
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.

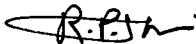
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

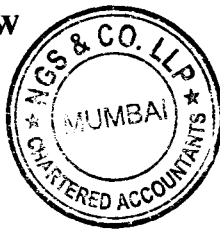
Opinion

In our opinion, 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 March 2017, 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 NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W



R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: 15 May 2017

Edelweiss General Insurance Company Limited

Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2017
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2.1	50,000,000
Reserves and surplus	2.2	<u>(22,610,441)</u>
		27,389,559
Non-current liabilities		
Long-term provisions	2.3	<u>281,000</u>
		281,000
Current liabilities		
Trade payables		
Total outstanding due of Micro enterprises and Small enterprises	2.19	
Total outstanding due of Creditors other than Micro enterprises and Small enterprises		667,454
Other current liabilities	2.4	1,057,129
Short-term provisions	2.5	<u>41,000</u>
		1,765,583
TOTAL		<u><u>29,436,142</u></u>
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	2.6	354,951
Intangible assets	2.6	<u>308,516</u>
		663,467
Current assets		
Cash and bank balances	2.7	26,946,680
Short-term loans and advances	2.8	1,525,167
Other current assets	2.9	<u>300,828</u>
		28,772,675
TOTAL		<u><u>29,436,142</u></u>

Significant accounting policies and notes to financial statements

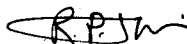
1 & 2

As per our report of even date attached.

For NGS & Co.LLP

Chartered Accountants

Firm Registration No. 119850W



R. P. Soni

Partner

Membership No.:104796

Place: Mumbai

Date: 15 May 2017



For and on behalf of the Board of Directors

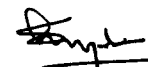

Himanshu Kaji

Director

Din No.:00009438

Place: Mumbai

Date: 15 May 2017



S Ranganathan

Director

Din No.:00125493

Edelweiss General Insurance Company Limited

Statement of Profit and Loss

(Currency: Indian rupees)

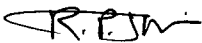
For the period from
02 March 2016 to
31 March 2017

	Note	
Revenue from operations		
Interest income	2.10	455,532
Total revenue		455,532
Expenses		
Employee benefit expenses	2.11	15,567,806
Finance costs	2.12	5,676
Depreciation and amortization expenses	2.6	100,036
Other expenses	2.13	7,392,455
Total expenses		23,065,973
Loss before tax		(22,610,441)
Tax expense:		-
Loss for the period		(22,610,441)
Basic and diluted earnings per share (Face value of Rs. 10 each)	2.17	(18.92)
Significant accounting policies and notes to financial statements	1 & 2	
As per our report of even date attached.		

For NGS & Co.LLP

Chartered Accountants

Firm Registration No. 119850W



R. P. Soni

Partner

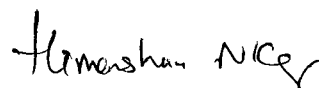
Membership No.:104796

Place: Mumbai

Date: 15 May 2017



For and on behalf of the Board of Directors



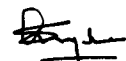
Himanshu Kaji

Director

Din No.:00009438

Place: Mumbai

Date: 15 May 2017



S Ranganathan

Director

Din No.:00125493

Edelweiss General Insurance Company Limited

Cash Flow Statement

(Currency: Indian rupees)

For the period from
02 March 2016 to
31 March 2017

A Cash flow from operating activities

Loss before taxation	(22,610,441)
Adjustments for	
Depreciation and amortization expenses	100,036
Provision for compensated absences and gratuity	322,000
Interest income	(455,532)
Operating cash flow before working capital changes	(22,643,937)
Adjustments for working capital changes	
Increase in loans and advances	(1,479,613)
Increase in liabilities and provisions	1,724,583
Cash used in operations	(22,398,967)
Income tax paid	(45,554)
Net cash used in operating activities - A	(22,444,521)

B Cash flow from investing activities

Purchase of fixed assets	(763,503)
Interest received	154,704
Fixed deposits placed	(26,200,000)
Net cash used in investing activities - B	(26,808,799)

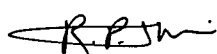
C Cash flow from financing activities

Proceeds from issue of share capital	50,000,000
Net cash generated from financing activities - C	50,000,000
Net increase in cash and cash equivalents (A+B+C)	746,680

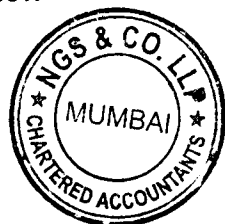
Cash and cash equivalents as at the beginning of the period	-
Cash and cash equivalents as at the end of the period (refer note 2.7)	746,680

As per our report of even date attached.

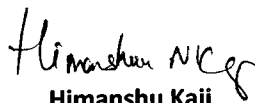
For NGS & Co.LLP
Chartered Accountants
Firm Registration No. 119850W



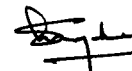
R. P. Soni
Partner
Membership No.:104796
Place: Mumbai
Date: 15 May 2017



For and on behalf of the Board of Directors



Himanshu Kaji
Director
Din No.: 00009438
Place: Mumbai
Date: 15 May 2017



S Ranganathan
Director
Din No.:00125493

Edelweiss General Insurance Company Limited

Notes to financial statements for the period ended 31 March 2017

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with India 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 the management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and 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, it is held primarily for the purpose of being traded, 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 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, it is held primarily for the purpose of being traded, 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

Interest income is recognised on accrual basis.



Edelweiss General Insurance Company Limited

Notes to financial statements for the period ended 31 March 2017 (*Continued*)

1. Significant accounting policies (*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 deduction 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 to use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to 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:

Nature of assets	Useful Life
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

Intangible fixed assets

Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter.

1.6 Taxation

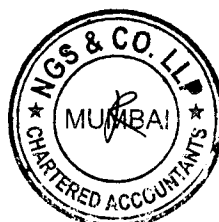
Tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

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.

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised when 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 to the extent there is a virtual certainty of realisation of these 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.



Edelweiss General Insurance Company Limited

Notes to financial statements for the period ended 31 March 2017 (*Continued*)

1. Significant accounting policies (*Continued*)

1.7 *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 weighted average number of equity shares considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.8 *Provisions and contingencies*

The Company creates a provision when there is 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 General Insurance Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2017

2.1 Share capital

Authorised:

5,000,000 equity shares of Rs 10 each

50,000,000

50,000,000

Issued, Subscribed and Paid up:

5,000,000 equity shares of Rs 10, each fully paid up

50,000,000

50,000,000

(All the above equity shares of Rs. 10 each are held by Edelweiss Financial Services Limited, the holding company and its nominees)

a. **Movement in share capital :**

i) **Equity shares**

Reconciliation of number of shares outstanding :

Number of shares outstanding at the beginning of the period

No. of shares

-

Shares issued during the period

5,000,000

Number of shares at the end of the period

5,000,000

Reconciliation of share capital:

Share capital at the beginning of the period

Amount

-

Share capital issued during the period

50,000,000

Share capital at the end of the period

50,000,000

2.2 Reserves and surplus

Deficit in statement of profit and loss

Opening balance

-

Add: Loss for the period

(22,610,441)

Closing balance

(22,610,441)



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2017

2.3 Long-term provisions

Provision for employee benefits	
Gratuity	100,000
Compensated absences	181,000
	<hr/>
	281,000
	<hr/>



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2017

2.4 Other current liabilities

Other payables	
Accrued salaries and benefits	6,025
Withholding taxes, service tax and other statutory dues	997,828
Others	53,276
	<hr/>
	1,057,129
	<hr/>

2.5 Short-term provisions

Provision for employee benefits	
Gratuity	1,000
Compensated absences	40,000
	<hr/>
	41,000
	<hr/>



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.6 Fixed assets

Description of assets	Gross Block			Depreciation			Net Block	
	As at 2 March 2016	Additions during the period	Deductions during the period	As at 31 March 2017	As at 2 March 2016	Charge for the period	Deductions during the period	As at 31 March 2017
Tangible assets								
Computers	-	345,928	-	345,928	-	50,860	-	295,068
Office Equipments	-	69,000	-	69,000	-	9,117	-	59,883
Total: A	-	414,928	-	414,928	-	59,977	-	354,951
Intangible assets								
Computer software	-	348,575	-	348,575	-	40,059	-	308,516
Total: B	-	348,575	-	348,575	-	40,059	-	308,516
Grand total [A+B]	-	763,503	-	763,503	-	100,036	-	663,467



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2017

2.7 Cash and bank balances

Cash and cash equivalents

Balances with banks

- in Current accounts

746,680

746,680

Other bank balances

Short term deposits with bank

26,200,000

26,946,680



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2017

2.8 Short-term loans and advances

Unsecured, considered good

Prepaid expenses	36,357
Vendor advances	505,500
Cenvat and VAT Assets	937,756
Advance tax and tax deducted at source	45,554

1,525,167

2.9 Other current assets

Accrued interest on fixed deposits	300,828
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300,828



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the period from 02 March 2016 to 31 March 2017
2.10 Interest Income	
On fixed deposits	455,532
	<u><u>455,532</u></u>



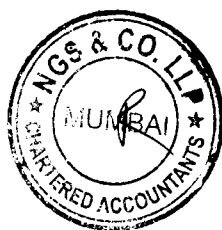
Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

For the period from
02 March 2016 to
31 March 2017

2.11	Employee benefit expenses	
	Salaries and wages	14,957,296
	Contribution to provident and other funds	572,226
	Staff welfare expenses	38,284
		<hr/> 15,567,806 <hr/>
2.12	Finance costs	
	Interest - others	5,676
		<hr/> 5,676 <hr/>



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

For the period from
02 March 2016 to
31 March 2017

2.13	Other expenses	
	Advertisement and business promotion	28,820
	Auditors' remuneration (refer note below)	35,000
	Communication	75,276
	Computer expenses	17,265
	Computer software	2,400
	Electricity charges (refer note 2.23)	646,628
	Insurance	13,107
	Legal and professional fees	3,332,894
	Membership and subscription	14,149
	Printing and stationery	59,011
	Registration expenses	500,000
	Rent (refer note 2.23)	1,991,578
	Seminar and conference	5,500
	Travelling and conveyance	33,577
	Miscellaneous expenses	2,550
	Preliminary expenses	634,700
		<u>7,392,455</u>
	Note:	
	Auditors' remuneration	
	As auditor	<u>35,000</u>
		<u>35,000</u>



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

For the period ended 31 March 2017

(Currency: Indian rupees)

2.14 Segment reporting

The Company is engaged primarily into General Insurance business. Based on materiality, management has identified that there are no other reportable business segments within the meaning of Accounting Standard 17 - Segment Reporting. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

2.15 Disclosure of Related parties as required under AS-18 – “Related party Disclosure”

In accordance with Accounting Standard 18 on “Related Party Disclosures” as prescribed under Section 133 of the companies Act 2013, read with Rule 7 of the companies (Accounts) Rules, 2014.

(A) Name of related party by whom control is exercised

Edelweiss Financial Services Limited Holding Company

(B) Fellow subsidiaries with whom transactions have taken place:

Edelweiss Commodities Services Limited
Edelweiss Business Services Limited
(Formerly known as Edelweiss Web Services Limited)



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

For the period ended 31 March 2017

(Currency: Indian rupees)

2.15 Disclosure of Related parties as required under AS-18 - "Related Party Disclosure" (Continued)

(C) Transaction with related parties

Sr. No.	Nature of Transaction	Related Party Name	Period
	Capital account transactions during the period		
1	Equity shares capital	Edelweiss Financial Services Limited	50,000,000
	Current account transactions during the period		
2	Short term loans taken from	Edelweiss Commodities Services Limited	349
3	Reimbursement paid to	Edelweiss Commodities Services Limited	1,787,909
		Edelweiss Financial Services Limited	416,622
		Edelweiss Business Services Limited	857,640
4	Processing fees paid to	Edelweiss Business Services Limited	1,130
5	Legal and professional fees	Edelweiss Business Services Limited	5,734
6	Cost reimbursement paid to	Edelweiss Financial Services Limited	61,890
		Edelweiss Commodities Services Limited	2,638,206
	Balances with related parties		
7	Short term loan taken from	Edelweiss Commodities Services Limited	11
8	Short term loan given to	Edelweiss Financial Services Limited	11
9	Trade payables to	Edelweiss Business Services Limited	7,209

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



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

For the period ended 31 March 2017

(Currency: Indian rupees)

2.16 Disclosure pursuant to Accounting Standard 15 (Revised) –Employee Benefits

A) Defined contribution plan - Provident fund

Amount of Rs. Rs.471,226 is recognised as expense and included in “Employee benefit expenses” – Note 2.11 in the statement of profit and loss.

B) Retirement benefit - gratuity

The following tables summarize the components of the net benefit expenses recognised in the statement of profit and loss the funded status and amounts recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Net employee benefits expenses (recognised in employee cost):

	For the period ended 31 March 2017
Current service cost	101,000
Interest on defined benefit obligation	-
Expected return on plan assets	-
Net actuarial loss/(gain) recognised in the period	-
Past service cost	-
Actuarial (gain) / loss	-
Total included in employee benefit expenses	101,000

Balance sheet

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

	As at 31 March 2017
Liability at the beginning of the period	-
Interest cost	-
Current service cost	101,000
Past service cost (non vested benefit)	-
Past service cost (vested benefit)	-
Benefit Paid	-
Actuarial (gain)/loss on obligations	101,000
Transfers In/(Out)	-
Liability at the end of the period	101,000
Of which, short term provision	1,000



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

For the period ended 31 March 2017

(Currency: Indian rupees)

Amount Recognised in the Balance Sheet:

	As at 31 March 2017
Liability at the end of the period	101,000
Fair value of plan assets at the end of the period	-
Amount in Balance sheet	101,000

Experience Adjustment:

	As at 31 March 2017
Defined Benefit Obligation	101,000
Fair Value of Plan Assets	-
Surplus/(Deficit)	(101,000)
On Plan liabilities: (Gain) / Loss	-
On Plan Assets Gain / (Loss)	NA

Principle actuarial assumptions at the balance sheet date:

	As at 31 March 2017
Discount rate current	6.6%
Salary escalation current	7%
Employees attrition rate	13%-60%



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

For the period ended 31 March 2017

(Currency: Indian rupees)

2.17 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:

	For the period from 02 March 2016 to 31 March 2017
a) Shareholders earnings (as per statement of profit and loss)	(22,610,441)
b) Calculation of weighted average number of Equity Shares of Rs 10 each:	
– Number of equity shares at the beginning of the period	-
– Number of equity shares issued during the period	5,000,000
Total number of equity shares outstanding at the end of the period	5,000,000
Weighted average number of equity shares outstanding during the period (based on the date of issue of shares)	1,194,795
c) Basic and diluted earnings per share (in rupees) (a/b)	(18.92)

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares.

2.18 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-



Edelweiss General Insurance Company Limited

Notes to the financial statements (*Continued*)

For the period ended 31 March 2017

(Currency: Indian rupees)

2.19 *Details of dues to micro, small and medium enterprises*

Trade payables include Rs. Nil payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the period 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.

2.20 *Capital commitments*

The Company has Rs.Nil capital commitments as at the balance sheet date.

2.21 *Contingent liabilities*

Taxation matters in respect of which appeal is pending Rs. Nil

2.22 *Earnings and expenditure in foreign currency*

The Company did not have any earnings or expenditure in foreign currency during the period.

2.23 *Cost sharing*

Edelweiss Commodities Services Limited, the fellow subsidiary incurs expenditure like electricity, rent, etc. which is for the benefit of Edelweiss General Insurance Company Limited. This cost so expended is reimbursed by Edelweiss General Insurance Company Limited on the basis of number of employees, area occupied, actual identifications etc. Accordingly, and as identified appropriately, the expenditure head in Note 2.13 is gross of the reimbursements.



Edelweiss General Insurance Company Limited

Notes to the financial statements (Continued)

For the period ended 31 March 2017

(Currency: Indian rupees)

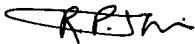
2.24 Prior period comparative

The Company present its first financial statements which cover a period from the date of its incorporation till the balance sheet date and hence previous year's figures are not available for comparative presentation. The financial statements have been prepared for the period from 02 March 2016 to 31 March 2017.

For NGS & Co.LLP

Chartered Accountants

Firm Registration No. 119850W



R. P. Soni

Partner

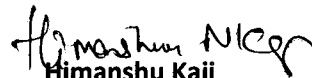
Membership No.:104796

Place: Mumbai

Date: 15 May 2017



For and on behalf of the Board of Directors



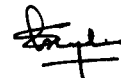
Himanshu Kaji

Director

Din No.:00009438

Place: Mumbai

Date: 15 May 2017



S Ranganathan

Director

Din No.:00125493