

Delighting customers

Future Generali India Insurance Company Limited
Annual Report FY 2015-16

general.futuregenerali.in



BOARD OF DIRECTORS

G.N. Bajpai
Chairman

Kishore Biyani
Director

Vijay Biyani
Director

Krishan Kant Rath
Director

John Inniss Howell
Additional Director

Hayden Seach
Additional Director

Jennifer Sparks
Additional Director

Bhavna Doshi
Independent Director

Devi Singh
Independent Director

K.G. Krishnamoorthy Rao
Managing Director and Chief Executive Officer

KEY PERSONS

K.G. Krishnamoorthy Rao
Managing Director and Chief Executive Officer

Easwara Narayanan
Chief Operating Officer

Srinivasan Venugopalan
Chief Financial Officer

Neel Chheda
Appointed Actuary

Deepak Prasad
Senior Vice President - Corporate Sales

M. Raghavendra Rao
Head - Retail Sales

Prashant Chikhal[^]
Head - Internal Audit

Anurag Sinha
Senior Vice President - Bancassurance

Ajay Panchal
Head - Risk Management

Manish Pahwa
Company Secretary and Principal Compliance Officer

Milan P. Shirodkar
Chief of Investments

AUDIT COMMITTEE

Bhavna Doshi
Chairperson

[^] Resigned on January 11, 2016

G. N. Bajpai
Devi Singh

INVESTMENT COMMITTEE*

G N Bajpai
Chairman

Krishan Kant Rath
John Inniss Howell
K.G. Krishnamoorthy Rao
Srinivasan Venugopalan
Milan P. Shirodkar
Neel Chheda

**Reconstituted on October 30, 2015.*

POLICYHOLDERS PROTECTION COMMITTEE*

G N Bajpai
Chairman

Krishan Kant Rath
John Inniss Howell
Hayden Seach

**Reconstituted on October 30, 2015 and February 01, 2016.*

ETHICS AND COMPLIANCE COMMITTEE*

G N Bajpai
Chairman

Krishan Kant Rath
John Inniss Howell
Hayden Seach

**Reconstituted on October 30, 2015 and February 01, 2016.*

RISK MANAGEMENT COMMITTEE*

G N Bajpai
Chairman

Krishan Kant Rath
Hayden Seach
John Inniss Howell

**Reconstituted on October 30, 2015 and February 01, 2016.*

BANKING AFFAIRS COMMITTEE*

Krishan Kant Rath
Chairman

John Inniss Howell
K.G. Krishnamoorthy Rao

**Reconstituted on October 30, 2015.*

SHARE TRANSFER AND ALLOTMENT COMMITTEE

G.N. Bajpai
Chairman

Krishan Kant Rath
K.G. Krishnamoorthy Rao

NOMINATION AND REMUNERATION COMMITTEE

Bhavna Doshi
Chairperson

G.N. Bajpai
K.K. Rath
Devi Singh

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Devi Singh
Chairman

K. K. Rath
John Inniss Howell
Hayden Seach

STATUTORY AUDITORS

Chhaged & Doshi
Chartered Accountants

M.M. Nissim & Co.
Chartered Accountants

SECRETARIAL AUDITOR

Anish Gupta & Associates
Practicing Company Secretary

REGISTRARS & TRANSFER AGENTS

Link Intime Private Limited

CORPORATE IDENTIFICATION NUMBER

U66030MH2006PLC165287

IRDAI REGISTRATION NO:

132

REGISTERED OFFICE

Indiabulls Finance Centre, Tower 3

6th Floor, Senapati Bapat Marg,
Elphinstone Road, (W), Mumbai - 400 013

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At Future Generali India Insurance Company Limited, we never lose sight of the fact that we are in business for the overarching benefit of one stakeholder.

Our customer.

When we introduce a product, we examine whether this will address the **needs of the customer.**

When we design solutions, we appraise whether this will be **innovative enough for customer benefit.**

When we market products, we check if the long-term benefits will translate into a **customer's peace of mind.**

The result is that we provide a comprehensive range of general insurance solutions that meet a wide range of customer needs and requirements.

**Protecting the present.
Securing the future.**

Future Generali is in the business of delighting customers.

This focus has enabled the Company to issue 1.2 million policies during 2015-16, the highest in the Company's nine-year existence.

Translating into a 8% gross written premium growth in 2015-16.

CORPORATE PILLARS

Vision: To actively protect and enhance people's lives.

Mission: To be the first choice by delivering relevant and accessible insurance solutions.

CORE VALUES

Deliver on the promise

- We tie a long-term contract of mutual trust with our people, customers and stakeholders; all of our work is about improving the lives of our customers.
- We commit with discipline and integrity to bringing this promise to life and making an impact within a long lasting relationship.

Value our people

- We value our people, encourage diversity and invest in continuous learning and growth by creating a transparent, cohesive and accessible working environment. Developing our people will ensure our Company's long - term future.

Live the community

- We are proud to belong to a global Group with strong, sustainable and long lasting relationships in every market in which we operate. Our markets are our homes.

Be open

- We are curious, approachable and empowered people with open and diverse mindsets who want to look at things from a different perspective.

VINTAGE

- Joint venture between Future Group, the game-changers of retail trade in India, and Generali, a 184-year old global insurance Group featuring among the world's 50 largest companies
- Commenced business in September 2007 as a general insurer providing comprehensive insurance solutions in the general insurance space in India

BUSINESS

Future Generali is engaged in providing:

o Personal

- Motor
- Health and personal accident
- Travel
- Home
- Lifestyle (art, wedding, golfers insurance)

o Commercial

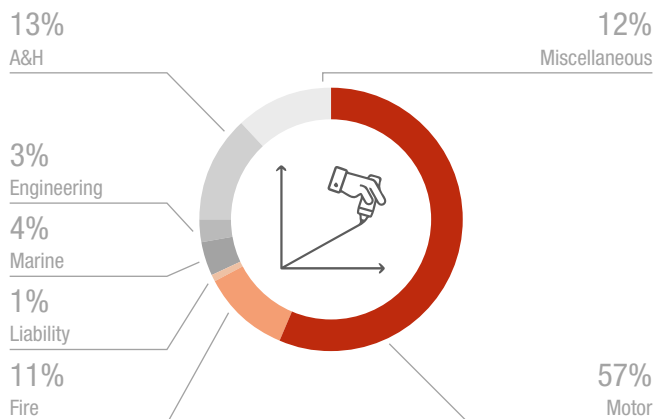
- Property – Fire & allied perils, AOG perils, terrorism, burglary
- Marine
- Engineering – Construction and operational insurance
- Liability
- Employee risks
- Event

o Social / rural

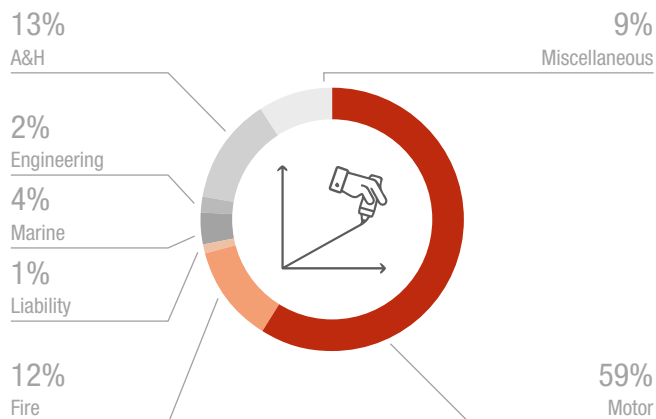
- Farmers' package
 - Cattle and livestock
 - Janata personal accident
-

Business-wise % GWP breakup, 2014-15

Percentage of GWP

**Business-wise % GWP breakup, 2015-16**

Percentage of GWP

**THE BIG NUMBERS, 2015-16**138
branches>5,000
agents12.6 lakh
active
customers>12 lakh
policies sold1,783
employees>2,000
corporate
clients135
products**KEY MILESTONES****2006**

Received Certificate of Registration

2007

Received license from the regulator to function as an insurance company

Received the first product approval

2010

Launched FGH, an in-house cell for servicing health insurance customers, and emerged as among the few in the industry to possess a captive customer care unit for addressing all health insurance requirements

2012

Crossed the ₹1,000 crore premium mark

2013

Received ISO certification

2014

Broke even and reported a profit

OUR PROMINENT CORPORATE CUSTOMERS

General Motors, Bharat Petroleum, Bajaj Energy Private Limited, Schlumberger, Fab India, L&T, Ricoh, JSW Steel, DuPont, Mitsubishi, Renault, Firefox, Yo Bikes, Hyundai, Fiat and Nissan

OUR REINSURANCE PARTNERS

GIC of India, Munich Re, Swiss Re, Scor Re, National Indemnity, Hannover Re, CCR Paris and Generali (Italy)

OUR MAJOR BANCASSURANCE PARTNERS

Lakshmi Vilas Bank, PMC Bank, Baroda UP Gramin Bank, Sarva U.P. Gramin Bank





KEY FINANCIAL PERFORMANCE INDICATORS, 2015-16

₹ 1,595
crore

- Gross written premium (GWP)
- Up 8% over 2014-15

₹ 1,068
crore

- Claims paid
- Up 22% over 2014-15

12.69 lakh

- Number of policies issued
- Up 14% over 2014-15

17 lakh

- Number of transactions managed
- Up 8% over 2014-15

92.61%

- Transactions managed and policies issued within 0-3 days TAT
- Up 2% over 2014-15

₹ 2,022
crore

- Assets under management
- Up 2% over 2014-15

Chairman's message

Dear Shareowners,

On behalf of the Board of Directors, it is my pleasure to present to you the 10th Annual Report of your Company – Future Generali India Insurance Company Ltd. (FGIICL).

The financial year 2015-16 cemented India's growth trajectory. The gradual improvements in macroeconomic fundamentals are witnessing reinforcement. The CPI inflation has averaged around 5% in FY 2015-16, despite two consecutive years of drought. IIP growth and core sector growth portend encouraging signs. The fall in commodity prices was complemented by the governance of subsidies and fiscal restraint. In the planetary ethos of economic stagnation and secular slowdown, India emerges as the rising star of highest GDP growth, a large economy and a bigger contributor to the global growth. I do believe India will continue its momentum despite some strong headwinds. The steady economic growth unfolds opportunities for the entire financial sector, especially insurance.

The Government's sharp focus on infrastructure building – roads, ports, power and railways coupled with an emphasis on 'Make in India' is expected to provide impetus to the domestic manufacturing sector. All put together, we are likely to build a strong, long-term growth story. The Government has also announced, in this Union Budget, various measures to boost rural growth while not deviating from the path of fiscal consolidation; emphasis is on asset creation as against dole-outs in the past.

India's improving macroeconomic indicators, accommodative monetary policy, thrust on structural reforms and steps towards fiscal consolidation indicate a positive outlook for both equity and debt markets in FY 2017.

The Indian general insurance industry is currently valued at ₹96,394 crore (USD 14.61 billion) premium per annum and is growing at a healthy rate of 13.8%.

I believe that the Indian insurance market, especially non-life, has a huge opportunity waiting to be harnessed. The penetration (premium as a percentage of GDP) is less than 1% in comparison to 4 to 6 percent in all large economies.

Recognising the significance of the insurance industry as a potent instrument of risk management, the government has ensured enactment of the landmark Insurance (amendment) Act inter alia, liberalising the foreign ownership up to 49%. The reengineered regulatory direction aims to help the insurance industry to scale higher and serve the customers and the nation. Thus, both the pillars of economic growth and facilitated legislative and regulatory stance create an enabling environment for your Company to tread the platform of high sustainable growth and profitability.

Your Company has an architected, widespread and capable infrastructure, competent human resources pool and efficacious processes necessary to take a leap in the market. A diversified multi-product basket, good value proposition and efficient delivery mechanism are expected to help make inroads into a fiercely

competitive market. We propose to de-risk our portfolio by tapping into attractive, emerging segments including personal lines of business, rural and microfinance among others.

Financial highlights

	2013-14	2014-15	2015-16
Revenue growth (in ₹ crore)	1,302.97	1,480.25	1,594.80
Policy growth	9,74,482	11,32,212	12,85,976
Assets Under Management (in ₹ crore)	1,494	1,975	2,022

Your Company remains committed to setting industry-standard service excellence levels in order to ensure customer delight, which is at the very core of our business. I would like to take this opportunity to thank the members of the Board and all the shareholders for their valuable support, confidence and faith. I also thank the Government, regulatory bodies - IRDA, SEBI and RBI for their support and cooperation and also thank all our customers for their trust and confidence.

I also place on record my appreciation for the dedication and commitment put in by all our employees for enabling your Company to perform well. This will enable us to work with renewed vigour to produce better results in the years ahead and to meet the aspirations of all our stakeholders.

Warm regards,

Ghyanendra Nath Bajpai



Operational review by K.G. Krishnamoorthy Rao, *Managing Director and Chief Executive Officer*



Future Generali India Insurance Company Limited reported an 8% growth in gross written premium (GWP) in 2015-16. The Company's track record of profitable growth was interrupted by the unexpected incidence of the Chennai floods that affected most insurance companies in India.

The message that I wish to send out is that there is a culture of excellence at Future Generali India that is expected to translate into sustainable long-term growth.

As the first step, the company has adequately invested across its businesses to grow GWP to ₹2,000 crore in 2016-17. We are optimistic of achieving this target through a stronger throughput from agency-driven channels, wider bancassurance engagements and rural business development. Besides, the company believes that a planned revenue increase of our non-motor business from 45% to 50% of overall GWP should accelerate the growth of the sub-segments, translating into broad-based revenue increment and margins sustainability.

BUSINESS-STRENGTHENING INITIATIVES

At Future Generali India, we are strengthening our business through various ground-level initiatives.

Agency-driven channels: We believe that agents represent a foundation of scalable growth. We intend to increase the number of agents from 5,000 pan-India to 6,500 in 2016-17. We expect that a combination of market-relevant products and enhanced agent productivity should increase the proportion of agent-driven revenues from 30% in 2015-16 to 40% in 2016-17 even as the size of the company continues to grow.

Bancassurance engagements: We believe that banks, by the virtue of their wide and deep pan-India footprint, are best equipped to market insurance products. They enjoy unquestioned credibility and a large customer base; at Future Generali India, we intend to increase our bank partnerships beyond 100 through additional major relationships. In doing so, we intend to increase the proportion of bank-derived revenues from 5% to 15% across three years on a larger revenue base.

Rural business: India is extensively under-penetrated when it comes to insurance revenues from rural districts. This under-penetration is the result of low customer awareness and weak marketing reach. Across the foreseeable future, Future Generali India intends to enter into distribution alliances with microfinance agencies, common

service centres and women's self-help groups. We expect that this grassroots approach will double our rural exposure to 2% of our overall revenues (excluding Weather Insurance) in 2016-17.

Corporate and commercial business: We intend to customize products closer to marketplace requirements and increase the proportion of such revenues, derived directly or through financial intermediaries, from 22% of revenues to 30%.

CULTURE OF SERVICE

At Future Generali India, we are optimistic of our prospects on account of our differentiated service.

We enjoy the culture and respect of a service-driven company, which is reflected, among other things, in the fact that all customer-facing officers in our company are referred to as CEOs – Customer Experience Officer.

As an extension of this customer orientation, our products are customized around market needs and ability to resolve customer issues. Over the years, we leveraged technology to shrink the customer turnaround time in claims settlement to 22 days against the prevailing industry standard of 30 days and a target to rationalize this down to 15 days, strengthening our industry respect.

In a marketplace where products are progressively becoming the same, we believe that service alone can emerge as a potent differentiator. One of the fundamental drivers of service is customer feedback: what does the customer precisely need; what are we doing that could be made better. At Future Generali India, we are a survey- and feedback-based organization continuously measuring and comparing our service performance with existing benchmarks.

In 2015-16, our Net Promoters' Score was a proactive initiative in engaging with the customer after he or she had interfaced with the company to understand whether the experience was positive and whether the customer was impressed enough to recommend our products to others. This simple measure – comprising the Detractor Score and Promoter Score – is reported in almost real time, representing an index of our service effectiveness. Even as we tested this across 2015-16, we are optimistic that full-fledged roll-out from the current financial year will translate into an ongoing score that collectively inspires the organization to galvanise around an overarching issue, create a powerful listening post, make the customer the driver of service effectiveness and shrink the tenure between feedback and response.

TECHNOLOGY

At Future Generali India, we believe that technology drives service, which, in turn, drives organisational profitability.

The magic lies in the ability to make relevant technology investments that extend customer engagement into customer delight. We believe that this technology-derived delight enhances our brand in the customer's mind, sends out a message that we care and establishes the perspective that we possess a small company soul in a large company body.

During the last financial year, we introduced a mobile application, i-MoSS (Instant Mobile Settlement and Survey) that makes it possible for in-house surveyors to appraise and settle claims upto ₹50,000 from their tablets through the application. The advantage is that the surveyor (or the organisation) does not have to feed details on multiple occasions across multiple locations; this application has helped shrink turnaround time by around 20%.

Besides, the introduction of the Agent's Virtual Office (AVO) makes it possible for agents to derive all relevant information and data on the system, empowering him or her to issue new or renewal policies on one's own. Once this application is introduced wider in 2016-17, this delegation of financial authority within enunciated guidelines will enable decisions to be taken in front of the customer, enhance a sense of agent empowerment and minimize the incidence of lost customers because of the longstanding complaint that 'The agent said he would get back but never did.'

Our customer portal will make it possible for customers to buy insurance products online. One pre-authorisation software (for Health Insurance) will enable empanelled hospitals to halve approval tenures to two hours. An application developed by 'GO DB' will leverage the rural microfinance network to market products, doing business on offline mode and the sales being synced with the company's server at the end of each day.

OVERVIEW

At Future Generali India, we are optimistic that the mix of these initiatives will translate into a customer-engaged brand on the one hand and deeper market access on the other, translating into attractive and sustainable growth at our company over the foreseeable future.



INDIA'S INSURANCE SECTOR OFFERS A LARGE UNDER-ADDRESSED OPPORTUNITY

India's general insurance industry (in terms of premium collected) is estimated at ₹96,394 crore per annum; this market is growing 13.8% a year.

Even as these numbers may appear impressive, the reality is that India accounts for 17% of the global population but less than 1.5% of the total insurance premia globally collected.

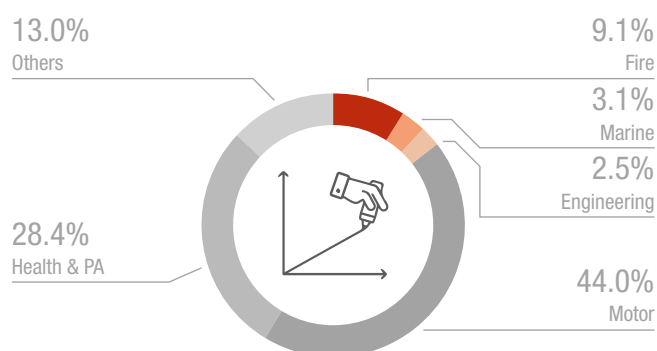
Even as India is the world's 15th largest insurance market (by premium volume), its insurance density (per capita premium) stands at ₹3,696 vis-à-vis the global average of around ₹44,486.

PORTFOLIO SHARE OF THE NON-LIFE INSURANCE MARKET, INDIA

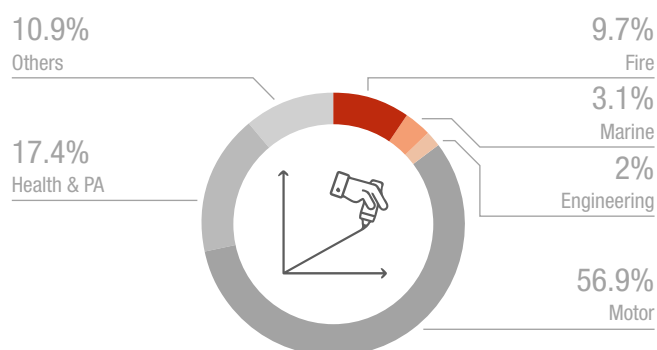
At ₹424.1 billion, motor insurance accounted for 44% of the gross direct premium collected in FY16

- At ₹247.8 billion, health insurance accounted for a 22.4% share of gross direct premium
- Private players contributed around 45.5% of total non-life insurance sector revenues; public insurance companies contributed the balance

Total Industry for FY15-16



Private Sector for FY15-16



GOVERNMENT INITIATIVES

The Government of India announced a number of initiatives in Union Budget 2016 to strengthen the country's insurance sector. Foreign investments were permitted through the automatic route up to 49%. Service tax on single premium annuity policies was reduced from 3.5% to 1.4% of the premium paid in certain cases. The Pradhan Mantri Suraksha Bima Yojana and the Pradhan Mantri Jeevan Jyoti Bima Yojana would offer basic insurance at minimal rates through government agencies and private sector outlets. The government launched an insurance pool of ₹1,500 crore (mandatory under the Civil Liability for Nuclear Damage Act) to provide a civil liability for nuclear damage and prompt compensation to the victims of a nuclear incident through a no-fault liability to the operator. Moreover, the government has planned to launch Bhartiya Krishi Bima Yojana, an all-in-one insurance scheme for farmers (comprising crop insurance, health cover, personal accident insurance, livestock insurance, insurance cover for agricultural implements like tractors and pump sets, student safety insurance and life insurance).

The Insurance Regulatory and Development Authority (IRDA), the regulator of the country's insurance sector, undertook decisive measures through the formation of two committees to promote e-commerce and financial inclusion. The formulation of IRDA Regulations, 2015, in line with the amendments made under Section 32 B of the Insurance Laws (Amendment) Act, 2015, will help in extending insurance cover to the economically-weaker sections.

OUTLOOK

The corpus of global insurance premia could grow around 4% during the next two years (3% in real terms, adjusted for inflation) even as the Indian insurance sector could grow 15% each year. Going ahead, India's insurable population is anticipated to touch 750 million by 2020 with a life expectancy of 74 years. Demographic factors like a growing middle-class, young insurable population and increasing awareness could catalyse sectoral growth. Besides, increased entry of large global insurance brands (following an increase in FDI cap to 49%) could widen sectoral size and prospects.



HEALTH INSURANCE SECTOR

The long-term prospects of the health care sector in India are optimistic for a number of reasons: and growing awareness for superior health care, a willingness of patients to pay more for better medical access, increased disposable incomes and better availability of affordable health care across the country.

Besides, the Indian government strengthened its health care focus. The Health Ministry budgetary allocation increased from ₹33,765 crore in 2015-16 to ₹38,892 crore in 2016-17 (Source: Indian Express).

An amount of ₹1,500 crore was allocated for the health insurance sector in the Union Budget 2016-17 prompted by the introduction of the Rashtriya Swasthya Suraksha Yojna or the National Health Protection Scheme. Under this, the Finance Ministry announced a cover of ₹1 lac per family while an additional cover of ₹30,000 was announced for senior citizens. (Source: Livemint)



MOTOR INSURANCE

During 2015-16, the motor insurance segment in terms of premium collected reported a 10.5% growth. There are a number of reasons why this is a robust segment to be present in. The number of vehicles on Indian roads has grown substantially in the last decade; motor insurance is mandatory for all vehicle owners. The combined ratios of general insurance companies in the motor insurance segment could result in improvement during FY 2016-17. Third-party premium went up to 10-40% from 1st April 2016 across private car and two-wheeler segments. Given the losses incurred by the segment, this rate hike was proportionally higher than in previous years. IRDA indicated that the cost inflation index increased 5.57% y-o-y from 1,024 in FY15 to 1,081 in FY16. (Source: Business Standard)



CROP INSURANCE

India's crop insurance market is the largest of its kind in the world, covering around 30 million farmers. The Government of India plans to increase coverage to 50 million during the 12th Five Year Plan period through schemes like Pradhan Mantri Fasal Bima Yojana and Restructured Weather-Based Crop Insurance Scheme. All 11 general insurance companies, which offer crop insurance, reported cumulative earnings of ~ ₹4,500 crore. With a number of new players entering this space, the figure is likely to cross ₹12,000 crore in FY2016-17.



MICRO INSURANCE

In India, micro-insurance schemes gathered momentum due to increased demand for microfinance and passing of the regulation that made it mandatory for all formal insurance companies to extend their last-mile reach (IRDA 2000). An IRDAI regulation mandated that all micro insurance products not compliant would be withdrawn from January 1, 2016. A flexible premium payout option was introduced and the selling of micro insurance products under unit linked-platforms was barred. (Source: <http://www.dnaindia.com/money>)



PROFITABLE GROWTH IN AN AGGRESSIVE MARKETPLACE

The insurance market challenges made it harder to achieve profitable growth as players were required to address a complex distribution system, outdated IT systems, inefficient business processes, competitive pressures, growth needs and cost management. The fulfillment of shareholder expectations warranted a delicate balance between profitability and risk. To achieve long-term success, insurers needed a more customer-centric approach: understand customers better, enhance customer delight and optimise customer value through cross-sale opportunities.

SOMETHING INTERESTING!

When it comes to connected cars, what was once considered to be the stuff of science fiction is now reality. Many cars are equipped with sophisticated sensors that can monitor not only miles driven, location, routes, oil temperature, brake wear and tyre pressure, but also driving behavior.

This technology is inspiring new applications meeting customer demand for convenience, safety and security features, advanced vehicle maintenance and better fleet management. As applications grow, a strong ecosystem will emerge around the connected car, engaging diverse participants: automakers, insurance companies, telecommunication firms, sensor and chip manufacturers, digital-platform giants like Amazon and Uber, academic institutions and standards-making bodies.

The emergence of this ecosystem could transform the sectoral landscape. Besides this, insurers face prospective digital disruption: analytics capabilities, for instance, could be displaced by predictive-modelling or machine-learning technologies. Their traditional data sets, which contain risk profiles based on claims history, could lose value given the growing availability of real-time data-streaming from connected cars. (Source: From "Shifting gears: Insurers adjust for connected-car ecosystems")



INSURANCE SECTOR DEMAND DRIVERS

Reforms boost

A spate of reform initiatives undertaken by the Central Government comprising 'Make in India', 'Smart Cities' and highway construction could catalyse automobile offtake (and hence auto insurance demand). A buoyant economy could catalyse cross-country travel, enhancing travel insurance appetite. Increased pay scales following the Seventh Pay Commission recommendations could increase automobile demand (and auto insurance).

The country's insurance sector is expected to attract over ₹12,000 crore in 2016 as foreign brands are expected to raise their stake in private sector insurance joint ventures (Source: Union Budget 2016).

Demographic dividend

India currently has 605 million people below the age of 25, and 225 million in the age group 10-19 poised for higher education. This indicates that for the next 40 years, India could enjoy the benefits of a youthful, dynamic and productive workforce even as the rest of the world, including China, continues to age.

By 2020, India could have 116 million workers in the work-starting age bracket of 20 to 24 years, compared to China's 94 million. The average Indian age by 2020 could be 29 years as against 40 years in the US, 46 years in Europe and 47 years in Japan. Even as the labour force in the industrialised world declines 4% and China's by 5% in 20 years, India's could increase 32%. The result is that India's demographic dividend has the potential to add significantly to India's per capita GDP growth across two decades (Sources: NDTV, ILO, IMF).

Rising income levels

Per capita income at current prices stood at ₹93,231 in FY16, up by 7.3% from ₹86,879 in the year before. It stood at ₹71,050 and ₹79,412 in FY13 and FY14, respectively. At current prices, per capita income is expected to cross the threshold of ₹1 lakh in 2016-17, which is encouraging for the insurance sector. However, large regional variations and an urban-rural divide in income levels persist. If the average amount crosses six figures, it would have taken India almost seven years to double its per-person annual income from ₹46,492 in FY10. Given that agriculture has suffered and the rural economy is under stress, total per capita income has grown largely on the strength of the urban economy. (Sources: ET, Crisil, Axis Bank)

Number of households in millions	FY 2015F	FY 2025F
Mass affluent (₹90,000 to ₹1 million per annum)	166.6	221.1
High net-worth households (over ₹1 million per annum)	3.3	9.5

Source: NCAER, McKinsey

SAVINGS REVIVAL

Several measures were undertaken by the government to incentivise higher financial savings, including increasing tax rebate ceiling under Section 80C and raising the minimum taxable income threshold. Inflation, which eats into household savings, is showing moderation. The relative attractiveness of physical savings avenues like property and gold has also abated. All these factors could result in increased household financial savings. The improvement in customer value proposition (in terms of products and services) could lead to an increase in the share of insurance pool in total household savings.

RISING HEALTHCARE INSURANCE COVERAGE

The introduction of health insurance cover under the National Health Protection Scheme will offer a cover of ₹1 lac per family consisting of a family-head, spouse and three dependents. An additional coverage of ₹30,000 is also in store for senior citizens. This health cover is likely to provide assistance to the underprivileged needing health insurance cover.

The limit of health coverage under the Rashtriya Swasthya Bima Yojana (RSBY) below-poverty-line families was ₹30,000. This limit increased significantly, which will promote the penetration of health insurance across India. Presently, less than 5% of India's total population buys a health insurance plan; demand is mainly limited to urban areas. The attractiveness of this scheme is that families would just have to pay only ₹30 for enrollment; State and Central governments would be responsible for paying the premium to the insurer. Moreover, the removal of Service Tax from the Niramaya Health Insurance Scheme could prove beneficial for those suffering from multiple disabilities, autism, intellectual disabilities and cerebral palsy or those who have dependents with such conditions. Following the removal of 14% Service Tax, the premium will go down to ₹185 and ₹430, respectively for families earning less than ₹15,000 and families earning more than ₹15,000 (Source: Union Budget 2016).

*USD = ₹67.20 as on 1 June 2016

Future Generali in your life



22 years old: When you get admission in your favourite international university, our Student Suraksha will safeguard you from any financial loss or medical emergency.



25 years old: Our Vivah Suraksha cover protects your theme-based wedding from the unexpected.



27 years old: Our Health Suraksha (Family Plan) is ideal as it empowers you with cashless approvals in just 90 minutes with 4,200+ empanelled hospitals in 492 cities.



28 years old: Our Health Total cover includes your newborn in insurance needs.



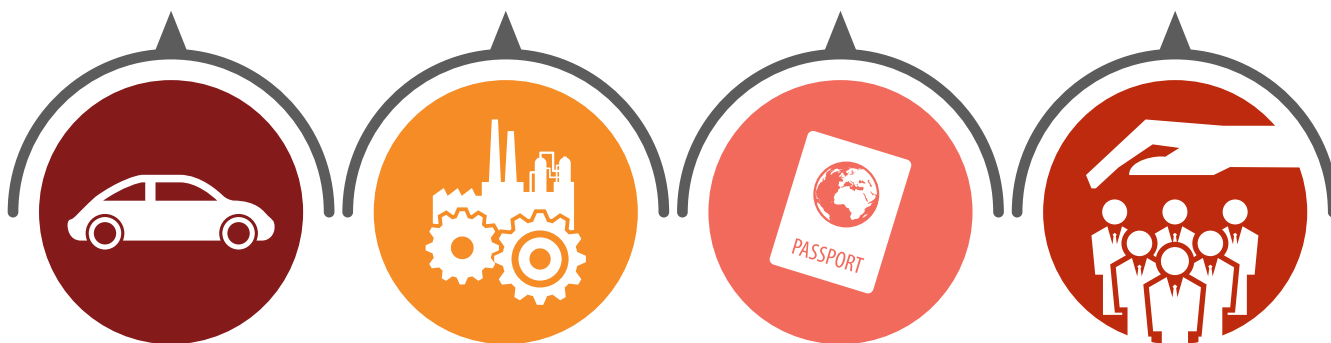
30 years old: When you decide to buy your first car, our Motor Insurance protects your precious possession.



30 years old: When you decide to establish a factory, our Industrial All Risk insurance cover protects your plant, machinery, stock or building against loss arising out of consequential business interruption.



32 years old: When you and your spouse decide to take your overseas vacation, our Future Travel Suraksha cover protects you from illness on travel.

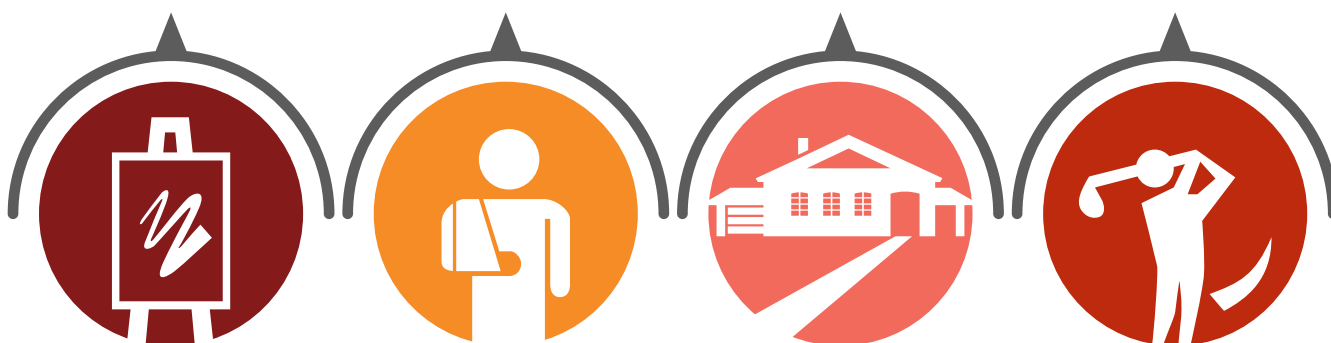


35 years old: When your business is growing and you decide to protect your most important asset by bringing your employees under a health cover, our Group Health plan provides employees with a comprehensive health cover.

37 years old: when you decide to acquire your second car, a luxury sedan, our Motor Insurance plan is what you again seek.

39 years old: When you have purchased your new home, our Home Protection Plan insures your home and everything in it.

45 years old: When you are on the verge of establishing your second manufacturing facility, our Erection All Risk provides comprehensive and adequate insurance protection against all risks in plant and machinery erection.



47 years old: When you develop an interest in art and pick up priceless artwork in Paris, our Future Art Insurance offers comprehensive all-risks cover in line with global standards tailor-made to your requirements.

50 years old: When you celebrate 20 years in business and organize a gala awards function, our customized Future Events Insurance protects from losses arising out of unforeseen personal accidents etc.

55 years old: When you acquire your second home, bungalow and retirement by a golf course, you decide on our Home Protection plan considering its convenience in providing your home and contents within adequate insurance.

58 years old: As your daughter takes over your business, you decide to pursue your first passion - golf. Our Golfers' Insurance allows you to enjoy a complete peace of mind by providing a comprehensive cover at the golf course premises (includes driving ranges).



Delighting customers...

Decoding trends. Preparing proactively.

At Future Generali India, we believe that digital responsiveness and customer engagement will decisively define the future for the country's insurance sector.

In India, as customers become better-off and aspirational, there will be a greater need for protection against the unforeseen.

But just as concurrently, insurance brands will need to differentiate and delight through prudent investments in two key horizon trends - greater customer control and disruptions.

Greater customer control: Over the future, customers will need to be increasingly empowered. From the conventional paradigm being serviced, customers will need to self-serve and self-solve. From being advised, they will like to access insights and arrive at their own decisions.

Industry disruption: Over the coming years, agile new competitors will disrupt established businesses faster and more effectively. Besides, the advent of cutting-edge products like 3D printers and driverless cars can potentially transform the way health and insurance policies are likely to be written.

Older and healthier individuals: The emergence of a generation aged 50-plus is expected to live longer and healthier, creating opportunities and challenges.

The power of communities: The emerging power of 'communities', virtual and local, will be catalysed by digital media, influencing how insurance companies serve them.

Analytics: Insurance companies that engage in scientific data collection, analysis and interpretation are likely to customise products and solutions enhancing real customer value.

Shifting wealth: As developing markets carve out a larger share of the world's savings and assets, these underpenetrated insurance markets could create their own share of risks and opportunities.

At Future Generali India, we have a succinct response to these emerging realities.

We are prepared.



Delighting customers...

Diverse needs. Lifecycle solutions.

At Future Generali India, we help customers insure their first car, provide timely property cover, protect with a family health insurance policy, insure when they get into business and protect their wellbeing from illness or unemployment.

We provide customers with comprehensive, convenient and uncomplicated insurance protection solutions.

The bottomline: for every customer need, there is a Future Generali solution.

Underwriting: Our underwriting and pricing expertise, coupled with our analytics capability and multi-tier checks and balances, empower us to underwrite risk in a manner that faithfully addresses our customers' profiles. This faithful reconciliation of need to product enhances our competitiveness in price and service responsiveness.

Risk management: Our scale makes it possible to pool diverse risks, maintain capital strength and work with the best reinsurance specialists. The result is that we are always there when customers need us.

Asset and liability management: Our specialised teams invest customer premiums, balancing returns with risks while keeping sufficient funds to address probable claims. ₹2,022 crore assets under management (end-2015-16) registering a 28% CAGR in the five years ending March 2016.

Leveraging technology: We have enhanced customer service through the prudent use of technology, by empowering our in-house team of field service engineers with tablets pre-loaded with mobile claims application i-MoSS. The versatility of the application allows the field force to assess, approve and upload claims on the go. This capability to function real time has enhanced productivity and also considerably reduced claims processing and disbursement.

ANYTIME, ANYHOW, ANYWHERE.

At Future Generali, we don't just market products that customers need; we do so with speed and convenience as well.

We market products through multiple channels, making it possible for customers to access them anyway they choose.

We market direct, through intermediaries (financial advisers), partners and banks (bancassurance).

We are accessible digitally, online or through the smartphone.

Anytime, anyhow, anywhere.



Our businesses

At Future Generali India, we provide a product for virtually every need.

Our non-life insurance portfolio, for instance, is adequately represented:

- Personal insurance (motor, health, travel, home, lifestyle)
- Commercial insurance (property, engineering, liability, marine, employee benefits, event)
- Social / rural (cattle and livestock, sampoorna suraksha, janata personal accident, Pradhan Mantri Suraksha Bima Yojana)



Major segment overview (under Personal insurance product group)

MOTOR INSURANCE

- Status: Largest segment within the personal insurance products group
- GWP, 2015-16: ₹937 crore
- Contribution to overall GWP, 2015-16: 59%
- Products (31 March 2016): 8
- Claims paid, 2015-16: ₹556 crore

Overview

The Indian Motor Vehicles Act, 1988, under Section 146, mandates that every vehicle in India should be mandatorily insured for third-party risk. This initiative is intended to address the incidence of fatalities arising out of the growing number of road accidents in India.

According to the latest Indian Ministry of Road, Transport & Highways statistics, one serious road accident in the country occurs every minute; an average 1,214 road crashes occur every day across India.

At Future Generali India, our comprehensive motor insurance product offers the following benefits:

Car damage: In the event of ordinary losses/damages to your car, regardless of who is at fault and where the accident took place, the company covers cases from broken windows to theft or destruction.

Add-on Covers: In addition to comprehensive insurance following add on covers are also offered:

1. Zero Depreciation
2. Loss of Key
3. Loss of Personal Belonging
4. NCB Protection
5. Engine Protector
6. Return to Invoice
7. Inconvenience Allowance

Personal accident cover: A compulsory Personal Accident cover of ₹1 lakh is available for individual car owners while driving (only if the owner of the car holds a valid driving license). One can opt for a personal accident cover for passengers (named or un-named) up to a maximum amount of ₹2 lakh per person.

Third party liability: This is a mandatory motor insurance coverage wherein any legal liability that one may incur due to the death of, or bodily injury, to a third-party, or damage to the property of a third-party while using one's car, is covered.

Core strengths

- Quick turnaround time and total service reliability
- Instant policy issuance with cashless/direct settlements across more than 900 workshops
- Customer service and claims registration with dedicated, 24x7 helpline numbers

- Automated renewal reminder service
- Accident help in terms of towing assistance (within city limits only) for accidents

Future Generali India introduced the revolutionary i-MoSS app for motor claim survey that goes a long way in reinforcing customer service. Some of the key benefits of this app include the following:

- Auto allocation of survey
- On the spot documents and photographs upload
- OCR feature enabling auto calculation from estimates and invoices
- Real-time/ on-site approval and settlement of claim
- Settles claims faster by 50% in the entire lifecycle of claims
- Generates instant approvals to the garages
- Automates the settlement advice to clients and discharges advice to the garages
- Works in both offline and online modes
- The automated process reduces the total claim settlement time and leads to minimal errors

At Future Generali India, we are comprehensively engaged in understanding the third-party commercial vehicle losses. We aspire to enhance our share in the commercial vehicle segment and towards this, we are planning to leverage technology to benefit the entire motor ecosystem. For instance, our revolutionary i-MoSS app helps our surveyors undertake every process from contacting the customer, viewing policy details and clicking and uploading pictures of the damaged vehicle online. The app will also help the surveyor estimate liabilities with an optical character reader, contact the garage for repairs and transfers funds directly to the customer's account. The i-MoSS app will upgrade the process of claim settlement for our customers and play a pivotal role in us working towards changing the dynamics of the motor insurance industry.



"At Future Generali India, we are focused on continuing to drive our customer delight agenda in 2016-17. Towards this extent, we are reinforcing customer service through online policy issuance, engaging in e-marketing through the corporate (E-worksite) and strengthen value addition among existing products with a view to sustain relevance and suit a larger range of customer needs, budgets and aspirations. Our overall intent in 2016-17 is anchored on steering our enterprise towards profitable growth."

Easwara Narayanan, Chief Operating Officer

The distinctive customer experience

"Future Generali, with whom we had placed a total loss claim for our Skoda Yeti, settled and paid the entire IDV amount. This was a 4.8 year vehicle with a zero depreciation option chosen on the IDV, the IDV being ₹9.9 lakhs. The entire process - lodging the claim to settlement - took under three weeks. We appreciate the speed with which the company dealt with us. Having read horror stories of dealing with car insurance companies, I was happy to have insured the vehicle with Future Generali." - Krishnan V.G., Customer, Chennai

Major segment overview (under Personal insurance product group)

HEALTH INSURANCE

- Status: Second largest within the personal insurance products group
- GWP, 2015-16: ₹154 crore
- Contribution to overall GWP, 2015-16: 10%
- Products (31 March 2016): 12
- Claims settled, 2015-16: ₹131 crore

Overview

Lifestyle stress is affecting mortality in a bigger way than ever.

Even as lifestyle diseases set India back by about USD 6 trillion, almost 83% of the population in the country is yet to be covered by a health insurance product. Almost 3.5% of India's population trips into poverty each year on account of a large health care expense (Source: International Population Conference report). Worse, a high expenditure can reduce individuals to life-long debt.

In such an environment, health insurance is not just advisable; it is imperative.

Future Generali India Insurance has been co-promoted by Generali, the world's largest employee benefit services company by experience and relationships. The Company's health insurance business commenced full-fledged operations in 2008 and in 2010 the Company set up Future Generali Health (FGH), an exclusive Health vertical handling underwriting, enrolment, networks, health call centre and health claims doing away with the use of third party administrators (TPAs).

The Company offered the following product mix:

- Health Total (Comprehensive Health Insurance Product)

- Future Health Suraksha (Individual & Floater)
- Accident Suraksha (Personal Accident)
- Future Criticare (Critical Illness)
- Future Hospicash (Hospital Cash)
- Future Health Surplus (Top-up)
- Group Health Insurance
- Group Personal Accident
- Future Travel Suraksha
- Future Travel Suraksha Schengen
- Future Students Suraksha

Over the years, Health Insurance portfolio has emerged as the second largest in the General Insurance space and has been the fastest growing segment in the industry. The Company's product mix competitiveness in Health Insurance (Health/ PA/ Travel) has been reflected in its loss ratios: one of the most respectable in the Indian non-life insurance industry at 82%.

Core strengths

- Customer service reflected cashless approvals within 90 minutes for deserving cases, staying true to the insurance ethos of helping customers when they need us the most; our professional proprietary claims processing department enhances responsiveness
- The pioneering Instapay introduction to negotiate quick pay discounts with hospitals. The hospital ecosystem was remunerated within 48 hours of a claim being lodged, creating a platform for discounts against early payments
- Wide footprint across 4,200+ empanelled hospitals in 492 Indian cities
- Extensive product range covering most budgets and requirements
- Ability to provide customized products and comprehensive solutions, especially for corporate accounts where this need is perceptible
- Robust regulatory compliance (letter and spirit)
- Strong omni-channel distribution network
- Specialized vertical that manages all health insurance-related processes (underwriting, health call centre, product development, claims settlement and networking) without third-party involvement; the result is accurate information, predictability and superior service
- ISO-certified for quality and information security management

Snapshot, 2015-16

- One million customers
- 1.8 lakh claims settled
- 4,200+ hospitals network
- E-Portal for health customers

- Issue of E-cards in three working days
- Reimbursement Claim settlement within 10 days
- Query response within an hour
- Over 60% settlement comprising cashless claims
- Launch of Health Total, a comprehensive cradle-to-grave health insurance policy

Proposed initiatives, 2016-17

- Focus on the retail business
- Launch online products to address instant insurance needs, for instance, travel insurance products
- Enter the micro-insurance segment



The big picture

"We intend to raise the proportion of retail health insurance from 22% of our customer base to 30% three years from now. The retail segment is more sustainable, marked by higher price sustenance. On the corporate side, we will focus on the large universe of mid-segment

companies (employee base less than 2,000), where price is not the only differentiating factor. We developed the e-health module, a portal where corporate customers can generate an e-card to access health records online, track reimbursements etc. This structured go-to-market strategy is expected to grow our targeted Retail Portfolio by 25-30% in 2016-17."

Shreeraj Deshpande, Head, Health Insurance

Major segment overview (under Commercial insurance product group)

COMMERCIAL INSURANCE

- GWP, 2015-16: ₹543 crore
- Contribution to overall GWP, 2015-16: 34%
- Products (as on 31 March 2016): 77
- Claims settled, 2015-16: ₹286 crore

Overview

There is a growing scope for the business.

As per Clause 49 of the listing agreement, SEBI has mandated that listed companies implement a Director and Officers' Liability insurance. Besides, those companies engaged in manufacturing hazardous chemicals come under the compulsory ambit of the Public Liability Act; any liability arising out of the industry that causes damage to the vicinity or cause loss to the consumer needs to be mandatorily covered by insurance.

The result is that insurance coverage is not just advisable; it is indispensable to resume operations with speed following exigency.

At Future Generali, our Commercial insurance segment sources business from multiple channels:

- Brokers/ agents

- Direct selling agents (DSA)
- Bancassurance (through our tie-up with 100+ banks)
- Direct dealing with corporates (covering assets, employees, establishments, motor fleets etc)

We leverage these robust relationships with insurance brokers and position ourselves as natural partners advising global clientele when they establish their base in India.

Core strengths

- Draw on Generali's deep business understanding to mitigate risk and enhance customer value
- Large base of 6,000+ customers; clients comprise almost 50% of the Indian NIFTY 50 constituents
- Strong underwriting and actuary practices; helps in accurate risk pricing and prudent liabilities management
- Reinsurance-driven business enhances participation across brand-enhancing projects while mitigating risks; this participation also helps imbibe global best practices from reputable consortium members
- Strategic brokerage engagements targeting specific insurance needs of specific industry segments
- Robust initiatives in enhancing safety practices; promote a culture of 'act as if you are uninsured' among customers, encouraging risk-mitigated practices

Proposed initiatives, 2016-17

- Focus on quality cum profitability-driven growth to moderate underwriting and pricing risks
- Capitalize on the economic momentum, industrial growth and aspirational population needs
- Increasingly participate in bigger Risk by utilising capacity of Generali. Discussions with Generali are at an advanced stage to work out an arrangement for the same
- Launch innovative products, capitalizing on an easing of regulations that permit the launch of pilot products before they can be filed with regulators (master cover at optimum premium for the SME cluster)



The big picture

"Corporate Sales is all about maintaining strong long-term relationship with our customers. Besides, our loyal sales force comprises sound techno-marketer professionals with long-standing insurance experience. We possess the experience of writing quality business for some of the largest companies. We stand by customers in the event of a claim. We expect this platform to generate 30% growth year-on-year."

Deepak Prasad, Head, Corporate Sales.

Managing risks

As an Indian insurance enterprise, we do not just manage the risks of our customers; we manage our own as well.

At Future Generali, our sustainability and financial strength are underpinned by effective risk management that identifies major risks, establishes appropriate controls and embraces mitigating actions.

The company's risk strategy is to invest its available capital to optimise the balance between return and risk while maintaining an appropriate level of economic and regulatory capital in accordance with our risk appetite.



SOLVENCY RISKS

For an insurance company, solvency ratio indicates how solvent a company is or how prepared it is to meet unforeseen exigencies. It is the capital that an insurance company is required to hold as per the regulatory requirement.

At Future Generali, we reported a solvency ratio of 1.54 in 2015-16.

We created ample systemic liquidity to address short-term obligations through the investment of funds (assets under management) in safe liquid instruments.

We adhered to all regulatory requirements following supervision by our Risk Management Committee.

INVESTMENT RISKS

Our inability to address prospective liabilities/ obligations or an incapacity to generate reasonable risk adjusted returns can lead to business interruption and income loss.

At Future Generali, we follow the investment philosophy of 'Safety, Liquidity and Sustainable Returns'. This makes it possible to meet the expectations of our customers, investors and regulators. We maintain sufficient liquidity of funds deployed to address liabilities even if a number of extreme risks do materialise. During 2015-16, our assets under management (AUM) stood at ₹2,022 crore.

ACTUARIAL / UNDERWRITING / PRICING RISKS

Actuarial function is an essential component of an insurance business as the function quantifies a probable future risk/ uncertainty and puts a financial value to it.

Actuaries model the past data, current information and identify future trends to generate technical price which can be charged for the insurance products. This combined with the interventions from underwriting and sales results into the final premium that is charged to the end customer.

At Future Generali, we embrace technology (Qlikview, R, Emblem and VBA modeling, among others) to analyse emerging scenarios, view developments in real-time and develop futuristic predictive models that reinforce our actuarial practice. Our strong policy-driven and regulatory-led underwriting practices enable us to cover probable losses arising out of unpredictable events (like the Hud Hud cyclone or the Chennai floods). Moreover, a comfortable portfolio construct with a good customer spread (corporates and individuals) makes it

possible to stand by the customer when they most need us while enhancing stakeholder value. Robust actuarial and underwriting practices also allow us to price products competitively and provide comprehensive one-stop client solutions.

CATASTROPHE RISKS

These risks arise from largely unpredictable events like the Chennai floods in November 2015.

At Future Generali, we mitigate these risks by typically understanding risk accumulation across particular zones on an ongoing basis and embracing preventive measures that ensure that the actual risk does not exceed our appetite. Besides, we actively engage in reinsurance programs that help partly mitigate catastrophe risks. For the Chennai floods, we extensively researched Indian Meteorological Department reports, extrapolated the information and took proactive action to prevent additional losses.

Emerging risks: These risks comprise terrorist attacks, personal accidents, deaths and asset destruction etc.

At Future Generali, we estimate loss probability arising from such action. We ensure thorough due diligence and inspections before writing a liability. We consider reinsurance as an option to mitigate liabilities arising out of such activities.

REGULATORY / COMPLIANCE RISKS

The Indian insurance industry is regulated; non-compliance can lead to censure or closure.

At Future Generali, we draw from a rich parentage - two large reputable industry-leaders - and adhere to national laws. We have conformed with the highest governance and ethical standards as prescribed by IRDA.

STRATEGIC RISKS

This risk segment addresses strategic missteps that could affect our business plan.

At Future Generali, we have a robust control system to regulate processes. While each business segment of our various portfolio constituents is managed by dedicated teams and adequate supervisory control, the entire portfolio and business is monitored centrally by the senior management - two-pronged control. We have defined threshold risk appetite and any risk assumption beyond is centrally vetoed.

Our distribution channels

At Future Generali India, we operate a multi-channel distribution strategy through a national sales network of agents supported by brokers, bancassurance and direct channels.

Some of our key distribution strengths include the following:

- Balanced mix of channels contributing to the Company's growth in premium
- Strong expertise across distribution channels of bancassurance, corporate sales and retail (agency, motor dealers/DSAs, retail brokers and direct marketing)

BANCASSURANCE

At Future Generali, we possess an experience with over 100 bancassurance partners that has helped in building and managing various distribution models – direct selling at bank branches, tele-calling and via the digital platform. Bancassurance also enables cross-sell opportunities of personal products across the entire spectrum of motor, health, personal accident, property and miscellaneous insurance products.

The Company has created a unique bancassurance partnership model around the five functional areas of sales, training, policy issuance and policy servicing, claims management and product development with dedicated support provided to our partners that helps build strong people-to-people relationships.



"We have always focused on tying-up with cooperative and rural banks to provide a wider insurance coverage, especially in the realm of micro insurance and rural insurance. With our robust tie-ups, we expect the bancassurance business to increase by 50% by FY 17."

Anurag Sinha, Head – Bancassurance



RETAIL

At our Company, the retail channel contributes 70% of the total business portfolio. Our retail distribution might is reflected in the following:

- 5,000-plus agents across the country in addition to retail brokers and direct marketing personnel
- Alliances with microfinance agencies and common service centres to market rural products
- Launch of Agent's Virtual Office (AVO) where they can operate like any physical branch office on the click of the mouse
- Excellence in claim settlement:
 - o Motor (retail) – Total number of claims reported in FY 16: 145,242; average turnaround time to settle claims: 29 days
 - o Health (retail) – Claim settlement ratio: 95%; average turnaround time to settle cashless claims: 2 hours

Customer centric value proposition

- Convenience of online policy buying
- Dedicated call centre for policy servicing and claims resolution
- 2,500+ Future Convenient Workshops to avail cashless option for motor claims
- Extensive team of surveyors, field service engineers and approved investigators to facilitate quick claim survey and settlement
- Robust grievance redressal mechanism
- Constant monitoring of customers' feedback



"At Future Generali, we launched 'Feet on street' initiative towards reinforcing our direct marketing presence and achieving a higher coverage and penetration. The launch of this initiative is as much as bringing forth a larger number of people under the Future Generali India insurance fold as educating customers on the importance of insurance and the value it brings to their lives."

M. Raghavendra Rao, Head – Retail Sales

CORPORATE SALES

At Future Generali, our corporate sales channel is aligned to our customers' needs which has resulted in us achieving a 90% retention ratio of our corporate customers. Our strong pedigree and credentials include the following points:

- Expertise to manage complex proposals with additional support from Generali - 184-year-old global insurance group
- Technical expertise on fire protection facilities
- Provided insurance to some of the biggest corporates and oldest PSUs in India
- Excellent service levels at all customer touch points – underwriting, policy servicing and claim settlement

Our value add that helps greatly leverage our corporate sales capabilities include the following:

- Comprehensive submission to re-insurers based on detailed technical risk analysis, to ensure maximum coverage at minimum premium and optimum deductibles
- Exploring the international market, apart from the GIC, to obtain the most competitive re-insurance terms
- Benchmarking of coverage, terms and conditions with those obtained by other insured with similar risk profile
- Finalizing the policy terms and conditions with complete transparency so that the client is fully aware of the process and the coverage

Our risk management services for corporate clients include:

- Risk surveys
- Occupational health and safety audit
- HAZOP (Hazard and Operability Study)
- Construction safety audit
- Public liability exposure study
- Quantitative risk assessment
- Preparation and review of disaster management plan
- Project risk assessment
- Thermography
- Business impact analysis

Directors' Report

Dear Shareholders

Your Directors are pleased to present the Tenth Annual Report of your Company along with the audited statement of accounts for the financial year ended March 31, 2016.

FINANCIAL HIGHLIGHTS:

The highlights of financial results of the Company for the financial years 2015-2016 and 2014-2015 are as under:

Particulars	For the year ended 31st March 2016 (Amount Rs '000)	For the year ended 31st March 2015 (Amount Rs '000)
Gross written premium - Direct	1,55,52,608	14,382,478
Retrocession from Pool	93,379	95,666
Net written Premium	1,04,76,482	11,229,688
Net earned Premium	1,08,14,410	10,791,244
Net Incurred Claims	87,88,950	8,342,800
Net Commissions'	1,18,733	183,607
Management Expenses	39,91,851	3,461,567
Underwriting Results	(20,85,124)	(1,196,730)
Income from Investment	20,32,575	1,799,660
Profit /Loss Before Tax	(52,549)	602,390
Profit /Loss After Tax	(52,549)	602,390
Number of Policies Issued	1,285,976	1,132,212
Number of employees	1,783	1,595

1. Industry overview

The gross direct written premium of the industry for the period April 2015 - March 2016 grew from Rs. 84,714 Crore to Rs. 96,394 Crore on a year-on-year basis, a growth of about 13.8%.

1.1 Company Overview

Your Company has completed its eighth full year of operations. During the year under review, your company achieved a gross direct written premium of Rs. 1,555 crore against Rs. 1,438 crore in the previous year, registering a growth of 8.13% over the previous year. The Company incurred a net loss of Rs. 5.21 crore against net profit of Rs. 60.29 crore in the last year.

1.2 IRDAI Registration

The Certificate of Registration granted by the Insurance Regulatory and Development Authority of India to enable the Company to transact general insurance business continues to stand valid as at March 31, 2016. As per the circular reference number IRDA/F&A/CIR/GLD/062/04/2015 dated April 07, 2015 read with Section 3A of the Insurance Laws (Amendment) Act, 2015 the Authority has removed the process of annual renewal of Certificate of Registration to insurers under Section 3 of the Insurance Act, 1938. The Certificate of Registration renewed in 2014 which expired on March 31, 2015, shall continue to be in force from April 01, 2015 subject to the provision of Section 3A read with Section 3 of the Insurance Act, 1938.

1.3 Regional and Branch office Network

During the year under review the Company has realigned its branch office network and also opened eleven (11) branch offices across the country. The Company had a total of 138 branch offices at the end of the financial year. The Company is further focused on expanding its

geographical reach in order to increase its penetration in retail and rural business segments across the country.

1.4 Training and Development

During Financial year 2015-16, the Learning and Development department put in concerted efforts towards development of domain, technical and behavioral competencies of employees and intermediaries. The company's vision, mission and goals formed the basis of Learning and Development initiatives during the year. Branch Trainings and E - Learning Programs formed the mainstay of competency development. Employees were also deputed for programs conducted by Institute of India/other external agencies and institutions. Employees were incentivized to pursue professional development and skills enhancement through qualifying exams of Insurance Institute of India and Chartered Insurance Institute (UK). Anti-Money Laundering and Know Your Customer (AML/KYC) Programs were conducted for the employees and intermediaries of the Company.

1.5 Solvency Ratio

Your Company has been continuously monitoring its solvency margins in complying with the requirements of IRDAI (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000; and has maintained the required solvency margin at all times. The solvency margin ratio of the Company as at March 31, 2016 stood at 1.54 which is above the requirement of 1.5 prescribed by IRDAI for financial year ending March 2016.

1.6 Share Capital

The Authorized Share Capital of the Company stands at Rs. 1,000 crore. During the period under review, the Company has not issued any shares.

The shareholding pattern of the Company as on March 31, 2016 is as below:

Sr. No.	New Promoters / Shareholders	% of Shareholding	No. of shares
1.	Future Enterprises Limited (formerly known as Future Retail Limited)	25.5%	181,050,000
2.	Participatie Maatschappij Graafschap Holland NV	25.5%	181,050,000
3.	Shendra Advisory Services Private Limited	49.0%	347,900,000
	TOTAL	100%	710,000,000

The Issued and Paid up equity share capital of your Company as on March 31, 2016 is Rs. 710 crore. The existing Shareholders continue to remain committed to support the business operations of the Company.

1.7 Investments and Investment Income

The investment philosophy of the Company is 'Safety, Liquidity and Sustainable Returns'. All the Investments are made in accordance with IRDAI regulations and the Investment Policy of the Company. Against the book value of investments of Rs. 2021.95 crore, the market value of the Investments as on March 31, 2016 was Rs. 2045.28 crore. The weighted average return on Investments for the period ended March 31, 2016 was at 10.14% p.a. The Company has earned total Investment income of Rs. 201.89 crore during the period ended March 31, 2016.

As per the (Investment) (Fifth Amendment) Regulation, 2013, your Company has reappointed M/s. Songira & Associates, Chartered Accountants to carry out the Concurrent Audit of the Investment function of the Company for Financial year 2016-2017.

1.8 Human Capital

Realizing the importance of human resources, your company has strengthened its focus on continuous improvement to increase efficiency and accountability by taking planned and structured approaches to build a talent pipeline, enhancing individual and organizational capabilities for future readiness, driving greater employee engagement and strengthening employee relations further through progressive people practices. All these were done with emphasis over driving common organization objectives through a common vision, and imbibed values by laying down a strong governance framework.

As a part of Talent Management, critical resources identified across the organization are undergoing an Individual Development Plan. The Engagement levels of employees are monitored through regular dip stick and annual Engagement surveys. Employee connect through formal communication platforms (like Manthan and Reach HR) and fun at work (Mauj), objective driven employee rewards (through JOSH, Exemplar – HOD and CEO Awards and Best Branch Award) and an objective performance management system are implemented in your company to engage its human resources.

All the above initiatives were driven with passion and on the strong foundation of company Values, which were constantly reinforced within employees through various formal platforms. An Employee Governance code was also created to ensure upholding of ethical standards and professional conduct by all employees.

As at March 31, 2016 your Company has a workforce of 1,783 to

meet the growing needs of additional human resources, enter new geographies and to strengthen the existing channels / departments.

1.9 Operations

In the financial year 2015-2016, your company has taken various initiatives to accelerate the policy issuance system. The major initiatives are listed below.

- Extended policy issuance facility to Common Service Centers (Government of India initiative) through Government enabled portals for distribution of insurance products /services in Rural areas.
- Emphasized on Web Aggregator business through tie ups with Bank Bazaar & Policy Bazaar for selling Motor policies through their website.
- While policy issuance extended to Manufacturers, Distributors and Dealers to issue Trade Risk policies, E-worksites access provided to corporate clients for purchase and policy issuance of Motor - Private Car insurance.
- Development of Agent Portal to facilitate issuance of retail policies and also to provide arrays of MIS reports and dashboard. Seamless integrated portal for channel partners has been created.
- Offline Issuance Module for Sales and Channel Partners to penetrate into the rural markets where Internet connectivity is unavailable/remote.
- Build underwriter approval features in P-Asia for Motor product.

1.10 Information Technology

Your company has updated the Core Insurance system to achieve better performance and scalability. It is upgraded suitably in requirement to support business growth and performance demands from time to time.

Your company has launched Claims Mobile Application 'i-MoSS' with required security controls that protects data and information. Access to the corporate applications has been configured on corporate provided Tabs along with managing the application and content throughout its lifecycle. The solution comprises the device security management, and application containerization with scalability, manageability and visibility.

1.11 Re-insurance

The reinsurance program of the Company is formulated in accordance with the Reinsurance program approved by the Board of Directors and as per the relevant regulations of Insurance Regulatory and

Development Authority of India (IRDAI). The Reinsurance program aims to adhere to the objectives of increasing retention and building automatic capacity with adequate risk coverage. There is adequate protection for the retained risk against any risk or catastrophic loss. The program is structured considering the business plans of the company.

1.12 Rural and Social Business

Like all the preceding years this year also, your company has over achieved the rural and social obligation. In Rural Sector, the company achieved a total of Rs. 382.01 crore premium against the required obligation of Rs. 108.86 crore. In social sector your company has provided coverage of 5.19 lac people as against the regulatory coverage of 0.45 lac. Your company has generated Rs. 1.16 crore premium through CSC-SPV in our first year of tie-up with them. CSC-SPV is a project of GOI under National e-governance Program, well supported by IRDAI to have technology enabled insurance distribution services in the rural areas of the Country.

During financial year 2015-16 your company has covered more than 1.53 lac farmers from different states under Government of India's Agriculture Insurance Program.

The Insurance Regulatory and Development Authority of India has notified new Regulations namely IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 on 24th August, 2015 which shall be applicable from financial year 2016-17. The said Regulations specify minimum business commitment to be achieved by a general insurance company in the rural and social sector which ranges between 2% to 7% of the GWP depending upon the period of operation of the Insurance companies. This gradual business penetration would help your Company in effectively expanding into the rural markets which will gradually increase the micro insurance business of your Company over the next few years. The total business for the purpose of the new regulations is the total policies issued for individual insurance and the number of lives covered in case of group insurance. In particular, Health insurance in the rural sector could also play a major role in development of this line of business considering less frequency of people visiting hospitals in rural areas is much lesser compared to urban areas and most importantly the overall cost may be lower than costs incurred at a multi-specialty hospital.

Considering your Company's past achievements and overall performances in the Rural and Social Sectors till date, the introduction of the new Regulations could act as a major opportunity and turning point for your Company in developing and further strengthening its business in rural markets going forward.

Further, The Insurance Regulatory and Development Authority of India has also notified new Regulations on Micro Insurance namely IRDAI (Micro Insurance) Regulations, 2015 on March 13, 2015, which has opened up new opportunities to accelerate our activities of tying-up with MFI's/NGO's and other Institutions in the rural domain to penetrate into the remote areas of the country. Your Company would be able to design suitable need based micro insurance products and recruit micro insurance agents in rural and semi-urban areas.

1. Audit Committee

In accordance with the provisions of Section 177 of the Companies Act, 2013, the Audit committee of your Company was reconstituted by the Board of Directors at its meeting held on March 24, 2015.

The Committee comprises of Ms. Bhavna Doshi, Chairperson (Non-Executive Independent Director), Mr. G.N Bajpai, (Non-Executive Director) and Dr. Devi Singh (Non-Executive Independent Director).

The Audit Committee met five times during the year on May 20, 2015, August 05, 2015, November 02, 2015, December 07, 2015 and February 01, 2016 and reviewed operations and accounts of the company.

2. Investment Committee

The Company has also constituted an Investment Committee pursuant to the requirement of IRDAI Regulations. The Investment Committee was reconstituted on October 30, 2015. At present, the Investment Committee comprises of Mr. G.N Bajpai as Chairman and Director, Mr. Krishan Kant Rathi - Director, Mr. K.G. Krishnamoorthy Rao - Managing Director and CEO, Mr. John Inniss Howell - Director, Mr. Srinivasan Venugopalan - Chief Financial Officer, Mr. Milan P. Shirodkar - Chief of Investments and Mr. Neel Chheda - Appointed Actuary as members.

The Investment Committee met five times during the year on April 28, 2015, May 20, 2015, August 05, 2015, November 02, 2015 and January 25, 2016 and reviewed Investment operations of the company.

3. Management report

Pursuant to the provisions of Regulations 3 of the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' report of Insurance Companies) Regulations 2000, the Management Report forms part of the financial statements.

4. Extract of Annual Return

Pursuant to Section 92 (3) of the Companies Act, 2013, an extract of Annual return of the Company in Form MGT-9 is provided as Annexure I and forms a part of this report.

5. Meetings of the Board

The Board of Directors met five (5) times during the financial year 2015-2016.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board Meeting and the attendance of the Directors are provided in the Corporate Governance Report.

6. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3) (c) and Section 134(5), the Directors confirm that:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures (if any);
- That such accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the profit and loss of the Company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your company and for prevention and early detection of fraud and other irregularities;
- That the annual accounts have been prepared on a going concern basis;
- Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. Declaration by Independent Directors under section 149(6) of the Companies Act, 2013.

Dr. Devi Singh and Ms. Bhavna Doshi, Independent Directors of the Company were appointed during the financial year 2014-2015. They have provided the declarations pursuant to Section 149(7) that they meet the criteria of independence as provided in section 149(6) of the Act.

8. Policy for selection and appointment of Directors and their Remuneration

The Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy which, inter alia, deals with the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management of the Company.

I) Criteria of selection of Non-Executive Directors

- a. The Non-Executive Directors shall be of high standards of ethics, personal integrity and probity with relevant expertise and experience in accounting and finance, administration, corporate and strategic planning or fund management so as to have a diverse Board of Directors.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

II) Criteria for selection / appointment of Managing Director and /or Chief Executive Officer, Chief Financial Officer/ Company Secretary

The Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position of Managing Director and /or Chief Executive Officer, Chief Financial Officer, Company Secretary and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

III) Remuneration of Directors, Key Managerial Personnel and Senior Management

The Non - Executive Directors including the Independent Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board/Committee meetings of such sum as may be approved by the Board of Directors within the overall limits

prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The level and composition of remuneration shall be the guiding principle for fixing the remuneration to Directors, Key Managerial Personnel and Senior Management which shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.

The Directors, Key Management Personnel and other senior official's salary shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nomination and Remuneration Committee determines individual remuneration packages for Directors, KMP's and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee may consult the Chairman of the Board in appropriate cases if it deems necessary. Remuneration of the Chairman shall be recommended by the Committee to the Board of the Company.

Remuneration for the Managing Director and CEO

At the time of appointment or re-appointment, the Managing Director and CEO shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Managing Director and CEO within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting and Insurance Regulatory and Development Authority of India.

9. AUDITORS

I) Auditors and their Report

In accordance with the IRDAI Regulations/Guidelines, your Company has reappointed M/s. Chhajed & Doshi, Chartered Accountants (Firm Registration No. 101794W) and M/s. M.M. Nissim & Co., Chartered Accountants (Firm Registration No. 107122W) as Joint Statutory Auditors of your Company in the previous Annual General Meeting. They hold office up to the conclusion of ensuing Annual General Meeting of your Company.

Pursuant to the IRDAI Circular Ref. No. 36/7/F&A/EMPL/74/July/05 dated July 25, 2005, it is informed that each insurance company will have two auditors on a joint audit; one of them will have a term of 5 years and the other 4 years in the first instance and from then onwards, the maximum duration for which the auditor could be retained would be for a period of 5 years.

M/s. M.M. Nissim & Co., Chartered Accountants (FRN: 107122W) have completed their stipulated period of 5 years and therefore are not eligible for reappointment. Based on the major insurance industry experience, it is proposed to appoint Khandelwal Jain & Co., Chartered Accountants (FRN: 105049W) as the Joint Statutory Auditor in place of M/s. M.M. Nissim & Co., Chartered Accountants (FRN: 107122W).

M/s. Chhajed & Doshi, Chartered Accountants (Firm Registration No. 101794W) being eligible, have expressed their willingness to be reappointed as the Joint Statutory Auditor of the Company for the Financial year 2015-2016. They have furnished a certificate of their eligibility and consent under section 141 of the Companies Act, 2013.

The Board of Directors based on the recommendations of the Audit Committee, recommends the reappointment of M/s. Chhajed & Doshi, Chartered Accountants and appointment of Khandelwal Jain & Co., Chartered Accountants (FRN: 105049W) to conduct the Statutory Audit for the Financial Year 2016-2017.

The Members are requested to appoint M/s. Chhajed & Doshi, Chartered Accountants (Firm Registration No. 101794W) and Khandelwal Jain & Co., Chartered Accountants (FRN: 105049W) as Joint Statutory Auditors of your Company for the period from the conclusion of ensuing Annual General Meeting to the conclusion of next Annual General Meeting and to fix their remuneration.

The Auditors Report to the Shareholders for the year under review does not contain any qualifications.

II) Secretarial Auditor and Secretarial Audit Report

The Board had appointed M/s. Anish Gupta & Associates, Company Secretaries in Whole Time Practice, to carry out the Secretarial audit under the Provisions of Section 204 of the Companies Act, 2013; for the financial year 2015-16.

The Secretarial audit report is annexed to this report as Annexure II.

The Secretarial audit report for the year under review does not contain any qualifications.

The Board of Directors based on the recommendations of the Audit Committee, re appoint M/s. Anish Gupta & Associates, Company Secretaries in Whole Time Practice to carry out the Secretarial audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2016-2017.

10. Particulars of Loans, guarantees or investments

Your Company did not give any loans or guarantees and no investments were made as specified in section 186 of the Companies Act, 2013.

11. Related Party Transactions

During the year under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of the related parties were in conflict with the Company's interest.

12. Future Outlook

The financial year 2015-16 witnessed volatility in global markets amidst growth concerns in China and US Fed raising interest rates after nearly a decade. There was a sharp fall in commodity prices especially crude oil which raised concerns on global economic growth. While Global growth remains moderate, Indian GDP is expected to grow by 7.5% in financial year 2017 as per IMF making it one of the fastest growing economies in the world. India's macro-economic parameters like CPI inflation, Fiscal Deficit and Current Account Deficit continue to show signs of improvement largely due to falling commodity prices. The Government has been taking several steps to boost growth specifically in sectors like road, power and railway. It has been emphasizing on 'Make in India' to provide an impetus to domestic manufacturing sector. The Government has also announced various measures to boost rural growth in Union Budget while not deviating from path of fiscal consolidation. Low interest rate scenario coupled with Government initiatives on 'Ease of Doing Business' and 'Make in India' may lead to much needed private capex taking off over next few months. This will augur well for pick-up in GDP growth, corporate earnings and hence better equity market performance in financial year 2017. The debt markets stayed buoyant in financial year 2016 due to easing inflation, reduction in

interest rates by RBI and a delay in further rate hikes by US Fed. India's improving macroeconomic indicators, accommodative monetary policy, thrust on structural reforms and steps towards fiscal consolidation indicate a positive outlook for both equity and debt markets in financial year 2017.

13. Transfer to Reserves

During the year under review, your Company does not propose to carry any amount to reserves.

14. Dividend

In order to conserve the resources of the company the Directors do not recommend any dividend for the financial year ended March 31, 2016.

15. Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the Financial year of the Company to which the Financial Statements Relate and the Date of the Report

There are no material changes and commitments which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

16. Particulars Regarding Conservation of Energy and Technology Absorption

- (i) The steps taken or impact on conservation of energy;

The Company is using CFL and LED lights across all its offices and use the power saving equipment in the Air-conditioning system to minimize energy consumption, only after looking at Cost Benefit Analysis.

- (ii) The steps taken by the company for utilizing alternate sources of energy;

The Company explored utilizing solar energy, but the initial investment in this source of energy is very high and hence not feasible for small offices.

- (iii) The capital investment on energy conservation equipment;

Currently the Company does not use any energy conservation equipment, except CFL/LED lights across offices.

The company does not carry out any manufacturing activity, therefore the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are not applicable to the Company.

17. Foreign Exchange Earnings and Expenditure (In '000)

Earnings in foreign currency	- Rs. 781,33/-
Expenditure in foreign currency	- Rs. 199,511/-

18. Development and Implementation of Risk Management Policy

The company has a Board approved "Risk Management Policy" which details principles, strategies and processes aimed at identifying, evaluating and monitoring risks. The Risk Management System relies on the following building blocks:

● Risk Governance

The Risk Governance structure of the company is based on Three Lines of Defence: The operational structures (Risk Owner) are the first line of defence. The Risk Management and the Compliance represent the Second Line of Defence and finally, Internal Audit is the Third Line of Defence. The Company has in place a documentation tree based on different levels of policies and guidelines i.e. Risk

Management Policy, Underwriting Policy, Investment Policy, Grievance Redressal Policy, Employee Dealing Policy, Anti Money Laundering policy, Whistle Blowing Policy, Asset Liability Management Policy, Environment Policy, Group Risk Guidelines, IT Security Guidelines etc.

● Risk Management Controls and Limits

The company has an independent Enterprise Risk Management function. The Company monitors and controls the risk evolution at different levels of the operating structures, both in terms of exposure to risk factors. Risk Observers support Risk Takers and Risk Owners in their monitoring activities. The limits defined in Operating Limit Handbook are incorporated in respective standard operating procedures. Some critical limits are in-built in system to ensure 100% compliance. Monitoring reports (MIS) are generated from system and reported to concern authority on regular basis. The limits / indicators defined for monitoring operating objectives of the strategic plan and solvency position are monitored by Strategic Development on monthly/quarterly basis.

● Risk Measurement and Models

There is no common measurement methodology and model applicable to all the risks. With respect to risk measurement, ERM team and risk owners discuss jointly the risks incorporated in the Risk Map. The risks are identified, credible loss scenarios are developed, impacts on company's performance and results are assessed, and adequacy of existing risk control measures are reviewed and recommended controls if not adequate. ERM department has developed a tool to monitor limits associated with investment function. Operation Risk Management methodology is used for top-down and bottom-up operational risk assessment. Liquidity tool is used for monitoring present and projected liquidity. Prior to renewal of reinsurance program, Catastrophic Risk is modeled with help of insurance broker. Risk Appetite strategic plan and risk linkage, an access tool, is used to integrate strategic objective, operating objective, associated risks and monitoring parameters. Assets and Liability Management is carried using LOB wise gap analysis. Impact of the stress tests results is assessed. Technical reserve is estimated using CLM (Chain Ladder Method) and considering premium deficiency reserve, outstanding claims, unearned premium and IBNR (incurred but not reported). PRIMA is being used for monitoring and reporting.

● Embedding in Business Processes

- ❑ Incorporated limits in IT system i.e. Mfund for investments, reinsurance retention and treaty, underwriting authority limits in Policy Asia, Performance measurement evaluation on RACE etc.
- ❑ Operating limits approved by Board of Directors are incorporated in Standard Operating Procedures.
- ❑ Appointed independent agency to take employees' feedback.
- ❑ Trainings are conducted on risk management ICRMS, AML, Evacuation Drill, BCP, products, IT system, selling skills, Fraud Control, insurance domain customer service etc.

19. POLICY ON CORPORATE SOCIAL RESPONSIBILITY

In lines with the requirement of the of Section 135 of the Companies Act, 2013; and the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has constituted a Corporate Social Responsibility Committee at its Board meeting

held on January 21, 2015.

The Corporate Social Responsibility Committee was reconstituted on October 30, 2015 and February 01, 2016 and at present, has the following as its members:

1. Dr. Devi Singh - Chairman
2. Mr. K.K. Rath - Member;
3. Mr. John Inniss Howell - Member; and
4. Mr. Hayden Seach - Member

The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy which was approved by the Board of Directors at its Meeting held on March 24, 2015 and further revised and approved on February 01, 2016 and was published on the Company's website. The Corporate Social Responsibility Policy, in line with the Schedule VII details the activities to be undertaken by the company and the expenditure thereon.

The Annual Report on Corporate Social Responsibility (CSR) Activities in annexed to the Report in Annexure III.

20. ANNUAL PERFORMANCE EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Committees. A structured questionnaire was prepared, covering various aspects of the Board's functioning.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters as defined by the Nomination and Remuneration Committee.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors

The Directors expressed their satisfaction with the evaluation process, which reflected the overall engagement of the Board and its Committees with the Company.

21. Details of the Directors & Key Managerial Personnel appointed / resigned

A] Directors

21.1 Directors retiring by rotation

Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Vijay Biyani (Director Identification Number: 00005827) and Mr. Krishan Kant Rath (Director Identification Number: 00040094), Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

21.2 Appointment

1. Mr. John Inniss Howell

Pursuant to Section 161 of the Companies Act, 2013, Mr. John Inniss Howell, (Director Identification Number 07312740) has been appointed as an additional Director of the Company on October 30, 2015. Mr. Howell holds office up to the date of the ensuing Annual General Meeting. As per provision of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Shareholder proposing his appointment as a Director.

2. Mr. Hayden Richard Seach

Pursuant to Section 161 of the Companies Act, 2013, Mr. Hayden Richard Seach, (Director Identification Number 07409596) has been

appointed as an additional Director of the Company on February 01, 2016. Mr. Seach holds office up to the date of the ensuing Annual General Meeting. As per provision of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Shareholder proposing his appointment as a Director.

3. Ms. Jennifer Susan Sparks

Pursuant to Section 161 of the Companies Act, 2013, Ms. Jennifer Susan Sparks, (Director Identification Number 07111138) has been appointed as an additional Director of the Company on February 01, 2016. Ms. Sparks holds office up to the date of the ensuing Annual General Meeting. As per provision of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Shareholder proposing her appointment as a Director.

Brief profiles of all the Directors are given in the corporate governance report.

21.3 Resignation

1. Dr. Kim Chai Ooi

Dr. Kim Chai Ooi was appointed as a Director of your Company on September 05, 2007. He ceases to be a Director of your Company by virtue of his resignation w.e.f. May 18, 2015.

2. Mr. Dario William Peralisi

Mr. Dario William Peralisi was appointed as a Director of your Company on January 21, 2015. He ceases to be a Director of your Company by virtue of his resignation w.e.f. February 01, 2016.

3. Mr. Ooi Teik Chong

Mr. Ooi Teik Chong was appointed as a Director of your Company on September 12, 2014. He ceases to be a Director of your Company by virtue of his resignation w.e.f. January 18, 2016.

B] Key Managerial Personnel

During the period under review, following Key Managerial Personnel were appointed/resigned as per Companies Act, 2013 and Insurance Regulatory and Development Authority of India (IRDAI) Guidelines on reporting of Key Persons dated October 9, 2013:

1. Mr. Neel Chheda – Appointed Actuary

The Board of Directors of the Company have appointed Mr. Neel Chheda as the Appointed Actuary of the Company in place of Mr. Jatin Arora who has resigned from the services of the Company. Appointment of Mr. Neel Chheda as the Appointed Actuary is approved by the Insurance Regulatory and Development Authority of India (IRDAI) on August 05, 2015.

2. Mr. Prashant Chikhal – Head – Internal Audit

Mr. Prashant Chikhal, the Head, Internal Audit has resigned from the services of the Company w.e.f. January 11, 2016.

22. Subsidiary Companies, Joint Venture Or Associate Companies

During the year under review, there are no companies which has become/ceased to become a Subsidiary/Joint Ventures/Associate Companies.

23. Deposits

The Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

24. Orders Passed by the Regulators or Courts

There are no significant orders passed by the regulator or courts

or tribunals against the Company impacting its status as going concern and on its operations.

25. Internal Financial Controls with reference to the Financial Statements

Based on the frame work of internal financial controls and compliance systems established and maintained by the Company (with its inherent weaknesses), work performed by the internal statutory and secretarial auditors and external consultants specially appointed for this purpose, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the period ended on 31st March, 2016.

26. Implementation of Indian Accounting Standards (Ind AS) in Insurance Sector

A steering committee has been formed by the company comprising of members from cross function areas. The committee has taken the first step to bring out the material differences between the current accounting standards and IND AS requirements. The committee is in the process of identifying the further requirements to achieve the IND AS implementation in full including assessing the impact on Financials, solvency and disclosure requirements.

27. Managing the Risk of Fraud, Corruption and Unethical Practices

1. Whistle Blower Policy

Your Company values integrity, honesty and fairness in everyone from top to bottom and has a policy of encouraging openness and preventing malpractice or any cover-up of malpractice. Any actual or alleged illegality or ethical lapse would be a matter of serious concern for the Company.

To meet this requirement, the Company has put in place, a whistle blower policy where employees can raise concerns internally about any possible irregularities, governance weakness, financial reporting issues and other matters. Details of the whistle blower policy are given in the corporate governance report.

2. Code of Conduct

Your Company adopted the ethical code of conduct for the Directors, Senior Management and all the staff members. The code has been put on your Company's website <http://www.futuregenerali.in/> and also have been shared with all the employees of the Company via intranet.

3. Anti-Fraud Policy

Your Company has adopted an Anti-Fraud Policy to identify and assess the risks of fraud and to implement the processes, procedures and controls needed to mitigate the risks and reduce the opportunities for fraud. This ensures consistent and effective investigation, reporting and disclosure of fraud occurrences and provides a clear guidance to the employees and others dealing with the Company, forbidding them from involvement in any fraudulent activity and the action to be taken by them when they suspect any fraudulent activity. The Anti-Fraud Policy is reviewed on an Annual basis by the Audit Committee and the Board of Directors.

28. Corporate Governance

A report on compliance with the Corporate Governance Guidelines for insurance companies issued by IRDAI is given as an Annexure IV along with a certificate from the Company Secretary & Principal Compliance Officer.

29. Disclosure of unclaimed amount on website

Your Company has provided a facility to the policyholders enabling them to find out whether any amount due to them is lying unclaimed with the Company for any reason whatsoever. This information is regularly updated on the website of the Company.

30. Policy on Prevention of Sexual Harassment of Women Employees at work place

Your Company is committed to create a healthy working environment in which all employees can work together free from sexual harassment. The Company believes that all employees and other persons dealing with the Company have a right to be treated with dignity. Sexual harassment is an offence and is punishable.

Details of sexual harassment cases during the year under review:

No. of complaints received : Nil

No. of complaints disposed off : Nil

31. Appreciation and Acknowledgment

Your Directors express their sincere appreciation for the co-operation and assistance received from the Insurance Regulatory and Development Authority of India, Insurance Information Bureau, Tariff Advisory Committee, Reserve Bank of India, General Insurance

Council and other regulatory authorities for their support and advice. The Directors also place on record their sincere thanks for the support and co-operation extended by the Policyholders, Reinsurers, Bancassurance partners, Insurance Agents and Brokers.

Your Directors express their sincere appreciation for the commitment, co-operation, active involvement and dedication displayed by all the employees in the growth of the Company.

Your Directors thank you for your continued support, trust and confidence reposed in them.

On behalf of the Board of Directors
Future Generali India Insurance Company Limited

Sd/-

G.N Bajpai

Chairman

(DIN: 00946138)

Dated: May 05, 2016

ANNEXURE I

MGT - 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	U66030MH2006PLC165287
ii	Registration Date	October 30, 2006
iii	Name of the Company	Future Generali India Insurance Company Limited
iv	Category/Sub-category of the Company	Public Company having Share capital
v	Address of the Registered office & contact details	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013 Tel : +91 22 4097 6666
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: Link Intime India Pvt Ltd Address: C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Rd, Bhandup West, Mumbai, Maharashtra 400078 Contact Details: +91 22 – 25946970/022 – 25946960

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	General Insurance	997133	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Not Applicable					

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	528950000	528950000	74.5	181049994	347900006	528950000	74.5	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):	0	528950000	528950000	74.5	181049994	347900006	528950000	74.5	0
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	181050000	181050000	25.5	0	181050000	181050000	25.5	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):	0	181050000	181050000	25.5	0	181050000	181050000	25.5	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	710000000	710000000	100	181049994	528950006	710000000	100	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	710000000	710000000	100	181049994	528950006	710000000	100	0

ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Future Enterprises Limited (formerly known as Future Retail Limited)	181050000	25.5	0	181050000	25.5	0	0
2	Shendra Advisory Services Pvt. Ltd.	347900000	49	0	347900000	49	0	0
3	Participatie Maatschappij Graafsschap Holland NV	181050000	25.5	0	181050000	25.5	0	0
	Total	710000000	100	0	710000000	100	0	0

iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

SI No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	710000000	100	710000000	100
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change in Shareholding during the Year			
	At the end of the year	710000000	100	710000000	100

iv) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters & Holders of GDRs & ADRs)

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

v) Shareholding of Directors & KMP

SI No.	For Each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year	0	0	0	0

V. INDEBTEDNESS

(INR)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Additions	0	0	0	0
Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**(INR)**

Sl. No.	Particulars of Remuneration	Name of the Managing Director & CEO
		Mr. K.G. Krishnamoorthy Rao
1	Gross salary	2,33,98,920
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	39,600
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	
2	Stock option	
3	Sweat Equity	
4	Commission	
	as % of profit	
	others (specify)	
5	Others, please specify	65,62,500
	Total (A)	3,00,01,020
	Ceiling as per the Act	

In accordance with the provisions of Section 34A of the Insurance Act, 1938 and relevant provisions of the Insurance Laws (Amendment) Act, 2015, ceiling as per the Companies Act, 2013 shall not apply to any matter in respect of which the approval of the Authority has to be obtained under sub section (1) of Section 34A of the Insurance Act, 1938. Further, any excess in annual remuneration, in any form, payable to the official, over and above the amount approved by the Authority shall be borne by the Shareholders.

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors									Total
		Mr. G. N. Bajpai	Dr. Devi Singh	Ms. Bhavna Doshi	Mr. Kishore Biyani	Mr. Vijay Biyani	Mr. K.K. Rath	Mr. John Inniss Howell	Mr. Hayden Seach	Ms. Jennifer Sparks	
1	Independent Directors										
	(a) Fee for attending board committee meetings	N.A.	4,20,000	4,10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	8,30,000
	(b) Commission	N.A.	0	0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0
	(c) Others, please specify	N.A.	0	0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0
	Total (1)										8,30,000
2	Other Non-Executive Directors										
	(a) Fee for attending board committee meetings	5,70,000	N.A.	N.A.	50,000	50,000	5,70,000	0	0	0	12,40,000
	(b) Commission	0	N.A.	N.A.	0	0	0	0	0	0	0
	(c) Others, please specify	0	N.A.	N.A.	0	0	0	0	0	0	0
	Total (2)										12,40,000
	Total (B)=(1+2)										20,70,000
	Total Managerial Remuneration (A+B)										
	Overall Ceiling as per the Act.	N.A.									

- Note: 1. The sitting fees mentioned above include the fees accrued for the meeting held in March 24, 2015 but paid in April 2016.
2. The Company has not made any payment to Directors, except sitting fees as specified under section 197(5) of the Companies Act, 2013. Further, the Sitting fee is in accordance with the provisions of Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR/ WHOLETIME DIRECTOR/ MANAGER**(INR)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary
1	Gross salary	3,33,93,780
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	72,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	as % of profit	
	others, specify	
5	Others, please specify	79,27,496
	Total	4,13,93,276

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. DIRECTORS					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. OTHER OFFICERS IN DEFAULT					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- 1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR Policy of the Company is available on the Company website – <https://general.futuregenerali.in/>

Web-link for the CSR Policy <https://general.futuregenerali.in/general-insurance/pdf/CorporateSocialResponsibility.pdf>

- 2) Composition of the CSR Committee.
- Dr. Devi Singh – Chairman (Independent Director)
 - Mr. K.K. Rath – Member;
 - Mr. John Inniss Howell - Member and
 - Mr. Hayden Seach - Member

- 3) Average net profit of the company for last three financial years:

The year wise profit/loss of the company for the last three years are as follows:

(Rs. In 000)

FY 2014-15 (Rs.)	FY 2013-14 (Rs.)	FY 2012-13 (Rs.)	Average Profits/ Losses of Last 3 Financial Years (Rs.)
602,930	396,195	(196,952)	267,389.67

- 4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
Pursuant to Section 135(5) of the Companies Act, 2013, the CSR obligation of your Company for the FY 2015-2016 is INR 5,347,793/-

- 5) Details of CSR spent during the financial year.
INR 19,433/-

- 6) (a) Total amount to be spent for the financial year;
INR 5,347,793/-

- (b) Amount unspent, if any;
INR 5,328,360/-

- (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1.	Free medical camp for flood affected victims	Preventive Healthcare	Chennai, Tamil Nadu	25,000	19,433	19,433	Direct
	TOTAL						

*Give details of implementing agency:

Various other CSR initiatives have been finalized by the Company based on the proposals received from various NGO's in the current financial year and currently are in pipeline. The Company is in process of continuously monitoring the status of the same and shall initiate the activities in the ensuing financial year.

- 7) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee has ensured that the CSR policy has been framed in compliance with all the requirements prescribed by Companies Act, 2013 and rules made thereunder. The Committee monitors and overviews the implementation of the CSR Policy to ensure that the CSR objectives enshrined therein are met with.

Sd/-

Sd/-

K.G. Krishnamoorthy Rao
(Managing Director and CEO)

Dr. Devi Singh
(Chairman, CSR Committee)

Report on Corporate Governance

1. INTRODUCTION:

Corporate Governance is about commitment to values and ethical business conduct. It is also about how an organization is managed viz; its corporate and business structures, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial position of the company, its performance and ownership forms part of effective corporate governance.

2. PHILOSOPHY ON CORPORATE GOVERNANCE:

Good governance practices stem from the culture and mindset of the organization. It is therefore not merely about enacting regulations and procedures but also about establishing an environment of trust and confidence among various stakeholders. It is about demonstrating high level of integrity, transparency, accountability and disclosures across the company's operations and in its interaction with its stakeholders, including shareholders, customers, employees, the government, lenders and the society.

The Corporate Governance philosophy of the Company is driven by the following fundamental principles:

1. Conduct the affairs of the Company in an ethical manner;
2. Ensure transparency in all dealings.
3. Ensure highest level of responsibility and accountability
4. Ensure compliance with all laws and regulations
5. Ensure timely dissemination of material information & matters of interest to stakeholders.

The Company, through effective dissemination of information to the Directors and active interaction of the Board Members with Senior Management ensures effective oversight of the Company's businesses and activities.

Through the Governance mechanism in the Company, the Board along with its Committees Endeavour's to strike the right balance with various stakeholders' interests

3. BOARD OF DIRECTORS ("Board")

The Board has been constituted in a manner, which results in an appropriate mix of executive and non-executive directors to ensure proper governance and management.

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and involved in the Company and that there are ongoing efforts towards better Corporate Governance to mitigate "non business" risks.

The Directors of the Company possess the highest personal and professional ethics, integrity and values and are committed to representing the long-term interest of the stakeholders. The Company's business is conducted by its employees under the direction of the Managing Director & Chief Executive Officer and the overall supervision of the Board.

The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the Senior

Management and all other employees of the Company.

3.1 Composition of the Board

As at March 31, 2016, the Board of Directors of your Company consisted of Ten (10) Directors comprising of one (1) Executive Director, two (2) Non – Executive Independent Directors including a woman Director and seven (7) Non – Executive Directors. The Directors are elected based on their qualification and experience in related fields of your Company's business needs and/or having expertise in marketing, management & finance etc.

INFORMATION ON DIRECTORS

1) Mr. G.N. Bajpai (DIN: 00946138) - Chairman of the Board

Mr. Ghyanendra Nath Bajpai, is a non-executive director and Chairman of the Board of Directors of the Company. Mr. Bajpai is a distinguished leader in Indian business, and has been the Chairman of the Securities and Exchange Board of India (SEBI) and Chairman of the Life Insurance Corporation of India (LIC).

Mr. Bajpai is known for his visionary leadership and exemplary integrity. He has served as non-executive Chairman and a director on corporate boards in India and other countries. He has also received awards for contribution to business and authored several books. Mr. Bajpai has been Chairman of the Corporate Governance Task Force of International Organization of Securities Commissions, Insurance Institute of India & served on the Governing Boards of Indian Institute of Management, Lucknow and National Insurance Academy.

He has delivered lectures at London School of Economics (LSE), Harvard University and MIT and also addressed Stanford University, OECD & IMF seminars. He has received among others the Outstanding Contribution to the Development of Finance award from then Prime Minister Dr. Manmohan Singh.

Mr. Bajpai holds a Degree in law and Masters in Commerce. Mr. Bajpai was appointed as Director on March 16, 2007.

2) Mr. Kishore Biyani (DIN: 00005740) - Director

Mr. Kishore Biyani is a non-executive director on the Board of the Company. Mr. Kishore Biyani founded Pantaloons in 1997, followed by a number of popular retail formats including Big Bazaar, Central, Food Bazaar, Brand Factory and Home Town that now cater to almost the entire basket of a wide cross-section of Indian consumers. In the recent years, Mr. Kishore Biyani has led the group's transformation into one of India's leading business houses.

A staunch believer in the group's corporate credo, 'Rewrite Rules, Retain Values,' Mr. Kishore Biyani considers "Indianness" as the core value driving the group. He was awarded the Ernst & Young Entrepreneur of the Year 2006 in the Services Sector and the LakshmiPat Singhania - IIM Lucknow Young Business Leader Award by then Prime Minister, Dr. Manmohan Singh in 2006. He was also awarded the CNBC First Generation Entrepreneur of the Year 2006.

Mr. Kishore Biyani holds Bachelor's Degree in Commerce and has

also done Post Graduate Diploma in Marketing.

3) Mr. Vijay Biyani (DIN: 00005827) - Director

Mr. Vijay Biyani is a non-executive director on the Board of the Company. Mr. Vijay Biyani has more than thirty three years of experience in manufacturing, textiles and retail industry.

Mr. Vijay Biyani holds Bachelor's Degree in Commerce.

4) Mr. Krishan Kant Rathi (DIN: 00040094) - Director

Mr. Krishan Kant Rathi is a non-executive director on the Board of the Company. He has approximately twenty eight years of professional experience in corporate finance, strategic business planning and investment advisory. Mr. Krishan Kant Rathi has worked in organizations such as KEC International, H&R Johnson and Motilal Oswal Private Equity Advisors. He has previously worked as Group CFO with Pantaloon Retail.

Mr. Krishan Kant Rathi is a qualified Chartered Accountant and a Company Secretary.

5) Mr. John Inniss Howell (DIN: 07312740) – Additional Director

Mr. Howell is a Director on the Board of the Company and the Regional Officer for Generali Asia. He is responsible for Generali Asia's insurance operations in both Life and Property & Casualty businesses. Mr. Howell has over 20 years of extensive industry experience, having worked in various markets across Asia and the United States.

Prior to joining Generali, Mr. Howell was with Prudential plc where he held CEO positions in Vietnam and Indonesia and was responsible for driving business growth, devising and managing multiple distribution channels and closing key strategic partnerships. Before Prudential plc, he was with AIG where he served as the President and CEO of Philam Plans, and held several key executive positions in New York and Hong Kong. He was also the Co-Founder of Twenty Ten LLC, a NASD/SIPC-licensed investment bank consultancy.

Mr. Howell is a Graduate from the Tufts University in Quantitative Economics, and holds an MBA from the University of Chicago, Graduate School of Business.

6) Mr. Hayden Seach (DIN: 07409596) - Additional Director

Mr. Hayden Seach is a Director on the Board of the Company and Head of Global Corporate & Commercial for Generali Asia. He has over two decades of underwriting experience in the commercial general insurance sector. He is an emerging markets specialist with a wealth of diverse experience and expertise matured in many markets across the Middle East, Africa and Asia.

Mr. Seach joins Generali Asia Regional office from Zurich Financial Services Group, where he held the position of Head of Global Corporate with full accountability for the corporate business segment across the Middle East Region. In addition, he has held senior positions with a number of leading international insurance

and reinsurance companies such as RSA, AIG and Munich Re.

Mr. Seach studied Business and holds a Master's degree in Leading Innovation and Change through York St. John University in the UK.

7) Ms. Jennifer Sparks (DIN: 07111138) – Additional Director

Ms. Jennifer Sparks is a Director on the Board of the Company and Chief Financial Officer for Generali Asia. She is responsible for driving the regional finance and accounting operations as well as monitoring the financial management of Generali's businesses in Asia.

Ms. Sparks has over 30 years of international experience in insurance and financial services across Australia, Japan and Korea. Prior to joining Generali, she was CEO of Hartford Life Insurance KK. Between 2003 and 2011, she held various senior management positions within AIG, including Chief Financial Officer for AIG Edison Life in Japan and Regional Controller for AIG Life companies in Japan and Korea. Ms. Sparks started her career with AMP in Australia before moving to Japan in 1997.

Ms. Sparks is a graduate of the University of Adelaide and holds a Bachelor of Science with First Class Honours in Applied Mathematics. She is also a Fellow of the Institute of Actuaries of Australia.

8) Ms. Bhavna Doshi (DIN: 00400508) – Independent Director

Ms. Bhavna Doshi is an Independent Director on the Board of the Company. She is a fellow member of the Institute of Chartered Accountants of India and was ranked second in the merit list. She has over twenty five years of wide ranging experience which includes handling of varied assignments across sectors for domestic and multinational entities involving accounting, taxation and regulatory matters. She holds a Masters Degree in commerce from the University of Mumbai. She is actively involved in proposed goods and service tax related matters and interacts with government and businesses on matters of policy. She has served as chairperson of Accounting Standards Board and as a member of Board for many years. She has also served as Chairperson and member of the research committee of the Institute of Chartered Accountants of India.

She serves as an Independent Director on the Boards of listed companies where she brings her expertise and exposure of having worked on several matters and committees nationally and internationally. A former partner of member firm of KPMG in India, she is currently providing advisory services.

9) Dr. Devi Singh (DIN: 00015681) - Independent Director

Dr. Devi Singh is currently the Vice Chancellor of FLAME university, Pune. He spent about a year in Jaipur setting up a new University before moving to Pune in August 2016.

He was Director of the Indian Institute of Management, Lucknow (IIML) for more than ten years. Before joining IIML, he was a Director of Management Development Institute (MDI) Gurgaon for

four and half years. He is a well known Professor of International Finance and Management.

Dr. Singh is recognized as one of the top Academic Leaders in India who has created and transformed Institutions of higher learning. IIM, Lucknow and MDI took major strides and made all round progress under his dynamic leadership.

Before joining MDI, Dr. Singh was a Visiting Full Professor at the Faculty of Management, McGill University, Canada for five years. He has been a Ford Foundation and UNDP Fellow (International Management Education). He has been a Visiting Faculty at the International Centre for Public Enterprises, Slovenia. ESCP Europe, SKK Graduate School of Business, Seoul, and Kelly School of Business, Indiana. He is an alumnus Fellow of the Institute of World Affairs, Connecticut. He has taught at leading Business Schools in India.

He has published and presented research papers at various national/international journals/conferences. Dr. Singh is author of three books in Finance and Management. Has been a consultant to leading Indian and multinational organizations in India.

He has been on several policy level Committees of Government of India, All India Council for Technical Education, PHD Chamber of Commerce & Industry (PHDCCI), Standing Committee on Public Enterprises (SCOPE) and All India Management Association (AIMA). He has been a member of Boards/Executive Councils of Indian Institute of Management, Kozikhode, Narsee Monjee Institute of Management Studies, Mumbai, Indian Institute of Mass Communication, New Delhi, NITTIE, Mumbai, Ambedkar University, Lucknow, Jamia Islamia University, New Delhi, Tejpur University, Tejpur, University of Allahabad, Allahabad and two new Central Universities. Mentor and Founder Director, IIM Rohtak(2010-11) and IIM Kashipur (2011-12).

Dr. Singh has served as Member on the RBI's Appointments Board for two years (2011-12). He was also a Member of the UPSC Committee Constituted for Designing CSAT (2009-2010).

Dr. Singh was on the Board of India Fulbright for two years (2005-07) and has recently been nominated on the International Accreditation Advisory Board of Association of MBAs for three years.

He was the President of Association of Indian Management Schools in 2006-07, and member the All India Board of Management Studies of AICTE for six years (2000-2006).

He has served on many corporate Boards and is currently on the Board of Governors of some of the leading Public and Private Sector companies.

He has received several awards including ISTE National Fellow (2007), UP Ratan (2008), Best Director of a Business School(1999), Ravi J Mathai Fellow(2013), and Bharat Ashmita Award (2013).

Dr. Singh holds Ph.D. in International Finance from Indian Institute of Management, Ahmedabad (1984)

10) Mr. K. G. Krishnamoorthy Rao (DIN: 02795933) – Managing Director and CEO

Mr. K. G. Krishnamoorthy Rao is the Managing Director & Chief Executive Officer of Future Generali India Insurance Company Limited. Mr. K. G. Krishnamoorthy Rao has over twenty three years of rich professional experience in Insurance and Risk Management. Prior to joining Future Generali, Mr. Rao worked with Bajaj Allianz General Insurance Company Limited, where he was heading the

underwriting function across all lines and was instrumental in setting up the Underwriting and Operations team for the Company and contributed to the underwriting profit of the Company. He has also worked with Dabhol Power Company, Enron India as Risk Manager, TATA AIG Risk Management Services offering risk management consultancy, National Insurance Company Limited as Risk Engineer handling property and engineering underwriting and claims and Indian Space Research Organization as Scientist.

Mr. K. G. Krishnamoorthy Rao is a Bachelor in Technology, Production Engineering from University of Calicut and is a Fellow member of the Insurance Institute of India.

4. ANNUAL EVALUATION OF THE BOARD

The evaluation of the Board and its committees is governed by the performance evaluation policy adopted by the Board of Directors. This Policy has been formulated to ensure that the Directors in their individual capacity and the Board as a whole work efficiently and effectively in achieving their functions towards attaining the overall organizational goals.

Performance evaluation of the Independent Directors is done by the Board of Directors excluding the Director being evaluated. The Board review and assess the performance of Independent Directors by way of a peer to peer review i.e. each of the Independent Directors shall be assessed by the other directors, on the criteria's prepared by the Board of Directors from time to time. The Board shall share the findings of the performance evaluation with the Independent Directors and discuss and analyse the areas for improvement.

Performance evaluation of the Board is done by the Independent Directors on a yearly basis. The Independent Directors shall depute one or more of them to conduct the process of evaluation of performance of the Board of Directors. The Independent Directors decides the criteria to assess the Board. The Independent Directors meet annually to review and assess the performance of Board of Directors.

5. DETAILS OF THE SITTING FEES OF THE DIRECTORS OF THE COMPANY:

Name of the Director	Amount (in Rs.)
Mr. G.N. Bajpai	5,70,000
Dr. Devi Singh	4,20,000
Ms. Bhavna Doshi	4,10,000
Mr. K. K. Rathi	5,70,000
Mr. Kishore Biyani	50,000
Mr. Vijay Biyani	50,000

Note: The sitting fees mentioned above includes the fees accrued for the meeting held in March 24, 2015 but paid in April 2015.

The Directors are paid sitting fees of INR 10,000 per Committee meeting and INR 50,000 for every Board Meeting that they attend.

Besides payment of sitting fees to the independent Directors, there has been no other pecuniary relationship either with the Non-Executive Directors or with Independent Directors.

6. ATTENDANCE RECORD OF THE DIRECTORS

During the year 2015-2016, five meetings of the Board of Directors were held on April 28, 2015, May 21, 2015, August 06, 2015, November 03, 2015, and February 01, 2016. The maximum time gap between any two meetings during this period did not exceed four months at any point in time.

The details of the Board Meetings held and attended by the respective Directors are given below:

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director	Board Meetings attended
Mr. G.N. Bajpai – Chairman	Non-Executive Director	5	5
Mr. Kishore Biyani	Non-Executive Director	5	1
Mr. Vijay Biyani	Non-Executive Director	5	1
Mr. Krishan Kant Rathi	Non-Executive Director	5	5
Dr. Kim Chai Ooi ¹	Non-Executive Director	1	0
Dr. Devi Singh	Independent Director	5	5
Ms. Bhavna Doshi	Independent Director	5	5
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO	5	5
Mr. Ooi Teik Chong ²	Non-Executive Director	4	2
Mr. Dario Peralisi ³	Non-Executive Director	4	0
Mr. John Inniss Howell ⁴	Additional Non-Executive Director	2	1
Mr. Hayden Seach ⁵	Additional Non-Executive Director	1	1
Ms. Jennifer Sparks ⁵	Additional Non-Executive Director	1	1

¹ Resigned w.e.f. May 18, 2015

² Resigned w.e.f. January 18, 2016

³ Resigned w.e.f. February 01, 2016

⁴ Appointed as Additional Director on October 30, 2015

⁵ Appointed as Additional Director on February 01, 2016

The appointed actuary is invited to attend all the meetings of the Board of Directors

7. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

Apart from the requirements of Section 177 and/or other relevant provisions of the Companies Act, 2013 and any guideline, rule or regulation prescribed by the Insurance Regulatory & Development Authority of India or any other Statutory Body/ Authority, the Committee assists and provides advice to the Board of Directors in relation to the internal control & risk management systems of the Company.

The terms of reference of the Audit Committee, inter-alia, includes following:

- a. Define the guidelines of the internal control & risk management system of the Company;
- b. Assess the adequacy and effectiveness of the internal control & risk management system of the Company on a regular basis;
- c. Assess the reliability of the financial statements and disclosures of the Company;
- d. Oversee the independence, qualifications and performance of the appointed external auditor and the performance of the internal audit activity;
- e. Oversee the identification and management of main corporate risks faced by the Company;
- f. Make recommendations and proposals for the upgrading and further strengthening of the enterprise risk management, internal control and governance processes of the Company;
- g. Consider and if thought fit, recommend to the Board of Directors, related party transactions for their approval;
- h. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- i. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- j. Examination of the financial statements and the auditor's report thereon;
- k. Approval or any subsequent modification of transactions of the Company with related parties;
- l. Scrutiny of inter-corporate loans and investments;
- m. Valuation of undertakings or assets of the company, wherever it is necessary;
- n. Evaluation of internal financial controls and risk management systems;
- o. Monitoring the end use of funds raised through public offers and related matters.

7.1 Composition and Attendance at Meetings:

As per Section 177 of the Companies Act, 2013, the Audit Committee comprises of three (3) members, all of whom are Non-executive Directors, two (2) of them being Independent Directors. All the members of the Committee have good experience and knowledge of finance, accounts and company law. Ms. Bhavna Doshi who has served as Chairperson and member of the research committee of the Institute of Chartered Accountants of India is the Chairperson of the Audit committee

The details of the Composition, categories and attendance during the year are as under:

Name	Category	Audit Committee meeting held on				
		20.05.2015	05.08.2015	02.11.2015	07.12.2015	01.02.2016
Ms. Bhavna Doshi	Chairperson	Present	Present	Present	Present	Present
Dr. Devi Singh	Member	Present	Present	Present	Leave of absence	Present
Mr. G N Bajpai	Member	Present	Present	Present	Present	Present

Mr. K.K. Rathi and Mr. John Inniss Howell are the permanent invitees to the Audit Committee.

The statutory auditors, internal auditors and senior management are invited to attend all the meetings of the Committee. The minutes of the Audit Committee meetings forms part of the documents placed before the meetings of the Board of Directors. In addition, the Chairperson of the Audit Committee appraises the Board members about the significant discussions at Audit Committee meetings.

8. INVESTMENT COMMITTEE

The Investment Committee has been constituted to assist the Board of Directors in discharging its duties with respect to investment matters. The primary responsibility of the Investment Committee is to provide general direction for the management of the investment funds and other related responsibilities as may be delegated by the Board of Directors.

The Investment Committee constituted by the Board of Directors is responsible for laying down an overall investment policy and operational framework for the investment operations of the Company. The decisions of the Investment Committee shall constitute recommendations to the Board of Directors and top management.

The terms of reference of the Investment Committee, inter-alia, includes following:

1. The general direction for the management of the investment funds and investment strategies;
2. The overall investment policy, guidelines and operational framework for the portfolio and the investment operations of the Company;
3. The internal control system supporting the investment policy of the Company, including but not limited to investment mandates, schedules of delegations to management, allowable investments, investment benchmarks, empanelment of brokers, appointment of the custodian and investment managers and risk control limits;
4. Policies and guidelines involving the use of derivatives and structured products;
5. Any large and/or non-standard investment transactions upon completion of the review and comments by the Risk Management Department and the Investment Department;

6. The degree of attention given to a prudential asset liability management (ALM) in the investment policy and the models used to steer efficiently in the direction pointed out by the Board;
7. The risks that the investment activity brings to the portfolios of the Company;
8. The performance of investments made by or on behalf of the Company or the policyholders and its impact on the Company's finances;
9. The evaluation of dynamic market conditions, including the future outlook and its impact on the investment policy of the Company;
10. The quality of investment-related assessments by the Investment Department and the advice of third parties supported by the findings of the due diligence process and the credit ratings provided by external agencies;
11. The quality and performance of the financial intermediaries and other financial service providers that the Company employs to carry out its investment operations; and
12. Effective standalone reporting systems (i.e. independent from any audit mechanisms, either internal or concurrent) to ensure compliance with the investment policy for a sustained and ongoing monitoring of investment operations.

8.1 Composition and Attendance at Meetings:

The Investment Committee has been reconstituted by virtue of a circular resolution passed by the Board of Directors of the Company on October 30, 2015 to induct Mr. John Inniss Howell as a member of the Investment Committee.

Mr. Jatin Arora ceases to be a member of the Committee by virtue of resignation as Appointed Actuary. Mr. Neel Chheda, has been appointed as the Appointed Actuary of the Company in his place and has been inducted as a member of the Investment Committee.

As of March 31, 2016, the Investment Committee consists of Seven (7) members. Chairman, two (2) Non-Executive Directors, Managing Director and CEO, Chief of Finance, Chief of Investments and Appointed Actuary, which is in compliance with IRDA (Investment Regulations) and Corporate Governance Guidelines issued by Insurance Regulatory and Development Authority.

The details of the Composition, categories and attendance during the year are as under:

Name	Category	Investment Committee meeting held on				
		28.04.2015	20.05.2015	05.08.2015	02.11.2015	25.01.2016
Mr. G. N. Bajpai	Chairman	Present	Present	Present	Present	Present
Mr. Krishan Kant Rathi	Director	Present	Present	Present	Present	Present
Mr. John Inniss Howell ¹	Director	Not Applicable	Not Applicable	Not Applicable	Present	Present
Mr. K.G. Krishnamoorthy Rao	Managing Director and CEO	Present	Present	Present	Present	Present
Mr. Srinivasan Venugopalan	Chief Financial Officer	Present	Present	Present	Present	Present
Mr. Milan P. Shirodkar	Chief of Investments	Present	Present	Present	Present	Present
Mr. Neel Chheda ¹	Appointed Actuary	Not Applicable	Not Applicable	Not Applicable	Present	Present

¹ Appointed as a member w.e.f. October 30, 2015

The minutes of the meeting of all Investment Committee forms part of the documents placed before the next meeting of the Board of Directors.

9. POLICYHOLDERS PROTECTION COMMITTEE

The Policyholders Protection Committee assists and provides advice to the Board of Directors in relation to the protection of the interests of policyholders. The Policyholders Protection Committee puts in place systems to ensure that policyholders have access to redressal mechanisms and establish policies and procedures to deal with customer complaints and resolve disputes expeditiously.

The Policyholders Protection Committee lays special emphasis on the protection of policyholder's interests and on the adoption of sound and healthy market conduct practices.

The terms of reference of the Policyholders Protection Committee, inter-alia, includes following:

- 1) Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries;
- 2) Ensure compliance with the statutory requirements as laid down in the regulatory framework;
- 3) Review of the mechanism at periodic intervals;

The details of the Composition, categories and attendance during the year are as under:

Name	Category	Policyholders Protection Committee meeting held on			
		20.05.2015	05.08.2015	02.11.2015	25.01.2016
Mr. G N Bajpai	Chairman	Present	Present	Present	Present
Mr. Krishan Kant Rath	Member	Present	Present	Present	Present
Mr. Ooi Teik Chong ¹	Member	Present	Present	Leave of absence	Not applicable
Mr. John Inniss Howell ²	Member	Not Applicable	Not Applicable	Present	Present
Mr. Hayden Seach ³	Member	Not Applicable	Not Applicable	Not Applicable	Not applicable

¹ Resigned w.e.f. January 18, 2016

² Appointed as a member w.e.f. October 30, 2015

³ Appointed as a member w.e.f. February 01, 2016

10. ETHICS AND COMPLIANCE COMMITTEE

The Ethics and Compliance Committee assists and advises the Board of Directors in relation to ethical and compliance matters and monitors the risk profile of the Company related with compliance of external laws and regulations and internal policies. The ultimate responsibility for ethics and compliance matters rests with the Board of Directors and top management.

The terms of reference of the Ethics & Compliance Committee, inter-alia, includes following:

- 1) Review and recommend to the Board of Directors for approval, the codes and standards of conduct that apply to the directors, officers and employees of the Company;
- 2) Review the procedures established by the Board of Directors to resolve conflicts of interest and handle related party transactions, including techniques for the identification of potential conflict situations and for restricting the use of confidential information;
- 3) Periodically (at least annually) assess the adequacy and effectiveness of the Compliance Function of the Company and its compliance risk management system;
- 4) Review and recommend the appointment, removal, evaluation and compensation of the Principal Compliance Officer to the approval of the Board of Directors. For this purpose, the Ethics and Compliance Committee shall examine the curriculum vitae, professional and educational background and qualifications of the candidate. In addition, the Ethics & Compliance Committee shall periodically review and evaluate the performance of the Principal Compliance Officer (at least once a year) and

- 4) Ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall, for the present, comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals;
- 5) Review the status of complaints at periodic intervals to the policyholders;
- 6) Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority;
- 7) Provide details of insurance ombudsmen to the policyholders.

9.1 Composition and Attendance at Meetings

The Policyholders Protection Committee has been reconstituted by virtue of a circular resolution passed by the Board of Directors of the Company on October 30, 2015 and February 01, 2016.

As at March 31, 2016, the Policyholders Protection Committee consists of four (4) members. It consists of the Chairman and three (3) Non-Executive Directors.

propose any salary increase and/or adjustment that is deemed appropriate;

- 5) Review the Annual Compliance Activity Plan prepared and proposed by the Compliance Function, before it is submitted to the Board of Directors for final approval;
- 6) Review and recommend for approval by the Board of Directors the compliance programs of the Company which are intended to foster compliance with applicable laws and regulations, review their effectiveness on a regular basis and sign off on any material compliance issues or matters;
- 7) Receive and review periodic reports from the Compliance Function in respect of compliance with external laws and regulations and internal policies and on compliance risks, identified weaknesses, lapses, breaches or violations and the corrective controls and other measures which have been put in place to help detect and address the same.

The Ethics and Compliance Committee shall also undertake and carry out any additional duties and responsibilities as the Board of Directors may from time to time prescribe.

10.1 Composition and Attendance at Meetings

The Ethics and Compliance Committee has been reconstituted by virtue of a circular resolution passed by the Board of Directors of the Company on October 30, 2015 and February 01, 2016.

As at March 31, 2016, the Ethics & Compliance Committee consists of four (4) members. It consists of the Chairman and three (3) Non-Executive Directors.

The details of the Composition, categories and attendance during the year are as under:

Name	Category	Ethics and Compliance Committee meeting held on			
		20.05.2015	05.08.2015	02.11.2015	25.01.2016
Mr. G N Bajpai	Chairman	Present	Present	Present	Present
Mr. Krishan Kant Rath	Member	Present	Present	Present	Present
Mr. Ooi Teik Chong ¹	Member	Present	Present	Leave of absence	Not applicable
Mr. John Inniss Howell ²	Member	Not Applicable	Not Applicable	Present	Present
Mr. Hayden Seach ³	Member	Not Applicable	Not Applicable	Not Applicable	Not applicable

¹ Resigned w.e.f. January 18, 2016

² Appointed as a member w.e.f. October 30, 2015

³ Appointed as a member w.e.f. February 01, 2016

11. RISK MANAGEMENT COMMITTEE

The Risk Management Committee assists and provides advice to the Board of Directors in relation to the risk management system of the Company. The ultimate responsibility for enacting and implementing an adequate and effective risk management and asset liability management system rests with the Board of Directors.

The terms of reference of the Risk Management Committee are as follows:

- 1) To assist the Board in effective operation of the risk management system by performing specialised analyses and quality reviews;
- 2) To maintain a group wide and aggregated view on the risk profile of the Company in addition to the solo and individual risk profile;
- 3) To report to the board details on the risk exposures and the actions taken to manage the exposures;
- 4) To advise the board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.

The Risk Management Committee also discusses reviews and makes recommendations on:

- 1) The existing risk profile of the Company with special regard to solvency, capital allocation, asset allocation, insurance risks, operational risks and products;
- 2) The enterprise risk management policies, guidelines and limits of the Company;
- 3) The risk taking criteria to be adopted by management within the Company; and
- 4) Any proposal to alter the risk reward profile of the Company.

11.1 Composition and Attendance at Meetings:

The Risk Management Committee has been reconstituted by virtue of a circular resolution passed by the Board of Directors of the Company on October 30, 2015 and February 01, 2016.

As at March 31, 2016, the Risk Management Committee consists of four (4) members. It consists of the Chairman and three (3) Non-Executive Directors.

The details of the Composition, categories and attendance during the year are as under:

Name	Category	Risk Management Committee meeting held on			
		20.05.2015	05.08.2015	02.11.2015	25.01.2016
Mr. G. N. Bajpai	Chairman	Present	Present	Present	Present
Mr. Krishan Kant Rath	Member	Present	Present	Present	Present
Mr. Ooi Teik Chong ¹	Member	Present	Present	Leave of absence	Present
Mr. John Inniss Howell ²	Member	Not Applicable	Not Applicable	Present	Present
Mr. Hayden Seach ³	Member	Not Applicable	Not Applicable	Not Applicable	Not applicable

¹ Resigned w.e.f. January 18, 2016

² Appointed as a member w.e.f. October 30, 2015

³ Appointed as a member w.e.f. February 01, 2016

12. BANKING AFFAIRS COMMITTEE

The Banking Affairs Committee was constituted to exercise oversight of the operations and processes of the Company's banking and finance relationships and also consider approval of opening\closure\operations of bank accounts and change in authorized signatories, due to the increase in business activities.

The terms of reference of the Committee are as follows:

- (a) Exercise oversight of the operations and processes of the Company's banking and finance relationships; and
- (b) Approve the proposals presented by the Management for opening\closure\operations of bank accounts and change

in authorized signatories, due to the increase in business activities; and

- (c) Recommend and set authority limits for operations of the Company's Bank Accounts and modify them, from time to time.

12.1 Composition and Attendance at Meetings:

The Banking Affairs Committee has been reconstituted by virtue of a circular resolution passed by the Board of Directors of the Company on October 30, 2015.

As at March 31, 2016, the Banking Affairs Committee consists of three (3) members; Managing Director and CEO and two (2) Non-Executive Directors.

The details of the Composition, Categories and Attendance during the year are as under:

Name	Category	Banking Affairs Committee meeting held on	
		20.05.2015	03.11.2015
Mr. Krishan Kant Rath	Chairman	Present	Present
Mr. K.G. Krishnamoorthy Rao	Member	Present	Present
Mr. John Inniss Howell	Member	Not applicable	Present

13. SHARE TRANSFER AND ALLOTMENT COMMITTEE

The Share Transfer and Allotment Committee was constituted with the Board members of the Company to oversee and approve the allotment, transfer and issuance of duplicate certificates of the Company.

The terms of reference of the Committee are as follows:

- (a) Approve issuance of duplicate certificates of securities of the Company;
- (b) Approve transfer, transmission of the securities of the Company; and
- (c) Approve allotment of the securities of the Company.

Subject to due compliance of the provisions of the Companies Act, 1956 and the Insurance Act, 1938 and the Rules and Regulations framed there under.

13.1 Composition and Attendance at Meetings:

The Share Transfer and Allotment Committee has been reconstituted by virtue of a circular resolution passed by the Board of Directors of the Company on October 30, 2015.

As at March 31, 2016, the Share Transfer and Allotment Committee consist of three members. It consists of one (1) Chairman and two (2) Non-Executive Directors.

The details of the Composition, Categories and Attendance during the year are as under:

Name of the Member	Category
Mr. G.N. Bajpai	Chairman
Mr. Krishan Kant Rathi	Member
Mr. K.G. Krishnamoorthy Rao	Member
Mr. John Inniss Howell	Member

No meeting of the Share Transfer and Allotment Committee was held in the previous year.

14. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company was

constituted with the Board Members of the Company to review and fix the remuneration of the Executive Directors of the Company, pursuant to the provisions of section 178 of the Companies Act, 2013.

The terms of reference of the Committee are as follows:

- (a) Approve the Company's Policy with specific remuneration to the Executive Directors of the Company;
- (b) Approve the Perquisites and pension payments;
- (c) Approve the Variable Bonus and compensation payments; and
- (d) Approve the appointment of Director of the Company.

Subject to due compliance of the provisions of the Companies Act, 2013 and the Insurance Act, 1938 and the Rules and Regulations framed thereunder.

14.1 Composition and Attendance at Meetings:

Pursuant to Section 178 (1) of the Companies Act, 2013, the Board of Directors of every listed company and such other class of companies, shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.

In view of this requirement, The Board of Directors, on their meeting held on March 24, 2015, reconstituted the Nomination and Remuneration Committee in order to align it with the provisions of the Companies Act, 2013 with the below given revised terms of reference:

- 1) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- 2) To recommend to the Board of Directors for appointment and removal; and
- 3) To carry out evaluation of every director performance.

As at March 31, 2016, the Nomination and Remuneration Committee consists of four members; all being non executive directors and the Chairperson of the committee being an Independent Director.

The details of the Composition, Categories and Attendance during the year are as under:

Name of the Member	Category	Nomination and Remuneration Committee meeting held on			
		21.05.2015	06.08.2015	03.11.2015	01.02.2016
Ms. Bhavna Doshi	Chairperson	Present	Present	Present	Present
Dr. Devi Singh	Member	Present	Present	Present	Present
Mr. G N Bajpai	Member	Present	Present	Present	Present
Mr. K. K. Rathi	Member	Present	Present	Present	Present

15. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) committee has been constituted with the Board Members of the Company to review and monitor the CSR activities undertaken by the Company from time to time.

The terms of reference of the Corporate Social Responsibility (CSR) Committee are as follows:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company;
- b) Recommend the amount of expenditure to be incurred on the CSR activities;
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time;

- d) Ensure that CSR policy is implemented as per the Act and the Rules;
- e) Funds are strictly utilized for the purposes of the CSR activities as approved by the Board;
- f) CSR expenditure to be audited independently for better level of transparency;
- g) Evaluating the CSR Activities undertaken by the Company on an annual basis; and
- h) Prepare the Annual CSR Report to be filed by the Company upon obtaining approval of the Board.

15.1 Composition and attendance at meetings

The CSR Committee consists of four members; all being non-executive directors and the Chairman of the committee being an Independent Director.

The details of the Composition, Categories and Attendance during the year are as under:

Name	Category	CSR committee Meeting held on
		01.02.2016
Dr. Devi Singh	Chairman	Present
Mr. K. K. Rathi	Member	Present
Mr. Ooi Teik Chong ¹	Member	Not Applicable
Mr. John Inniss Howell ²	Member	Leave of absence
Mr. Hayden Seach ³	Member	Not Applicable

¹ Resigned w.e.f. January 18, 2016

² Appointed as a member w.e.f. October 30, 2015

³ Appointed as a member w.e.f. February 01, 2016

16. NOMINATION AND REMUNERATION POLICY

The Company has adopted a Nomination and Remuneration policy which has been formulated by the Nomination and Remuneration committee and approved by the Board. The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and performance evaluation of the Directors, Key Managerial Personnel (KMP) and officials comprising the senior management of the Company.

16.1 Appointment

- The committee assesses the appointee against a range of criteria which includes but is not limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board.
- The committee takes into consideration, the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company.
- The committee examines the skills and experience that the appointee brings to the role of KMP or a Senior Personnel and how an appointee will enhance the skill sets and experience of the Board as a whole.
- The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment are also studied.

16.2 Remuneration

- The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.
- The Directors, Key Management Personnel and other senior official's salary shall be based and determined on the individual person's responsibilities and performance and in accordance

with the limits as prescribed statutorily, if any.

- The Committee determines individual remuneration packages for Directors, KMP's and senior officials of the Company by taking into consideration, factors like market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

17. WHISTLE BLOWER POLICY

The Whistle blower policy is a mechanism for employees to raise concerns about matters that could have a grave impact on the performance of the Company. The policy aims to encourage employees to report to the Board about any misconduct or any legal or regulatory violation etc.

The whistle blower policy covers inter alia the following:

- Fraud;
- Criminal offences, non-compliance with legal obligations or miscarriage of justice;
- Illegal or unethical accounting practices and/or controls and accounting irregularities (such as falsification of documents; audit issues; inflated assets or accounting records; underestimated liabilities; etc.);
- Safety & security issues (such as environmental and health issues; threats or reference of physical threats to employees, customers or facilities; I.T. security issues or breaches; etc.);
- Unethical or illegal behavior (such as bribery; corruption; inappropriate giving or receiving of gifts; theft of cash, goods and services; illegal use of proprietary information; noncompliance with laws or regulatory policies; etc.);
- Conflicts of interest and issues that could harm the reputation of the Company; and
- Any deliberate cover-up of the above.

18. GENERAL BODY MEETINGS:

The details of the Annual General Meetings held for the past three (3) years:

Year	No. of AGM	Date and Time of AGM	Venue
2013-14	7th	28th day of August, 2013 at 03.00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013
2014-15	8th	25th day of July, 2014 at 3:00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013
2015-16	9th	6th day of August, 2015 at 04:00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013

18.1 Extraordinary General Meeting

During the year under review, one Extra-Ordinary General Meeting of the members of the Company was held on November 03, 2015.

DISCLOSURES:

i) Related Party Transactions

As per the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority, the Company is required to put in place adequate systems, policies and procedures to address actual and/or potential conflicts of interest with Related Parties, including Board level review of key transactions and disclosures of any conflicts of interest to manage and control such issues.

All the Related Party Transactions have been disclosed in Annexure 2 and form part of the Financial Statement.

ii) No Penalty or strictures

No penalty was levied by the authority on the company during the year under review.

iii) Disclosure of accounting treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

iv) Disclosures on Risk Management

The Company has implemented the Internal Control and Risk management Framework, which is periodically reviewed by the Risk Management Committee and the Board.

v) Code of Conduct

The Company has adopted the ethical code of conduct for the Directors, Senior Management and all the staff members. The code has been put on the Company's website <https://general.futuregenerali.in> and also has been shared with all the employees of the Company via intranet.

vi) Appointment / Re-appointment of Directors

The details in respect of the Director proposed to be re-appointed are provided and is part of the Notice convening the forthcoming Annual General Meeting.

vii) Actual solvency margin details vis-à-vis the required margin as on March 31, 2016

Particulars	Amount (Rs. lacs)
Available Assets	184,892
Liabilities	184,892
Available Solvency Margin (ASM)	43,702
Required Solvency Margin (RSM)	28,379
Solvency Ratio	1.54

viii) Financial performance including growth rate and current financial position of the Company.

The Company has gross written premium of Rs. 1,555 Crore against Rs. 1,438 Crore in the previous year.

During the year under review, the Company has not made any allotment of equity shares during the year. The paid-up share capital of the Company remains at 710 Crore as at the end of the Financial Year.

ix) Risk Management:

The operational architecture of the company is supported by an approach known as Enterprise Risk Management, which is based on a corporate culture built around suitable internal control and risk management systems, with a structure that implies a complex set of instruments, features, organizational solutions, human resources, etc.

The internal control and risk management system looks at risks and controls as an integrated and synergic whole, identifying and stressing on interactions. The system is based on an accurate identification of the responsibilities of the various players involved and, most of all, on the implementation of suitable and structured safeguard mechanisms in order to ensure compliance with the strategies set by the Board of Directors in this area. To obtain a higher level of clarity, in a context marked by the proliferation and the overlapping of control bodies and functions, the internal control and risk management system defines the proper role for all the company functions based on a dual-level organizational backdrop.

- The first level is the operational one, centred around the Senior Management and enriched by dedicated units focused on specific areas of risk management and controls;
 - The second level has a high degree of organizational independence and is tasked with checking the system's performance in terms of controls and risk management.
- For internal control and risk management purposes, these organizational levels are structured along three defence lines:
- Operational functions (risk owners);
 - Risk management function and compliance function;
 - Internal audit function.

x) Details of number of claims intimated, disposed of and pending:

Particulars	Total no. of Claims
Outstanding at the beginning of year	18,255
Reported during the year*	2,22,294
Settled during the year	2,16,698
Outstanding at the end of the year	26,202

*Includes 2,351 cases which were reopened during the year

xi) Details of all pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis your Company.

During the year under review, there has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company except the payment of sitting fees to Non-Executive Directors.

Certification for Compliance of the Corporate Governance Guidelines

I, Manish Pahwa, hereby certify that the Company has complied with the Corporate Governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

For Future Generali India Insurance Company Limited

Sd/-

Date: May 05, 2016
Place: Mumbai

Manish Pahwa
Company Secretary & Principal Compliance Officer

Financial statements

Independent Auditors' Report

M. M. NISSIM & CO.

Chartered Accountants
Barodawala Mansion,
B wing, 3rd Floor,
81, Dr. A B Road, Worli,
Mumbai – 400018

CHHAJED & DOSHI

Chartered Accountants
101 Hubtown Solaris,
N. S. Phadke Marg,
Andheri East,
Mumbai – 400 069

To
The Members of
Future Generali India Insurance Company Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Future Generali India Insurance Company Limited (the "Company") which comprise the Balance Sheet as at March 31, 2016, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account for the year then ended, the schedules annexed thereto, a summary of significant accounting policies and other explanatory notes thereon (all collectively herein after referred to as Financial Statements).

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Companies Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Receipts and Payments of the Company in accordance with accounting principles generally accepted in India, including the provisions of the Insurance Regulations comprising of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Regulations") and orders / directions / circulars / guidelines issued by the Insurance Regulatory and Development Authority of India ('IRDAI') in this behalf, the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial

statements based on our audit. We have taken into account the provisions of the Companies Act, the Insurance Act, the IRDA Act, the IRDA Regulations, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and rules made thereunder.

We conducted our audit of the financial statements 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 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

4. In our opinion and to the best of our information and according to the information and explanations given to us, the aforesaid financial statements give the information required by the Insurance Act, the IRDA Act, the IRDA Regulations and the Companies Act to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:
 - (a) in case of the Balance Sheet, of the state of affairs of the company as at March 31, 2016;
 - (b) in the case of the Revenue Accounts, of the operating loss for the year ended March 31, 2016;

- (c) in the case of the Profit and Loss Account, of the Loss for the year ended March 31, 2016; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended March 31, 2016.

Other Matter

5. The estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) has been duly certified by the Company's appointed actuary. The appointed actuary has certified to the Company that the assumptions used for such valuation are in accordance with the requirements of the IRDAI and Institute of Actuaries of India (formerly known as Actuarial Society of India) in concurrence with the IRDAI. We have relied on the Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

Report on Other Legal and Regulatory Requirements

6. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated May 5, 2016 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations
7. As required by the Companies Act and the IRDA Regulations, in our opinion and according to the information and explanations given to us we report that:
 - (a) investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and/or orders/directions issued by the IRDAI in this regard;
 - (b) 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;
 - (c) 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;
 - (d) as the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company;
 - (e) the Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
 - (f) the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards specified under section 133 of the Companies Act read with Rule 7 of the Companies (Accounts) Rules 2014 to the extent applicable, and with the accounting principles as prescribed in the IRDAI Regulations and orders/directions issued by the IRDAI in this regard;
 - (g) the Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are prepared in accordance with the requirements of the Insurance Act, the IRDAI Act and the Companies Act to the extent applicable and the manner so required

- (h) On the basis of written representations received from the Directors, as on March 31, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164(2) of the Companies Act.

- (i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure I.

- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note 3 of Schedule 16 to the financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any outstanding long term derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

8. Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:

- (a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2016 and there are no apparent mistakes or material inconsistency with the financial statements; and
- (b) Based on the information and explanations received during the course of our audit and management representation by officers of the Company charged with compliance, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of the registration as stipulated by the IRDAI.

For **M. M. NISSIM & CO.**
Chartered Accountants
Firm Reg. No.: 107122W

Sanjay Khemani
Partner
Membership No.: 044577

Mumbai
Dated: May 5, 2016

For **CHHAJED & DOSHI**
Chartered Accountants
Firm Reg. No.: 101794W

Nitesh Jain
Partner
Membership No.: 136169

Mumbai
Dated: May 5, 2016

Independent Auditors' Certificate

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

The Company's Management is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders / directions issued by the Insurance Regulatory and Development Authority of India (the "IRDA") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

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

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by Future Generali India Insurance Company Limited (the "Company") for the year ended March 31, 2016, we certify that:

- a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2016 and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
- b) Based on management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention which

causes us to believe that the Company has not complied with the terms and conditions of registration as per sub-section 4 of section 3 of the Insurance Act, 1938;

- c) We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments by actual inspection or on the basis of certificates/confirmations received from the Heads of Branches or custodian and/or Depository Participants appointed by the Company, as the case may be;
- d) The Company is not a trustee of any trust; and
- e) No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholders' funds.

This certificate is issued to comply with paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "Regulations") read with Regulation 3 of the IRDA Financial Statements Regulations and is not intended to be used or distributed for any other purpose.

For **M. M. NISSIM & CO.**
Chartered Accountants
Firm Reg. No.: 107122W

Sanjay Khemani
Partner
Membership No.: 044577

Mumbai
Dated: May 5, 2016

For **CHHAJED & DOSHI**
Chartered Accountants
Firm Reg. No.: 101794W

Nitesh Jain
Partner
Membership No.: 136169

Mumbai
Dated: May 5, 2016

Annexure I to the Independent Auditor's Report

(Referred to in paragraph 2(i) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Companies Act")

We have audited the internal financial controls over financial reporting of Future Generali India Insurance Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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.

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, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

Other Matters

The estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) is required to be certified by the Appointed Actuary as per the regulations, and has been relied upon by us, as mentioned in para 5 of our audit report on the financial statements for the year ended March 31, 2016. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation.

For **M. M. NISSIM & CO.**
Chartered Accountants
Firm Reg. No.: 107122W

For **CHHAJED & DOSHI**
Chartered Accountants
Firm Reg. No.: 101794W

Sanjay Khemani
Partner
Membership No.: 044577

Mumbai
Dated: May 5, 2016

Nitesh Jain
Partner
Membership No.: 136169

Mumbai
Dated: May 5, 2016

Management Report

With respect to the operations of Future Generali India Insurance Company Ltd. for the year ended 31 March, 2016 and results thereof, the Management of the Company confirms and declares that:

1. The registration certificate granted by Insurance Regulatory and Development Authority of India (IRDAI) is valid and the same has been renewed for the Financial Year 2016 - 2017.
2. We certify that all dues payable to the statutory authorities have been generally paid to the extent they have fallen due.
3. The shareholding pattern is in accordance with the statutory and regulatory requirements as required under the Insurance Act, 1938 and the IRDAI (Registration of Indian Insurance Companies) Regulations, and there was no transfer of shares during the year.
4. The Management has not invested directly or indirectly outside India any funds of its policyholders in India.
5. The required solvency margin under the Insurance Act, 1938 has been maintained.
6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in Management's belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the headings – "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts" except debt securities which are shown at amortised cost as per IRDAI Regulations.
7. The Company is exposed to a variety of risks associated with its insurance business and the investment portfolio. The Company strives to maintain a diversified portfolio of insurance products across various lines of business and between personal and commercial lines of business. The Company is also adequately covered by Reinsurance including a "Catastrophe Excess of Loss Insurance". The limits of the reinsurance treaty are set based on estimated accumulations of risk. The reinsurance treaties have been filed with IRDAI. The investment portfolio is diversified and has been made as per the limits set under the IRDAI regulations.
8. The Company does not have insurance operations outside India.
9. In the Financial Year 2015-16 a total of 242,900 claims were reported and 216,698 were settled with an overall settlement ratio of 89%. The average claims settlement time during the preceding five years are given in Annexure 1 and the ageing analysis of claims registered and not settled during the same period is given in Annexure 2.
10. We certify that the values, as shown in the Balance Sheet, of the investments which consists of fixed income securities, equities and mutual fund units have been valued as per accounting policies prescribed by IRDAI. Fixed income securities are valued at historical cost adjusted for amortization of premium/discount. The investments in equities listed and actively traded are valued at the last quoted closing prices on the National Stock Exchange of India Limited. The investments in the Mutual Funds are valued at the Net Asset Values (NAV) of the Mutual funds as on the Balance Sheet date.
11. The Company follows the Investment philosophy of 'Safety, Liquidity and sustainable Returns'. Accordingly the portfolio is composed of high quality assets i.e Government securities, high quality corporate bonds, primarily rated AAA / AA+, Bank Deposits, liquid Mutual Funds and Equity.
12. The portfolio is monitored on a dynamic basis to optimize returns while keeping the risk at the minimum. None of the fixed income investments have had any delays in servicing of interest or principal amounts. Based on the past track record, the Management is confident of the quality and performance of the investments, in line with the investment philosophy.
13. The Management of Future Generali India Insurance Company Limited certifies that:
 - a. The financial statements of Future Generali India Insurance Co. Ltd. have been prepared in accordance with the applicable accounting standards and principles and policies with no material departures;
 - b. The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the operating loss and of the profit of the Company for the year;

The Company has adopted an integrated approach to risks management and has constituted Risk Management Committee with the members of the Board of Directors with an objective to outline the risk profile of the Company and develop a strong risk management system and sound mitigation strategies. The

- c. The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) and Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d. The financial statements have been prepared on a going concern basis;
 - e. The management has set up an internal audit system commensurate with the size and nature of the business and the same is operating effectively.
14. The schedule of payments, which have been made to individuals, firms, companies and organizations in which the Directors of the Company are interested are given in Annexure 3.

For and on behalf of Board of Directors

G.N Bajpai
Chairman

K.K Rathi
Director

K.G. Krishnamoorthy Rao
Managing Director & CEO

Srinivasan Venugopalan
Chief Financial Officer

Manish Pahwa
Company Secretary

Place: Mumbai
Date: 5th May, 2016

Annexure 1

Average Claims Settlement Time during preceding five years

Line of Business	2015-2016		2014-2015		2013-2014		2012-2013		2011-2012	
	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)
Marine Cargo	4,870	104	9,022	91	7,066	64	4,805	68	4,054	56
Engineering	618	191	759	148	810	100	705	116	680	123
Fire	1,173	163	1,235	139	1,601	65	706	131	705	90
Health	56,209	23	41,814	25	45,766	27	41,674	36	34,721	50
Liabilities	48	269	88	165	118	145	86	76	159	47
Motor-OD	1,40,873	30	1,19,962	30	97,495	30	80,825	35	67,931	36
Motor-TP	3,737	542	4,021	517	4,644	448	2,822	361	2,041	296
Personal Accident	3,385	171	3,644	131	4,696	65	3,310	70	2,723	73
Overseas Medical	661	103	772	125	546	162	691	156	461	122
Workmen Compensation	825	188	681	189	557	171	466	166	267	182
Others	4,299	97	2,974	124	2,493	79	2,613	66	2,532	53
Grand Total	2,16,698	44	1,84,972	48	165,792	46	138,703	46	116,274	48

Annexure 2

Ageing analysis of Claims registered and not settled for the preceding five years

As on 31st March 2016

(₹ in lacs)

(₹ in lacs)

Line of Business	Aviation		Marine Cargo		Engineering		Fire	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	-	-	228	380.90	66	217.54	166	1,821.11
30 days – 6 months	1	1,940.00	345	1,228.78	103	1,139.54	346	7,951.71
6 months – 1 year	-	-	124	567.83	351	499.25	115	2,014.40
1 year – 5 years	-	-	183	1,207.61	372	803.20	141	4,100.50
More than 5 years	-	-	7	175.72	2	1.83	2	36.15
Grand Total	1	1,940.00	887	3,561.84	894	2,661.36	770	15,923.87

As on 31st March 2016

(₹ in lacs)

Line of Business	Health		Liabilities		Motor-OD		Motor-TP	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	3,219	941.19	1	4.00	4,935	2,344.43	292	1,886.20
30 days – 6 months	1,332	175.83	10	47.44	4,036	5,661.01	941	5,749.71
6 months – 1 year	10	3.13	19	18.39	557	1,115.40	853	5,960.83
1 year – 5 years	26	27.48	16	85.27	445	1,542.71	3,787	19,125.89
More than 5 years	4	3.00	-	-	91	430.70	664	2,736.05
Grand Total	4,591	1,150.63	46	155.10	10,064	11,094.25	6,537	35,458.68

As on 31st March 2016

(₹ in lacs)

Line of Business	Personal Accident		Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	162	144.66	36	53.64	56	75.45	160	369.55	9,321	8,238.66
30 days – 6 months	138	172.98	96	211.43	169	216.30	717	1,218.81	8,234	25,713.54
6 months – 1 year	51	92.24	34	160.97	54	140.67	183	1,051.64	2,351	11,624.75
1 year – 5 years	194	499.89	31	53.18	40	154.89	268	1,377.24	5,503	28,977.86
More than 5 years	14	25.68	-	-	1	3.94	8	55.46	793	3,468.53
Grand Total	559	935.45	197	479.22	320	591.25	1,336	4,072.69	26,202	78,023.33

As on 31st March 2015

(₹ in lacs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	360	497.18	94	131.80	66	425.36	1,242	502.32
30 days – 6 months	468	794.23	154	997.49	158	4,248.68	296	201.26
6 months – 1 year	279	566.62	300	600.10	130	5,250.66	13	3.80
1 year – 5 years	140	870.03	47	301.13	68	2,376.84	20	18.42
More than 5 years	-	-	1	0.55	2	35.77	1	0.60
Grand Total	1,247	2,728.06	596	2,031.06	424	12,337.31	1,572	726.39

As on 31st March 2015

(₹ in lacs)

Line of Business	Liabilities		Motor-OD		Motor-TP		Personal Accident	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	6	12.60	2,656	1,603.21	203	867.31	288	164.95
30 days – 6 months	8	4.50	1,823	3,351.99	1,022	4,949.88	435	383.36
6 months – 1 year	14	39.25	367	907.59	872	4,123.34	124	189.66
1 year – 5 years	11	56.34	412	1,447.11	4,166	18,560.49	189	310.96
More than 5 years	-	-	41	158.97	216	846.12	1	6.96
Grand Total	39	112.69	5,299	7,468.88	6,479	29,347.14	977	1,055.90

As on 31st March 2015

(₹ in lacs)

Line of Business	Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	37	14.73	57	30.91	179	523.19	5,128	4,773.57
30 days – 6 months	80	100.59	183	226.64	574	1,374.74	5,201	16,633.35
6 months – 1 year	21	99.06	55	120.37	153	586.71	2,328	12,487.16
1 year – 5 years	9	20.27	37	128.37	234	1,011.83	5,333	25,101.78
More than 5 years	-	-	2	-	1	8.53	265	1,057.50
Grand Total	147	234.64	334	506.29	1,141	3,505.00	18,255	60,053.36

As on 31st March 2014

(₹ in lacs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	254	409.37	51	179.24	53	2,559.47	905	411.52
30 days – 6 months	876	1,006.20	89	658.18	127	3,481.70	105	61.59
6 months – 1 year	91	468.02	43	395.36	62	1,760.37	3	2.77
1 year – 5 years	48	836.86	15	182.39	43	2,707.63	13	11.45
More than 5 years	-	-	2	4.60	-	-	-	-
Grand Total	1,269	2,720.45	200	1,419.77	285	10,509.17	1,026	487.33

As on 31st March 2014

(₹ in lacs)

Line of Business	Liabilities		Motor-OD		Motor-TP		Personal Accident	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	4	6.50	1,887	1,423.39	211	406.69	244	210.54
30 days – 6 months	8	46.33	1,354	2,744.88	1,162	2,972.26	422	554.75
6 months – 1 year	9	10.56	300	1,133.40	1,161	3,584.53	48	118.39
1 year – 5 years	7	21.50	395	1,262.09	4,195	15,080.00	106	180.55
More than 5 years	-	-	14	25.80	14	102.16	-	-
Grand Total	28	84.89	3,950	6,589.56	6,743	22,145.64	820	1,064.23

As on 31st March 2014

(₹ in lacs)

Line of Business	Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	42	19.90	61	40.03	113	181.08	3,825	5,847.73
30 days – 6 months	63	113.26	122	163.70	674	2,075.93	5,002	13,878.78
6 months – 1 year	23	114.81	27	64.82	129	370.75	1,896	8,023.80
1 year – 5 years	18	25.50	25	71.02	92	582.27	4,957	20,961.28
More than 5 years	-	-	-	-	-	-	30	132.56
Grand Total	146	273.47	235	339.57	1,008	3,210.03	15,710	48,844.15

As on 31st March 2013

(₹ in lacs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	187	242.65	38	94.04	49	1,076.06	1,330	511.12
30 days – 6 months	228	972.32	61	283.65	64	2,170.68	251	126.75
6 months – 1 year	60	433.42	32	473.29	39	3,067.82	5	5.38
1 year – 5 years	20	325.40	25	175.89	27	1,072.52	11	7.67
Grand Total	495	1,973.78	156	1,026.86	179	7,387.07	1,597	650.92

As on 31st March 2013

(₹ in lacs)

Line of Business	Liabilities		Motor-OD		Motor-TP		Personal Accident	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	5	2.97	1,902	1,193.03	397	737.71	158	100.75
30 days – 6 months	14	6.99	1,468	2,714.67	1,679	4,077.78	306	283.00
6 months – 1 year	12	55.35	337	944.12	1,560	4,685.81	14	33.02
1 year – 5 years	7	11.12	310	811.86	3,455	10,093.87	28	42.24
Grand Total	38	76.42	4,017	5,663.68	7,091	19,595.17	506	459.01

As on 31st March 2013

(₹ in lacs)

Line of Business	Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	22	29.71	46	34.69	113	325.54	4,247	4,348.27
30 days – 6 months	46	36.90	95	112.45	185	313.89	4,397	11,099.06
6 months – 1 year	10	23.40	21	65.30	68	555.82	2,158	10,342.72
1 year – 5 years	4	8.32	6	23.29	30	108.39	3,923	12,680.55
Grand Total	82	98.33	168	235.73	396	1,303.64	14,725	38,470.60

As on 31 March 2012

(₹ in lacs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	148	166.10	36	140.70	23	905.42	1,196	549.13
30 days – 6 months	99	577.57	79	1,754.61	70	2,026.41	129	88.32
6 months – 1 year	40	406.14	29	80.27	69	1,830.37	18	41.35
1 year – 5 years	17	193.29	9	11.82	23	719.14	11	3.73
Grand Total	304	1,343.10	153	1,987.40	185	5,481.34	1,354	682.53

As on 31 March 2012

(₹ in lacs)

Line of Business	Liabilities		Motor-OD		Motor-TP		Personal Accident	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	4	5.90	1,883	1,398.16	346	603.09	127	135.63
30 days – 6 months	5	1.83	1,279	2,313.11	1,480	3,351.71	175	181.06
6 months – 1 year	9	23.56	203	612.10	1,321	3,491.24	7	7.09
1 year – 5 years	2	0.71	200	418.33	1,910	5,586.04	7	11.63
Grand Total	20	32.00	3,565	4,741.70	5,057	13,032.08	316	335.41

As on 31 March 2012

(₹ in lacs)

Line of Business	Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	131	82.66	29	33.74	108	51.89	4,031	4,072.42
30 days – 6 months	-	-	68	70.77	77	128.48	3,461	10,493.87
6 months – 1 year	1	5.00	15	48.03	23	39.18	1,735	6,584.33
1 year – 5 years	1	12.00	7	17.58	26	62.90	2,213	7,037.17
Grand Total	133	99.66	119	170.12	234	282.45	11,440	28,187.79

Annexure 3

Schedule of payments, made to individuals, firms, companies and organizations in which the Directors of the Company are interested.

Sr. No	Entity in which Director is interested	Name of the Director	Interested As	Payment during the Year
1	Future Generali India Life Insurance Company Limited (Two of the Joint Venturers having Joint control)	G.N. Bajpai Kishore Biyani K.K. Rath Devi Singh Bhavna Doshi John Inniss Howell Jennifer Sparks	Director	Insurance Premium Paid : ₹2,529,573 Other transaction: ₹26,377,964
2	Future Retail Limited (Joint Venturer)	Kishore Biyani Vijay Biyani	Director	Operating expenses : ₹4,865,925 Insurance claims paid : ₹166,340 Deposit paid : ₹200,000
3	Generali Assicurazioni Generali SPA (Parent company of Joint Venturer)	Hayden Seach John Inniss Howell	Director	Reinsurance settlement Paid: ₹48,441,116
4	Dr Devi Singh	Dr Devi Singh	Director	Sitting Fees Paid : ₹420,000
5	G.N Bajpai	G.N Bajpai	Director	Sitting Fees Paid : ₹570,000
6	Bhavna Doshi	Bhavna Doshi	Director	Sitting Fees Paid : ₹410,000
7	Kishore Biyani	Kishore Biyani	Director	Sitting Fees Paid : ₹50,000
8	Vijay Biyani	Vijay Biyani	Director	Sitting Fees Paid : ₹50,000
9	K.K. Rath	K.K. Rath	Director	Sitting Fees Paid : ₹570,000
10	M/s Europ Assistance India Pvt. Ltd.	KG Krishnamoorthy Rao	Director	Operating expenses : ₹12,942,620 Insurance claims paid : ₹49,321,048

FORM B - RA
Future Generali India Insurance Company Limited
 IRDA Registration No 132. dated 4th September, 2007.
Revenue Account For the Year ended 31st March 2016

Fire Insurance Business

(₹' 000)

Particulars	Schedule	For the Year ended 31st March 2016	For the Year ended 31st March 2015
1. Premiums earned (Net)	1	4,31,460	3,34,651
2. Profit/(Loss) on sale/redemption of Investments		28,506	13,913
3. Others-Miscellaneous Income		521	924
4. Interest, Dividend & Rent - Gross		1,52,088	1,38,891
Total (A)		6,12,575	4,88,379
1. Claims Incurred (Net)	2	3,46,579	1,64,916
2. Commission	3	(33,251)	(55,662)
3. Operating Expenses related to Insurance Business	4	1,82,754	1,24,688
4. Premium deficiency		-	-
Total (B)		4,96,082	2,33,942
Operating Profit / (Loss) from Fire Business		1,16,493	2,54,437
Appropriations			
Transfer to Shareholders' Funds		1,16,493	2,54,437
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		1,16,493	2,54,437

Significant Accounting Policies and Notes to Financial Statement 16

The Schedules referred to above form an integral part of Revenue Accounts

We certify that all expenses of management in respect of General Insurance business transactions in India by the Company have been fully recognised in the Revenue Accounts as expenses.

As per our report of even date

For and on behalf of

M. M. Nissim & Co.

Chartered Accountants

FRN 107122W

For and on behalf of

Chhajed & Doshi

Chartered Accountants

FRN 101794W

For and on behalf of the Board of Directors

G N Bajpai

Chairman

K K Rath

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Sanjay Khemani

Partner

Membership No. 044577

Nitesh Jain

Partner

Membership No. 136169

Srinivasan Venugopalan

Chief Financial Officer

Manish Pahwa

Company Secretary

Place : Mumbai

Dated : 05/05/2016

FORM B - RA
Future Generali India Insurance Company Limited
 IRDA Registration No 132. dated 4th September, 2007.
Revenue Account For the Year ended 31st March 2016

Marine Insurance Business

(₹' 000)

Particulars	Schedule	For the Year ended 31st March 2016	For the Year ended 31st March 2015
1. Premiums earned (Net)	1	4,86,555	3,99,881
2. Profit/(Loss) on sale/redemption of Investments		9,248	4,965
3. Others-Miscellaneous Income		544	977
4. Interest, Dividend & Rent - Gross		45,726	44,442
Total (A)		5,42,073	4,50,265
1. Claims Incurred (Net)	2	3,67,293	2,63,861
2. Commission	3	67,049	51,835
3. Operating Expenses related to Insurance Business	4	1,85,679	1,26,730
4. Premium deficiency		-	-
Total (B)		6,20,021	4,42,426
Operating Profit / (Loss) from Marine Business		(77,948)	7,839
Appropriations			
Transfer to Shareholders' Funds		(77,948)	7,839
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		(77,948)	7,839

Significant Accounting Policies and Notes to Financial Statement 16

The Schedules referred to above form an integral part of Revenue Accounts

We certify that all expenses of management in respect of General Insurance business transactions in India by the Company have been fully recognised in the Revenue Accounts as expenses.

As per our report of even date

For and on behalf of

M. M. Nissim & Co.

Chartered Accountants

FRN 107122W

For and on behalf of

Chhajed & Doshi

Chartered Accountants

FRN 101794W

For and on behalf of the Board of Directors

G N Bajpai

Chairman

K K Rathi

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Sanjay Khemani

Partner

Membership No. 044577

Nitesh Jain

Partner

Membership No. 136169

Srinivasan Venugopalan

Chief Financial Officer

Manish Pahwa

Company Secretary

Place : Mumbai

Dated : 05/05/2016

FORM B - RA
Future Generali India Insurance Company Limited
 IRDA Registration No 132. dated 4th September, 2007.
Revenue Account For the Year ended 31st March 2016

Miscellaneous Insurance Business

(₹' 000)

Particulars	Schedule	For the Year ended 31st March 2016	For the Year ended 31st March 2015
1. Premiums earned (Net)	1	98,96,395	1,00,56,712
2. Profit/(Loss) on sale/redemption of Investments		2,02,513	1,07,790
3. Others-Miscellaneous Income		10,928	26,594
4. Interest, Dividend & Rent - Gross		10,03,826	9,85,584
Total (A)		1,11,13,662	1,11,76,680
1. Claims Incurred (Net)	2	80,75,078	79,14,023
2. Commission	3	84,935	1,87,434
3. Operating Expenses related to Insurance Business	4	36,10,954	32,21,490
4. Premium deficiency		-	-
Total (B)		1,17,70,967	1,13,22,947
Operating Profit / (Loss) from Miscellaneous Business		(6,57,305)	(1,46,267)
Appropriations			
Transfer to Shareholders' Funds		(6,57,305)	(1,46,267)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		(6,57,305)	(1,46,267)

Significant Accounting Policies and Notes to Financial Statement 16

The Schedules referred to above form an integral part of Revenue Accounts

We certify that all expenses of management in respect of General Insurance Business transactions in India by the Company have been fully recognised in the Revenue Accounts as expenses.

As per our report of even date

For and on behalf of

M. M. Nissim & Co.

Chartered Accountants

FRN 107122W

For and on behalf of

Chhajed & Doshi

Chartered Accountants

FRN 101794W

For and on behalf of the Board of Directors

G N Bajpai

Chairman

K K Rath

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Sanjay Khemani

Partner

Membership No. 044577

Nitesh Jain

Partner

Membership No. 136169

Srinivasan Venugopalan

Chief Financial Officer

Manish Pahwa

Company Secretary

Place : Mumbai

Dated : 05/05/2016

FORM B - PL
Future Generali India Insurance Company Limited
 IRDA Registration No 132. dated 4th September, 2007.

Profit & Loss Account For the Year ended 31st March 2016

(₹' 000)

Particulars	Schedule	For the Year ended 31st March 2016	For the Year ended 31st March 2015
1. Operating Profit / (Loss)			
(a) Fire Insurance		1,16,493	2,54,437
(b) Marine Insurance		(77,948)	7,839
(c) Miscellaneous Insurance		(6,57,305)	(1,46,267)
2. Income from investments			
(a) Interest, Dividend & Rent - Gross		4,79,124	4,39,298
Add/Less : Amortization on Securities		12,179	14,118
(b) Profit on sale of investments		1,04,201	52,633
Less : Loss on sale of investments		(4,836)	(1,974)
3. Other Income		-	-
Total (A)		(28,092)	6,20,084
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		-	-
(b) For Doubtful Debts		776	2,640
(c) Others		-	-
5. Other Expenses			
(a) Expenses other than those related to Insurance Business		23,094	14,518
(b) Bad Debts written off		587	-
(c) Others		-	-
Total (B)		24,457	17,158
Profit/(Loss) before Tax (A-B)		(52,549)	6,02,926
Provision for Taxation (MAT)		-	(1,02,443)
Minimum Alternate Tax-Credit		-	1,02,443
Deferred Tax		-	-
Profit / (Loss) after tax		(52,549)	6,02,926
Appropriations			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to any Reserves or Other Accounts		-	-
Balance of profit / (loss) brought forward from last year		(25,51,200)	(31,54,126)
Balance carried forward to Balance Sheet		(26,03,749)	(25,51,200)

Significant Accounting Policies and Notes to Financial Statement 16

Earning per Share- Basic & Diluted (₹) (0.07) 0.85
 (Face Value ₹10 per share)

As per our report of even date

For and on behalf of

M. M. Nissim & Co.

Chartered Accountants

FRN 107122W

For and on behalf of

Chhajed & Doshi

Chartered Accountants

FRN 101794W

For and on behalf of the Board of Directors

G N Bajpai

Chairman

K K Rathi

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Sanjay Khemani

Partner

Membership No. 044577

Nitesh Jain

Partner

Membership No. 136169

Srinivasan Venugopalan

Chief Financial Officer

Manish Pahwa

Company Secretary

Place : Mumbai

Dated : 05/05/2016

Form B - BS
Future Generali India Insurance Company Limited
IRDA Registration No 132. dated 4th September, 2007.

Balance Sheet as at 31st March 2016

(₹' 000)

Particulars	Schedule	As at 31st March 2016	As at 31st March 2015
Source of Funds			
Share Capital	5	71,00,000	71,00,000
Reserves and Surplus	6	-	-
Fair Value Change Account		(20,488)	15,217
Borrowings	7	-	-
Total		70,79,512	71,15,217
Application of Funds			
Investments	8	2,02,19,532	1,97,48,222
Loans	9	-	-
Fixed Assets	10		
Gross Block		6,93,199	6,25,947
Less :- Accumulated Depreciation		5,52,252	5,19,056
Net Block		1,40,947	1,06,891
Capital Work in Process		33,261	29,113
		1,74,208	1,36,004
Deferred Tax Assets		-	-
Current Assets			
(i) Cash and Bank balances	11	6,20,510	4,70,720
(ii) Advances and Other Assets	12	31,29,721	17,99,660
Total (A)		37,50,231	22,70,380
Current Liabilities	13	1,42,13,478	1,17,50,329
Provisions	14	54,54,730	58,40,260
Total (B)		1,96,68,208	1,75,90,589
Net Current Assets (A - B)		(1,59,17,977)	(1,53,20,209)
Miscellaneous Expenditure	15	-	-
(to the extent not written off or adjusted)			
Debit balance in Profit and Loss Account		26,03,749	25,51,200
Total		70,79,512	71,15,217

Significant Accounting Policies and Notes to Financial Statement 16

The Schedules referred to above forms an integral part of Balance Sheet.

As per our report of even date

For and on behalf of

M. M. Nissim & Co.

Chartered Accountants

FRN 107122W

For and on behalf of

Chhajed & Doshi

Chartered Accountants

FRN 101794W

For and on behalf of the Board of Directors

G N Bajpai

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Sanjay Khemani

Partner

Membership No. 044577

Nitesh Jain

Partner

Membership No. 136169

Srinivasan Venugopalan

Chief Financial Officer

Manish Pahwa

Company Secretary

Place : Mumbai

Dated : 05/05/2016

Future Generali India Insurance Company Limited
IRDA Registration No 132. dated 4th September, 2007.
Schedules forming part of Financial Statements

SCHEDULE - 1 Premium Earned (Net) For the Year ended 31st March 2016

(₹' 000)

Particulars	Fire		Marine		Miscellaneous*		Total	
	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Premium from direct business written	16,20,030	13,31,159	6,11,354	5,77,932	1,33,21,224	1,24,73,387	1,55,52,608	1,43,82,478
Add : Premium on reinsurance accepted	2,72,075	2,94,686	2,494	2,327	1,20,781	1,23,018	3,95,350	4,20,031
Less : Premium on reinsurance ceded	14,13,814	12,36,178	1,14,100	1,68,584	39,43,562	21,68,059	54,71,476	35,72,821
Net Premium	4,78,291	3,89,667	4,99,748	4,11,675	94,98,443	1,04,28,346	1,04,76,482	1,12,29,688
Adjustment for change in reserve for unexpired risks	46,831	55,016	13,193	11,794	(3,97,952)	3,71,634	(3,37,928)	4,38,444
Total Premium Earned (Net)	4,31,460	3,34,651	4,86,555	3,99,881	98,96,395	1,00,56,712	1,08,14,410	1,07,91,244

Note: Refer Note no 2.3, 2.4, 2.6 and 2.7 of Schedule 16

* Refer Schedule 1(A)

SCHEDULE - 2 Claims Incurred (Net) For the Year ended 31st March 2016

(₹' 000)

Particulars	Fire		Marine		Miscellaneous*		Total	
	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Claims Paid								
Direct	9,52,686	11,34,479	3,88,818	3,77,962	88,05,899	69,25,358	1,01,47,403	84,37,799
Add : Reinsurance accepted	3,45,395	84,132	121	9	1,89,833	2,47,235	5,35,349	3,31,376
Less : Reinsurance ceded	10,45,413	10,07,457	1,20,139	1,71,515	21,76,056	11,56,808	33,41,608	23,35,780
Net Claims Paid	2,52,668	2,11,154	2,68,800	2,06,456	68,19,676	60,15,785	73,41,144	64,33,395
Add : Claims outstanding at the end of the year	3,13,305	2,19,394	2,94,325	1,95,832	1,01,88,448	89,33,046	1,07,96,078	93,48,272
Less : Claims outstanding at the beginning of the year	2,19,394	2,65,632	1,95,832	1,38,427	89,33,046	70,34,808	93,48,272	74,38,867
Total Claims Incurred	3,46,579	1,64,916	3,67,293	2,63,861	80,75,078	79,14,023	87,88,950	83,42,800

Note : Refer Note no 2.9 and 2.10 of Schedule 16

* Refer Schedule 2(A)

SCHEDULE - 3 Commission Expenses For the Year ended 31st March 2016

(₹' 000)

Particulars	Fire		Marine		Miscellaneous*		Total	
	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Commission Paid								
Direct	1,13,850	90,269	76,390	68,638	6,02,331	5,54,460	7,92,571	7,13,367
Add : Reinsurance accepted	15,071	20,198	29	27	1,239	1,226	16,339	21,451
Less : Commission on reinsurance Ceded	1,62,172	1,66,129	9,370	16,830	5,18,635	3,68,252	6,90,177	5,51,211
Net Commission	(33,251)	(55,662)	67,049	51,835	84,935	1,87,434	1,18,733	1,83,607
Break-up of the commission (gross) incurred to procure business								
Agents	18,122	17,050	25,176	23,161	3,23,052	3,10,348	3,66,350	3,50,559
Brokers	76,651	62,405	51,151	45,454	2,31,067	2,16,728	3,58,869	3,24,587
Corporate Agency	18,045	10,066	36	6	44,529	26,508	62,610	36,580
Referral	22	32	-	-	355	111	377	143
Others	1,010	716	27	17	3,328	765	4,365	1,498
Gross Commission	1,13,850	90,269	76,390	68,638	6,02,331	5,54,460	7,92,571	7,13,367

Note: Refer Note no 2.3 and 2.5 of Schedule 16

* Refer Schedule 3(A)

Future Generali India Insurance Company Limited
IRDA Registration No 132, dated 4th September, 2007.
Schedules forming part of Financial Statements

SCHEDULE - 1(A) Premium Earned (Net) For the Year ended 31st March 2016

(₹' 000)

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Premium from direct business written	5,00,999	4,42,081	15,39,461	14,50,894	3,72,061	3,79,290	2,360	632	1,54,906	1,63,654
Add : Premium on reinsurance accepted	1,905	1,360	1,606	1,909	23,241	23,949	-	-	139	112
Less : Premium on reinsurance ceded	67,213	69,485	4,62,855	4,68,636	2,35,157	2,71,775	1,858	599	79,035	91,432
Net Premium	4,35,691	3,73,956	10,78,212	9,84,167	1,60,145	1,31,464	502	33	76,010	72,334
Adjustment for change in reserve for unexpired risks	(23,968)	(35,841)	31,622	(25,261)	(6,170)	(5,641)	216	26	4,534	(1,416)
Total Premium Earned (Net)	4,59,659	4,09,797	10,46,590	10,09,428	1,66,315	1,37,105	286	7	71,476	73,750

(₹' 000)

Particulars	Motor						Workmen Compensation		Others		Miscellaneous-Total	
	For the Year ended 31st March 2016			For the Year ended 31st March 2015			For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015
	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)						
Premium from direct business written	64,20,323	28,58,189	-	92,78,512	58,55,928	24,25,025	2,44,472	2,22,996	12,28,453	15,32,887	1,33,21,224	1,24,73,387
Add : Premium on reinsurance accepted	-	-	93,379	93,379	-	-	-	-	511	22	1,20,781	1,23,018
Less : Premium on reinsurance ceded	22,61,344	1,49,040	-	24,10,384	3,02,839	1,27,590	12,782	21,046	6,74,278	8,14,657	39,43,562	21,68,059
Net Premium	41,58,979	27,09,149	93,379	69,61,507	55,53,089	22,97,435	2,31,690	2,01,950	5,54,686	7,18,252	94,98,443	1,04,28,346
Adjustment for change in reserve for unexpired risks	(7,20,177)	2,71,040	-	(4,49,137)	3,67,449	1,40,306	7,657	(10,196)	37,294	(2,885)	(3,97,952)	3,71,634
Total Premium Earned (Net)	48,79,156	24,38,109	93,379	74,10,644	51,85,640	21,57,129	2,24,033	2,12,146	5,17,392	7,21,137	98,96,395	1,00,56,712

SCHEDULE - 2(A) Claims Incurred (Net) For the Year ended 31st March 2016 (₹' 000)

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Claims Paid										
Direct	3,07,659	2,96,162	13,04,643	12,27,628	1,10,656	1,64,206	-	-	8,421	9,002
Add : Reinsurance accepted	412	-	1,668	258	9,322	2,691	-	-	-	-
Less : Reinsurance ceded	47,256	51,573	4,17,250	3,29,594	77,555	1,11,490	-	-	6,378	2,178
Net Claims Paid	2,60,815	2,44,589	8,89,061	8,98,292	42,423	55,407	-	-	2,043	6,824
Add : Claims outstanding at the end of the year	2,19,086	1,97,546	2,10,804	1,54,113	99,259	1,03,541	3,689	7	13,918	12,144
Less : Claims outstanding at the beginning of the year	1,97,546	2,22,257	1,54,113	1,37,811	1,03,541	90,371	7	-	12,144	7,040
Total Claims Incurred	2,82,355	2,19,878	9,45,752	9,14,594	38,141	68,577	3,682	7	3,817	11,928

Particulars	Motor						Workmen Compensation		Others		Miscellaneous-Total	
	For the Year ended 31st March 2016			For the Year ended 31st March 2015			For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015
	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)						
Claims Paid												
Direct	41,85,363	11,97,801	-	53,83,164	12,28,907	-	73,137	47,010	16,18,219	6,29,129	88,05,899	69,25,358
Add : Reinsurance accepted	-	-	1,78,431	1,78,431	-	2,44,286	-	-	-	-	1,89,833	2,47,235
Less : Reinsurance ceded	8,68,079	62,527	-	9,30,606	59,707	-	3,995	2,879	6,93,016	4,22,617	21,76,056	11,56,808
Net Claims Paid	33,17,284	11,35,274	1,78,431	46,30,989	11,69,200	2,44,286	69,142	44,131	9,25,203	2,06,512	68,19,676	60,15,785
Add : Claims outstanding at the end of the year	8,69,164	81,62,587	-	90,31,751	70,27,695	-	91,624	59,089	5,18,317	6,12,050	1,01,88,448	89,33,046
Less : Claims outstanding at the beginning of the year	7,66,861	70,27,695	-	77,94,556	56,68,688	(1,673)	59,089	36,920	6,12,050	2,13,447	89,33,046	70,34,808
Total Claims Incurred	34,19,587	22,70,166	1,78,431	58,68,184	25,28,207	2,45,959	1,01,677	66,300	8,31,470	6,05,115	80,75,078	79,14,023

SCHEDULE - 3(A) Commission Expenses For the Year ended 31st March 2016

(₹' 000)

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Commission Paid										
Direct	52,838	45,954	87,712	75,454	27,471	25,850	41	-	20,244	20,026
Add : Reinsurance Accepted	19	14	16	19	1,163	1,191	-	-	4	2
Less : Commission on reinsurance Ceded	8,675	7,619	78,687	92,447	44,877	55,656	105	33	5,378	5,685
Net Commission	44,182	38,349	9,041	(16,974)	(16,243)	(28,615)	(64)	(33)	14,870	14,343
Break-up of the commission (gross) incurred to procure business										
Agents	14,042	13,066	35,881	30,349	8,099	7,692	41	-	3,518	2,622
Brokers	13,194	14,524	51,107	44,890	14,569	14,624	-	-	16,512	16,996
Corporate Agency	25,601	18,471	652	214	4,418	3,020	-	-	7	14
Referral	1	6	-	1	-	-	-	-	-	-
Others	-	(113)	72	-	385	514	-	-	207	394
Gross Commission	52,838	45,954	87,712	75,454	27,471	25,850	41	-	20,244	20,026

(₹' 000)

Particulars	Motor				Workmen Compensation		Others		Miscellaneous- Total	
	For the Year ended 31st March 2016		For the Year ended 31st March 2015		For the Year ended 31st March 2016		For the Year ended 31st March 2015		For the Year ended 31st March 2016	
	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Total	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Total	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Commission Paid										
Direct	3,29,629	-	-	3,29,629	3,03,505	-	-	3,03,505	65,667	5,54,460
Add : Reinsurance Accepted	-	-	-	-	-	-	-	-	-	1,226
Less : Commission on reinsurance Ceded	2,60,156	7,405	-	2,67,561	43,580	18,190	-	61,770	1,43,436	3,68,252
Net Commission	69,473	(7,405)	-	62,068	2,59,925	(18,190)	-	2,41,735	(77,769)	1,87,434
Break-up of the commission (gross) incurred to procure business										
Agents	2,21,364	-	-	2,21,364	2,14,062	-	-	2,14,062	27,377	3,10,348
Brokers	1,02,377	-	-	1,02,377	87,422	-	-	87,422	26,737	2,16,728
Corporate Agency	3,072	-	-	3,072	2,016	-	-	2,016	10,752	26,508
Referral	302	-	-	302	5	-	-	5	52	111
Others	2,514	-	-	2,514	-	-	-	-	150	765
Gross Commission	3,29,629	-	-	3,29,629	3,03,505	-	-	3,03,505	65,667	5,54,460

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SCHEDULE - 4 Operating Expenses related to Insurance Business For the Year ended 31st March 2016										(₹' 000)	
S. No.	Particulars	Fire			Marine			Miscellaneous*			Total
		For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	
1	Employees' Remuneration & Welfare Benefits	52,679	35,756	55,044	37,776		10,46,188	9,56,918	11,53,911	10,30,450	
2	Travel , Conveyance and Vehicle Running Expenses	3,202	2,498	3,345	2,639		63,584	66,856	70,131	71,993	
3	Training Expenses	6,240	1,720	6,520	1,817		1,23,931	46,029	1,36,691	49,566	
4	Rents, Rates, and Taxes	7,669	7,314	8,014	7,727		1,52,309	1,95,749	1,67,992	2,10,790	
5	Repairs	6,555	4,612	6,850	4,873		1,30,187	1,23,431	1,43,592	1,32,916	
6	Printing & Stationery	2,657	1,572	2,776	1,661		52,767	42,067	58,200	45,300	
7	Communication	2,916	1,856	3,047	1,960		57,902	49,661	63,865	53,477	
8	Legal & Professional Charges	5,256	4,150	5,492	4,385		1,25,033	1,50,979	1,35,781	1,59,514	
9	Auditors' Fees , Expenses etc.										
	(a) as auditor	154	105	161	111		3,068	2,812	3,383	3,028	
	(b) as adviser or in any other capacity, in respect of										
	(i) Taxation matters	14	10	14	10		276	256	304	276	
	(ii) Insurance Matters	-	-	-	-		-	-	-	-	
	(iii) Management services; and	-	-	-	-		-	-	-	-	
	(c) in any other capacity	-	-	-	-		-	-	-	-	
10	Advertisement and Publicity	24,775	16,505	25,886	17,437		4,92,009	4,41,697	5,42,670	4,75,639	
11	Interest & Bank Charges	530	277	553	292		10,516	7,407	11,599	7,976	
12	Others										
	(i) Outsourcing Expenses	5,045	2,638	5,271	2,787		1,00,190	70,593	1,10,506	76,018	
	(ii) Business Support	53,776	38,049	56,189	40,199		11,27,892	10,74,919	12,37,857	11,53,167	
	(iii) Entertainment	123	109	128	115		2,436	2,912	2,687	3,136	
	(iv) Gain/(Loss) on Foreign Exchange	(20)	22	(21)	24		(397)	598	(438)	644	
	(v) Subscription/Membership	459	255	480	270		9,120	6,835	10,059	7,360	
	(vi) Insurance	39	13	40	14		768	355	847	382	
	(vii) Pool Expenses	5,048	4,733	-	-		1,223	1,696	6,271	6,429	
	(viii) Miscellaneous	163	189	171	199		3,244	(81,945)	3,578	(81,557)	
13	Depreciation	2,994	1,800	3,128	1,901		59,460	48,161	65,582	51,862	
14	Service Tax Expenses	2,480	505	2,591	533		49,248	13,504	54,319	14,542	
	Total	1,82,754	1,24,688	1,85,679	1,26,730		36,10,954	32,21,490	39,79,387	34,72,908	

Note: Refer Note no 2.5 and 2.11 of Schedule 16

* Refer Schedule 4(A)

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SCHEDULE - 4(A) Operating Expenses related to Insurance Business For the Year ended 31st March 2016													(₹' 000)
S. No.	Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability			
		For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015		
1	Employees' Remuneration & Welfare Benefits	47,988	34,315	1,18,758	90,308	17,639	12,063	55	3	8,372	6,637		
2	Travel , Conveyance and Vehicle Running Expenses	2,917	2,397	7,218	6,309	1,072	843	3	-	509	464		
3	Training Expenses	5,685	1,651	14,068	4,344	2,089	580	7	-	992	319		
4	Rents, Rates, and Taxes	6,986	7,019	17,289	18,474	2,568	2,468	8	1	1,219	1,358		
5	Repairs	5,972	4,426	14,778	11,649	2,195	1,556	7	-	1,042	856		
6	Printing & Stationery	2,420	1,509	5,990	3,970	890	530	3	-	422	292		
7	Communication	2,656	1,781	6,573	4,687	976	626	3	-	463	344		
8	Legal & Professional Charges	4,788	3,983	12,164	11,464	1,760	1,400	6	-	835	770		
9	Auditors' Fees , Expenses etc.												
	(a) as auditor	141	101	348	265	52	35	-	-	25	20		
	(b) as adviser or in any other capacity, in respect of												
	(i) Taxation matters	13	9	31	24	5	3	-	-	2	2		
	(ii) Insurance Matters	-	-	-	-	-	-	-	-	-	-		
	(iii) Management services; and	-	-	-	-	-	-	-	-	-	-		
	(c) in any other capacity	-	-	-	-	-	-	-	-	-	-		
10	Advertisement and Publicity	22,568	15,839	55,850	41,685	8,295	5,568	26	1	3,937	3,064		
11	Interest & Bank Charges	482	266	1,194	699	177	93	1	-	84	51		
12	Others												
	(i) Outsourcing Expenses	4,596	2,531	11,373	6,662	1,689	890	5	-	802	490		
	(ii) Business Support	48,985	36,517	1,65,125	1,50,073	18,006	12,839	56	3	8,546	7,064		
	(iii) Entertainment	112	104	277	275	41	37	-	-	19	20		
	(iv) Gain/(Loss) on Foreign Exchange	(18)	21	(45)	56	(7)	8	-	-	(3)	4		
	(v) Subscription/Membership	418	245	1,035	645	154	86	-	-	73	47		
	(vi) Insurance	35	13	87	34	13	4	-	-	6	2		
	(vii) Pool Expenses	-	-	-	-	1,007	843	-	-	-	-		
	(viii) Miscellaneous	149	181	368	476	55	64	-	-	26	35		
13	Depreciation	2,727	1,727	6,749	4,545	1,002	607	3	-	476	334		
14	Service Tax Expenses	2,259	484	5,590	1,274	830	170	3	-	394	94		
	Total	1,61,879	1,15,119	4,44,820	3,57,918	60,508	41,313	186	8	28,241	22,267		

(₹' 000)

S. No.	Particulars	Motor						Workmen Compensation		Others		Miscellaneous - Total	
		For the Year ended 31st March 2016			For the Year ended 31st March 2015			For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015	For the Year ended 31st March 2016	For the Year ended 31st March 2015
		Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Total	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Total				
1	Employees' Remuneration & Welfare Benefits	4,64,311	3,02,451		7,66,762	5,09,559	2,19,594		7,29,153	61,095	18,531	10,46,188	9,56,918
2	Travel , Conveyance and Vehicle Running Expenses	28,219	18,382		46,601	35,601	15,342		50,943	3,713	1,295	63,584	66,856
3	Training Expenses	55,002	35,828		90,830	24,511	10,563		35,074	7,237	891	1,23,931	46,029
4	Rents, Rates, and Taxes	67,597	44,032		1,11,629	1,04,236	44,920		1,49,156	8,895	3,791	1,52,309	1,95,749
5	Repairs	57,778	37,636		95,414	65,728	28,325		94,053	7,603	2,390	1,30,187	1,23,431
6	Printing & Stationery	23,419	15,255		38,674	22,400	9,654		32,054	3,081	815	52,767	42,067
7	Communication	25,698	16,740		42,438	26,445	11,396		37,841	3,381	962	57,902	49,661
8	Legal & Professional Charges	42,756	53,472		96,228	62,712	51,183		1,13,895	6,706	2,151	1,25,033	1,50,979
9	Auditors' Fees , Expenses etc.												-
	(a) as auditor	1,361	887		2,248	1,498	645		2,143	179	54	3,068	2,812
	(b) as adviser or in any other capacity, in respect of	-				-							-
	(i) Taxation matters	122	80		202	136	59		195	16	5	276	256
	(ii) Insurance Matters	-	-		-	-	-		-	-	-	-	-
	(iii) Management services; and	-	-		-	-	-		-	-	-	-	-
	(c) in any other capacity	-	-		-	-	-		-	-	-	-	-
10	Advertisement and Publicity	2,18,361	1,42,239		3,60,600	2,35,203	1,01,361		3,36,564	28,732	8,554	4,92,009	4,41,697
11	Interest & Bank Charges	4,667	3,040		7,707	3,945	1,700		5,645	614	143	10,516	7,407
12	Others												
	(i) Outsourcing Expenses	44,465	28,965		73,430	37,591	16,200		53,791	5,851	1,367	1,00,190	70,593
	(ii) Business Support	4,73,951	3,08,732		7,82,683	5,42,246	2,33,680		7,75,926	78,441	19,718	11,27,892	10,74,919
	(iii) Entertainment	1,082	704		1,786	1,551	668		2,219	142	56	2,436	2,912
	(iv) Gain/(Loss) on Foreign Exchange	(176)	(115)		(291)	319	137		456	(23)	12	(397)	598
	(v) Subscription/Membership	4,048	2,637		6,685	3,640	1,569		5,209	533	132	9,120	6,835
	(vi) Insurance	341	222		563	189	82		271	45	7	768	355
	(vii) Pool Expenses	-	-	216	216	-	-	853	853	-	-	1,223	1,696
	(viii) Miscellaneous	1,440	938		2,378	(25,415)	1,158		(24,257)	189	98	(58,542)	(81,945)
13	Depreciation	26,391	17,190		43,581	25,646	11,052		36,698	3,472	933	59,460	48,161
14	Service Tax Expenses	21,857	14,238		36,095	7,191	3,099		10,290	2,876	262	49,248	13,504
	Total	15,62,690	10,43,553	216	26,06,459	16,84,932	7,62,387	853	24,48,172	2,22,778	62,167	36,10,954	32,21,490

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SCHEDULE - 5 Share Capital

(₹' 000)

Sr. No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	Authorized Capital	1,00,00,000	1,00,00,000
	1,00,00,00,000 (Previous year 1,00,00,00,000) Equity Shares of ₹10 Each		
2	Issued Capital	71,00,000	71,00,000
	71,00,00,000 (Previous year 71,00,00,000) Equity Shares of ₹10 Each		
3	Subscribed Capital	71,00,000	71,00,000
	71,00,00,000 (Previous year 71,00,00,000) Equity Shares of ₹10 Each		
4	Called Up Capital	71,00,000	71,00,000
	71,00,00,000 (Previous year 71,00,00,000) Equity Shares of ₹10 Each		
	Less : Calls Unpaid	-	-
	Add : Equity Shares Forfeited (Amount originally paid up)	-	-
	Less : Par value of Equity Shares bought back	-	-
	Less : Preliminary Expenses	-	-
	Expenses Including commission or brokerage on underwriting or subscription of shares	-	-
	Total	71,00,000	71,00,000

SCHEDULE - 5A Share Capital Pattern of Shareholding

(As certified by the Management)

Shareholder	As at 31st March 2016		As at 31st March 2015	
	Number of Shares	% of Holdings	Number of Shares	% of Holdings
Promoters				
Indian	52,89,50,000	74.5	52,89,50,000	74.5
Future Retail Limited	18,10,50,000		18,10,50,000	
Shendra Advisory Services Pvt Ltd.	34,79,00,000		34,79,00,000	
Foreign	18,10,50,000	25.5	18,10,50,000	25.5
Participatie Maatschappij Graafschap Holland N.V.	18,10,50,000		18,10,50,000	
Others				
Total	71,00,00,000	100	71,00,00,000	100

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SCHEDULE - 6 Reserves and Surplus

(₹' 000)

Sr. No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	-	-
4	General Reserve		
	Less : Debit balance in Profit and Loss Account	-	-
	Less : Amount utilized for Buy - Back	-	-
5	Catastrophe Reserve	-	-
6	Other Reserves	-	-
7	Balance of Profit in Profit & Loss Account	-	-
	Total	-	-

SCHEDULE - 7 Borrowings

(₹' 000)

Sr. No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	Debenture/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	Total	-	-

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SCHEDULE - 8 Investments

(₹' 000)

Particulars	As at 31st March 2016	As at 31st March 2015
Long Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills (note 3)	76,90,822	68,79,740
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	64,90,732	66,05,769
(e) Other Securities (incl. Fixed deposits)	1,24,500	1,24,500
(f) Subsidiaries	-	-
(g) Investment properties - Real Estate	-	-
4. Investments in Infrastructure & Social Sector	47,45,975	50,46,896
5. Other than Approved Investments	2,32,081	-
Total Long Term Investments	1,92,84,110	1,86,56,905
Short Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills (note 3)	-	1,04,879
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(aa) Equity	2,22,601	2,88,888
(bb) Preference	-	-
(b) Mutual Funds	5,29,909	2,87,998
(c) Derivative Instruments		
(d) Debentures / Bonds	50,000	1,99,999
(e) Other Securities (incl. Fixed deposits)	1,00,000	75,000
(f) Subsidiaries	-	-
(g) Investment properties - Real Estate	-	-
4. Investments in Infrastructure & Social Sector (note 6)	17,854	1,27,981
5. Other than Approved Investments (note 7)	15,058	6,572
Total Short Term Investments	9,35,422	10,91,317
Total	2,02,19,532	1,97,48,222

NOTES:

- All the Investments are free of any Encumbrances other than investments under Section 7 of the Insurance Act, 1938
- All the above investments are performing assets.
- Government of India Bonds aggregating to ₹ Nil thousand (previous year ₹1,77,247 thousand) have been deposited with The Reserve Bank of India under Section 7 of the Insurance Act, 1938.
- Aggregate book value of investments (other than listed equities and derivative instruments) is ₹1,99,79,078 thousand (previous year ₹1,94,27,954 thousand).
- Aggregate market value of investments (other than listed equities and derivative instruments) is ₹2,02,12,299 thousand (previous year ₹2,01,69,859 thousand).
- Includes investment in equities qualifying for infrastructure and social sector investments of ₹17,854 thousand (previous year ₹28,076 thousand)
- Includes investment in equities of ₹ Nil thousand (previous year ₹3304 thousand) and in mutual funds of ₹15,058 thousand (previous year ₹3,268 thousand)
- Investment property ₹ Nil (previous year ₹ Nil)
- Value of contracts in relation to investments purchases where deliveries are pending ₹ Nil thousand (previous year ₹4,517 thousand) and in respect of sale of investments where payments are overdue ₹ Nil (previous year ₹ Nil).

Future Generali India Insurance Company Limited
 IRDA Registration No 132. dated 4th September, 2007.
Schedules forming part of Financial Statements

SCHEDULE - 9 Loans

(₹' 000)

Particulars	As at 31st March 2016	As at 31st March 2015
1. Security - Wise Classification		
Secured	-	-
(a) On Mortgage of Property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares ,Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
Total	-	-
2. Borrower - Wise Classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
Total	-	-
3. Performance - Wise Classification		
(a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non - Performing Loans less Provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	-	-
4. Maturity - Wise Classification		
(a) Short - Term	-	-
(b) Long - Term	-	-
Total	-	-

Future Generali India Insurance Company Limited
IRDA Registration No 132, dated 4th September, 2007.
Schedules forming part of Financial Statements

SCHEDULE 10 - Fixed Assets

SCHEDULE 10 - Fixed Assets				Cost / Gross Block				Depreciation			Net Block		(₹ 000)
Particulars	As at 1st April 2015	Additions	Deductions	As at 31st March 2016	As at 1st April 2015	For the Year	On Sales / Adjustments	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015			
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	
Intangibles - Computer Software	2,13,218	34,636	-	2,47,854	1,96,058	17,598	-	2,13,656	34,198	17,160			
Land-Freehold	-	-	-	-	-	-	-	-	-	-	-	-	
Leasehold Improvements	1,52,235	7,785	11,652	1,48,368	99,397	20,147	11,652	1,07,892	40,476	52,838			
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	
Furniture & Fittings	39,472	2,725	897	41,300	33,469	3,321	855	35,935	5,365	6,003			
Information & Technology Equipment	1,36,947	46,536	2,918	1,80,565	1,21,222	17,992	2,918	1,36,296	44,269	15,725			
Vehicles	2,272	-	-	2,272	2,272	-	-	2,272	-	-	-	-	
Office Equipment	81,803	7,998	16,961	72,840	66,638	6,524	16,961	56,201	16,639	15,165			
Others	-	-	-	-	-	-	-	-	-	-	-	-	
	6,25,947	99,680	32,428	6,93,199	5,19,056	65,582	32,386	5,52,252	1,40,947	1,06,891			
Work in progress									33,261	29,113			
Grand Total	6,25,947	99,680	32,428	6,93,199	5,19,056	65,582	32,386	5,52,252	1,74,208	1,36,004			
Previous Year	6,03,360	46,378	23,791	6,25,947	4,89,518	51,862	22,324	5,19,056	1,36,004				

(₹, 000)

Future Generali India Insurance Company Limited
IRDA Registration No 132. dated 4th September, 2007.
Schedules forming part of Financial Statements

SCHEDULE 11 - Cash and Bank Balances

(₹' 000)

Particulars	As at 31st March 2016	As at 31st March 2015
1. Cash (including cheques, drafts, and stamps)	1,40,091	1,47,372
2. Bank Balances		
(a) Deposit Accounts		
(aa) Short - Term	-	
(due within 12 months)		
(bb) Others	-	
(b) Current Accounts	4,80,419	3,23,348
(c) Others	-	-
3. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With Other Institutions	-	-
4. Others	-	-
Total	6,20,510	4,70,720
Balances with non-scheduled banks included in 2 or 3 above		
Cash and Bank Balances		
In India	6,20,510	4,70,720
Outside India	-	-

SCHEDULE - 12 Advances and Other Assets

(₹' 000)

Particulars	As at 31st March 2016	As at 31st March 2015
Advances		
1. Reserve Deposits with ceding Companies	-	-
2. Application Money for Investments	-	-
3. Prepayments	42,196	24,546
4. Advances to Directors/Officers	-	-
5. Advance Tax Paid and Taxes Deducted at Source (Net of provision for taxation)	1,36,937	69,243
6. Others	-	-
(i) Other Deposits	95,758	79,631
(ii) Advances to Employees	1,644	1,333
(iii) Advances recoverable in cash or kind	1,04,898	43,166
(iv) Unutilized Service Tax	38,878	1,34,502
Total (A)	4,20,311	3,52,421
Other Assets		
1. Income accrued on Investments	6,98,352	7,72,961
2. Outstanding Premiums	78,827	2,31,080
3. Agents' Balances	881	1,694
4. Foreign Agencies' Balances	-	-
5. Due from other entities carrying on insurance business	18,28,558	2,21,667
6. Due from Subsidiaries / Holding Company	-	-
7. Deposit With Reserve Bank Of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
8. Others -		
(i) Investments Receivable	349	1,17,394
(ii) MAT Credit Entitlement	1,02,443	1,02,443
Total (B)	27,09,410	14,47,239
Total (A + B)	31,29,721	17,99,660

Note : Outstanding premium contains amount receivable against Bank Guarantee & Due from Government.

Future Generali India Insurance Company Limited
IRDA Registration No 132. dated 4th September, 2007.
Schedules forming part of Financial Statements

SCHEDULE - 13 Current Liabilities

(₹' 000)

Particulars	As at 31st March 2016	As at 31st March 2015
1. Agents Balances	47,479	57,927
2. Balances due to other Insurance Companies	16,10,606	8,46,553
3. Deposits held on Reinsurance ceded	-	-
4. Premiums received in advance	97,761	80,873
5. Unallocated Premium	6,20,041	4,31,761
6. Sundry Creditors	8,83,067	8,56,915
7. Due to Subsidiaries / Holding Company	-	-
8. Claims Outstanding	1,07,96,078	93,48,272
9. Due to Officers / Directors	-	-
10. Unclaimed amount of Policyholders	48,012	61,804
11. Others -		
(i) Advance Received	27,492	
(ii) Statutory Dues	82,942	66,224
Total	1,42,13,478	1,17,50,329

SCHEDULE - 14 Provisions

(₹' 000)

Particulars	As at 31st March 2016	As at 31st March 2015
1. Reserve for Unexpired risk	53,16,750	56,54,678
2. For Taxation	-	-
(less advance tax paid and taxes deducted at source)		
3. Deferred Tax	-	-
4. For Proposed Dividends	-	-
5. For Dividend Distribution Tax	-	-
6. Others	-	-
a. Provision - Bonus & Employees benefits	1,37,980	1,85,582
Total	54,54,730	58,40,260

SCHEDULE - 15 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)

(₹' 000)

Particulars	As at 31st March 2016	As at 31st March 2015
1. Discount Allowed in issue of shares / Debentures	-	-
2. Others	-	-
Total	-	-

SCHEDULE – 16

Significant accounting policies & notes to and forming a part of the financial statements for the year ended 31st March 2016

1. Background:

Future Generali India Insurance Company Limited ('the Company') is a Joint Venture between India's leading retailer, Future Group and Italian insurance major, Generali Group.

The Company was incorporated on 30th October 2006 as a Company under the Companies Act, 1956 (the Act) to undertake and carry on the business of General Insurance. The Company obtained regulatory approval to undertake General Insurance business on September 4, 2007 from the Insurance Regulatory and Development Authority of India ('IRDAI').

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles followed in India under the historical cost convention and accrual basis of accounting and in accordance with the statutory requirements of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act 2015, the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations'), circulars and orders and directions issued by the IRDAI in this behalf, the Companies Act, 2013 to the extent applicable and comply with the accounting standards, prescribed in Companies (Accounting Standards) Rules, 2006, specified under section 133 of Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable and current practices prevailing in the Insurance industry.

2.2 Use of estimates

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

2.3 Revenue recognition

Premium

Premium is recognised as income over the contract period or the period of risk whichever is appropriate on gross basis net of service tax. Premium is recorded for the policy period at the time of issuance of policy and for installment cases, it is recorded on installment due and received dates. Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to or cancellations of premium are recognised in the year in which they occur.

Income earned on investments

Interest income on investment is recognised on accrual basis.

Dividend income is recognized when right to receive dividend is established.

Accretion of discount and amortisation of premium, as the case may be, in respect of fixed income securities is recognised on 'internal rate of return' over the period of maturity/holding.

In case of debt securities, the realised gain or loss on the securities is the difference between the sale consideration and the amortized cost in the books of the Company as on the date of sale determined on 'weighted average cost' basis.

In case of listed and actively traded equity shares/mutual fund units, the realised gain or loss is the difference between the sale consideration and the cost as on the date of sale determined on 'weighted average cost' and include the accumulated changes in the fair value previously recognised in the Fair Value Change account in respect of the particular security.

The sale consideration for the purpose of realised gain or loss is net of brokerage and taxes, if any, and excludes interest received on sale.

Commission on Reinsurance Ceded

Commission on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.

Profit Commission under re-insurance treaties, wherever applicable, is recognised as income in the year of final determination of profits.

2.4 Reinsurance ceded

Reinsurance cost, in respect of proportional reinsurance, is accrued at policy inception. Non-proportional reinsurance cost is recognized when incurred and due. Any subsequent revision to, refunds or cancellations of premiums are recognised in the year in which they occur.

2.5 Acquisition costs

Acquisition costs are defined as costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts are expensed in the year in which they are incurred.

2.6 Premium received in advance

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

2.7 Reserve for unexpired risk

Reserve for unexpired risk represents that part of the net premium (i.e., premium, net of reinsurance ceded) in respect of each line of business which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and 50% in case of other revenue segments based on net written premium for the year. As per the Corrigendum to Master Circular on preparation of financial statements of General Insurance Business, the Net Premium Written is to be considered only in respect of policies written during the year and unexpired on the Balance Sheet date.

2.8 Premium deficiency

Premium deficiency is recognised when the sum of expected claim cost, related expenses and maintenance costs (related to claims handling) exceeds related reserve for unexpired risks in accordance with Master Circular on Preparation of Financial Statements General Insurance Business (IRDA/F&I/CIR/F&A/231/10/2012).

2.9 Claims incurred

Claims incurred comprises of claims paid (net of salvage and other recoveries, subject to sufficient certainty of its realisation), change in estimated liability for claims reserves, change in estimated liability for claims incurred but not reported (IBNR), claims incurred but not enough reported (IBNER) and also includes claim settlement costs comprising survey, legal and other directly attributable expenses. All such claims are net of reinsurance as per the reinsurance arrangements and are recognised together with the recognition of claims.

Claims are recognised as and when reported based on the internal management estimates of the ultimate amount that are likely to be paid on each claim (in light of the past experience) or on estimates from the surveyors. These estimates are progressively modified based on the availability of further information.

2.10 IBNR and IBNER (Claims Incurred But Not Reported and Claims Incurred But Not Enough Reported):

IBNR represents that amount of claims that may have been incurred prior to the end of the current accounting period but have not been reported. IBNR provision also includes provision, if any, required for claims incurred but not enough reported (IBNER). The said liability has been determined on actuarial principles and confirmed by the Appointed Actuary. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the actuary to be appropriate, in accordance with the guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI and accordingly liability is determined and certified as adequate.

2.11 Apportionment of Income and Expenses

Operating expenses related to the insurance business

Operating expenses related to the insurance business are allocated to specific business segments on the basis of:

- Expenses which are directly identifiable to the business segments are allocated on actual basis;
- Other expenses including depreciation, which are not directly identifiable, are apportioned on net written premium basis.

Income from investments and other income

Income earned from investments is allocated to the revenue accounts and the profit and loss account on the basis of the ratio of average policyholders' funds to average shareholders' funds and are further allocated to the lines of business in proportion of their respective gross written premium. Other incomes related to Insurance business which are directly identifiable to the business segments are allocated on actual basis and balance are apportioned on net written premium basis.

2.12 Fixed assets and depreciation/amortisation

Fixed assets are stated at cost (including incidental expenses relating

to acquisition and installation) less accumulated depreciation/amortisation.

Depreciation is provided on Straight Line Method (SLM) with reference to the management's assessment of the estimated useful life of the assets or in the manner specified in the Schedule II to the Companies Act, 2013 whichever is lower.

Depreciation/Amortisation is provided at the following useful life on pro rata basis:

Assets	Useful Life
Information Technology Equipment	3 years
Computer Software (Intangibles)	3 years
Vehicles	5 years
Office Equipment	5 years
Furniture & Fixtures	5 years
Air Conditioners (part of Office Equipment)	5 years
Mobile Phones (part of Office Equipment)	2 years
Electrical Fittings (part of leasehold improvements)	5 years
Leasehold Improvements	5 years or lease period whichever is less

Furniture & Fixtures: Management estimates the useful life of the Furniture & Fixtures as 5 yrs taking into consideration the expected physical wear and tear of the assets and insignificant residual value at the end of 5 years.

Mobile Phones: Based on the internal technical assessment and recommendation of technical experts, Management estimates the useful life of electronic phones as 2 years. Also as per Company's policy, an employee provided with mobile facility, is eligible for taking the mobile at the end of the 2nd year.

IT Servers and Network: Based on the internal technical assessment and recommendation of technical experts and taking into the following factors, it is felt that estimating the useful life at 3 years is reasonable:

- Extent of usage of these servers and network equipment and volume of data involved
- Expected physical wear and tear of the assets
- Technical obsolescence due to passage of advancement in technology year on year
- Insignificant residual value at the end of 3 years

Vehicles: Based on the Management estimates the useful life of vehicle as 5 years with insignificant residual value at the end of 5 years.

All assets including intangibles individually costing up to ₹5,000 are fully depreciated/amortised in the year of acquisition.

Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

2.13 Impairment of Assets

The Company assesses at each balance sheet date whether there is

any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to, 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 revenue account and profit and loss account. 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 depreciable historical cost.

2.14 Investments

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2013 and various other circulars / notifications / amendments issued by IRDAI in this context from time to time.

Investments are recorded on trade date at cost. Cost includes brokerage, transaction taxes as applicable, etc. and excludes pre-acquisition interest, if any.

Classification:

Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months from balance sheet date are classified as short-term investments. Investments other than short term investments are classified as long-term investments. The investments made by the Company are recognised and reported in aggregate without segregating between Policyholders' funds and Shareholders' funds.

Valuation:

The investments are valued as follows:

Debt Securities

All debt securities are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortisation of premium or accretion of discount on 'internal rate of return' basis in the revenue accounts and profit & loss account over the maturity / holding period.

Equities (Listed & Actively Traded):

Listed and actively traded securities are stated at the last quoted closing prices on the National Stock Exchange of India Limited. In accordance with Regulations, unrealised gains or losses shall be credited / debited to the Fair Value Change account.

Mutual Fund Units

Mutual Funds Units are stated at their Net Asset Value (NAV) at the balance sheet date. In accordance with Regulations, unrealised gains or losses are credited / debited to the Fair Value Change account.

Fair Value Change account represents unrealised gains or losses in respect of investments outstanding at the close of the year. The balance in the account is considered as component of shareholders' funds though not available for distribution as dividend.

Investments other than mentioned above are valued at cost.

2.15 Employee benefits

(i) Long term benefits

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or similar securities. The plans are financed by the Company, and in the case of some defined contribution plans by the Company along with its employees.

(i-a) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and employees' pension fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payments cover.

(i-b) Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries using Projected Unit Credit method. The commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, utilising a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a term based on the expected average remaining working lives of employees.

(ii) Short term benefits

Short term employee benefits are recognised at the undiscounted amount expected to be paid as an expense over the period of services rendered to the Company.

The cost of compensated absences is accounted as under:-

- In the case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and
- In case of non-accumulating compensated absence when the absences occur.

(iii) Leave encashment

Provision for leave encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.

2.16 Foreign currency transactions

Transactions denominated in foreign currencies, are recorded at the exchange rate prevailing on the date of the transaction/remittance. Assets and Liabilities in foreign currency, as at the Balance Sheet date are converted at the exchange rates prevailing at that date.

Exchange difference is recognised in the Revenue Accounts or Profit and Loss Account, as applicable.

2.17 Terrorism pool

In accordance with the requirements of IRDAI, the Company, together with other insurance companies, participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC').

In accordance with the terms of the agreement, the Company's share of premium, claims, expenses and Investment income of the pool is recorded as inward reinsurance business based on the quarterly statement submitted by GIC under the respective head of income or expenses as the case may be.

2.18 Indian Motor Third Party Declined Risk Insurance Pool (DR Pool)

IRDAI vide its Order IRDA/NL/ORD/MPL/277/12/2011, created a Declined Risk (DR) Pool for Standalone (Liability only) Commercial Vehicle Third Party Insurance with effect from 1st April, 2012. This pool is administered by General Insurance Corporation (GIC) and all general insurers (except specialists general insurance companies) are member of the pool.

In accordance with the directions, every insurer shall underwrite a minimum percentage of standalone (liability only) commercial vehicle motor third party insurance which shall be in proportion to the sum of 50% of the company's percentage share in total gross direct premium of Industry and 50% the company's percentage share in total gross direct motor premium of the industry. Insurance companies have to cede business risk which falls outside the insurer's underwriting guidelines to DR pool after retaining certain risks (currently 20%) and ceding obligatory cession (currently 5%). DR Pool shall be extinguished at the end of every underwriting year on clean cut basis (at ultimate loss ratio recommended by the pool actuary and approved by the authority, IRDAI), by transferring the risk at par to the member companies who have not fulfilled their mandatory obligations and such transfer shall be in proportion of the shortfall of each member company.

Premiums, premium cessions & claims for the risks that have been ceded to the DR Pool have been recorded under the respective head of income or expense as the case may be. Company's share of premiums, claims & expenses of the pool is recorded as inward reinsurance business based on the statement submitted by GIC under the respective head of income or expense as the case may be. These premiums, premium cessions, claims & expenses are shown under Motor Third Party sub-segment in Motor line of business.

2.19 Contributions to other funds

The Company provides for contribution to Solatium and Environment Relief funds as per requirement of regulations/circulars.

2.20 Provision for taxation

Tax expenses comprises of current tax including MAT tax and deferred tax.

Current tax

The Company provides for income tax on the basis of estimated taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the accounting income as per the Company's financial statements and the taxable income for the year.

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been

enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

Minimum Alternate Tax (MAT) paid in the year is charged to the Profit and Loss account as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Profit and Loss account and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

2.21 Accounting of operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as Operating Leases. Operating lease rentals are recognized as an expense on straight line basis over the lease period.

2.22 Accounting for provisions and contingent liabilities

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability other than insurance matters 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.

2.23 Service tax

Service tax collected is considered liability against which service tax paid for eligible services is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilized credits, are carried forward under "Advances and Other Assets" for adjustments in subsequent periods.

2.24 Earnings per share

Earnings per share are calculated by dividing the Profit/ (Loss) after Tax in the Profit and Loss account by the weighted average number of equity shares outstanding during the year.

Notes to Accounts**3. Contingent Liabilities**

Contingent liabilities not provided for in respect of claims against the Company not acknowledged as debts other than insurance matters-

(₹' 000)

Particulars	As on 31st March 2016	As on 31st March 2015
Partly paid up Investments	Nil	Nil
Underwriting commitments outstanding	Nil	Nil
Claims other than those under policies not acknowledged as debts	Nil	Nil
Guarantees given by or on behalf of the Company	Nil	Nil
Statutory demands/liabilities in dispute, not provided for, in respect of		
• Service Tax	Nil	Nil
• Income Tax	Nil	Nil
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

4. All assets of the Company are free from any encumbrances. No Assets of the Company are subject to restructuring. 'Other deposit' under Schedule 12 - Advances and Other Assets, includes a fixed deposit of ₹2,009 thousand (previous year ₹1,854 thousand) as a security deposit for registration as per Rule 27 of under Jammu & Kashmir Value Added Tax Act, 2005.

5. Commitments

There are no commitments made and outstanding for investments and loans.

Commitments made and outstanding for acquisition of Fixed Assets amounting to ₹39,111 thousand (previous year ₹24,028 thousand).

6. IBNR & IBNER

The Appointed Actuary has certified to the Company that actuarial estimates for Incurred But Not Reported (IBNR), including Incurred But Not Enough Reported (IBNER), as at 31st March 2016, are in conformity with the IRDAI regulations and in compliance with the guidelines prescribed by the Institute of Actuaries of India. The provisions for IBNR and IBNER have been made as per the estimates provided by the Appointed Actuary. The Appointed Actuary, in his report has certified that:

Several different methods of IBNR calculation have been applied based on the claim development patterns and the proportion of development of each accident quarter. The methods are:

- Paid Claims Chain Ladder Method
- Incurred Claims Chain Ladder Method
- Paid Claims Bornheutter Ferguson Method
- Incurred Bornheutter Ferguson Method

- Ultimate Loss Ratio (ULR) Method
- Average Cost & Frequency Method

Each of the methods were calculated for all reserving lines and the most suitable method was selected. These methods calculate the ultimate claims for each accident quarter.

For lines other than Aviation and Weather Insurance products, the IBNR estimates have been derived using Incurred Claims Chain Ladder Method, Incurred Bornheutter Ferguson Method or Ultimate Loss Ratio Method depending on the availability of sufficient claims and appropriateness of the method.

For Aviation and Weather Insurance products, IBNR has been determined based on estimated ultimate loss ratio.

IBNR estimates have been derived for each line of business and then aggregated at Segment level.

The reserves are not discounted as per the guidelines of IRDAI.

7. Claims

All claims, net of reinsurance are incurred and paid in India except for Marine Insurance (where consignments are exported from India) and Overseas Travel Insurance amounting to ₹49,511 thousand (previous year ₹33,511 thousand).

There are no claims (previous year Nil) that have been settled and remaining unpaid for a period of more than six months as at the end of the year.

The Company does not have any liability relating to claims where the claim payment period exceeds 4 years (previous year Nil).

Claims outstanding for more than six month are ₹44,07,115 thousand (previous year ₹38,64,644 thousand) out of total outstanding of ₹78,02,333 thousand (previous year ₹60,05,332 thousand).

8. Premium Deficiency

There is no premium deficiency at revenue segment level in current year and no premium deficiency in previous year at company level.

9. Managerial Remuneration

The managerial remuneration is in accordance with section 34A of the Insurance Act, 1938 and as approved by the IRDAI.

Computation of Managerial Remuneration

(₹' 000)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Salary, allowances and bonus (including contribution to fund)	29,961	24,319
Perquisites	40	Nil
Total	30,001	24,319

Note: Expenses towards gratuity and leave encashment are determined actuarially on an overall company basis annually and have not been considered accordingly.

Managerial remuneration in excess of ₹15,000 thousand has been charged to profit and loss account.

10. Sector wise business (based on gross written premium)

Percentage of business sector – wise (Based on Gross Written Premium without considering premium received in advance & pool retrocession):

Business Sector	For the year ended 31st March 2016			For the year ended 31st March 2015		
	GWP (₹'000)	No. of Lives	% of GWP	GWP (₹'000)	No. of Lives	% of GWP
Rural	38,20,146	-	24.14	12,35,745	-	8.42
Social	11,178	5,19,339	0.07	7,509	1,17,285	0.05
Urban	1,19,92,550	-	75.79	1,34,37,699	-	91.53
Total	1,58,23,874		100	1,46,80,952		100

11. Extent of Risks Retained and Reinsured

Extent of risk written and reinsured based on premium (excluding Excess of Loss and Catastrophe reinsurance written off).

Particulars	For the year ended 31 March 2016 (% age of business written)	For the year ended 31 March 2015 (% age of business written)
Risk retained	68	78
Risk reinsured	32	22
Total	100	100

12. Premium, less reinsurance, written from business concluded in India is ₹1,04,76,482 thousand (previous year ₹1,12,29,688 thousand) and outside India is ₹ Nil (previous year ₹ Nil).

13. Extent of premium income recognised based on varying risk pattern ₹ Nil (Previous year ₹ Nil).

14. Statement showing the age-wise analysis of the Unclaimed amount of the policyholders as on 31st March 2016 (with reference to IRDAI circular no IRDA/F&I/CIR/CMP/174/11/2010);

(₹' 000)

Particulars	Total	AGE-WISE ANALYSIS (months) as on 31st March 2016						
		1-6	7-12	13-18	19-24	25 – 30	31 – 36	> 36
Claims settled but not paid to the policyholders / insureds due to any reasons except under litigation from the insured / policyholders	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
sum due to the insured / policyholders on maturity or otherwise	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	420	103	107	48	45	28	16	73
Cheques issued but not encashed by the policyholders/ insured	78,419	38,008*	2,821	1,913	3,165	5,708	4,627	22,177

*Note: Of the total ₹38,008 thousand, ₹30,881 thousand does not form part of Unclaimed amount of Policyholders under Schedule 13 as these are less than 3 months and part of pending cheques in Bank Reconciliation Statement.

(₹' 000)

Particulars	Total	AGE-WISE ANALYSIS (months) as on 31st March 2015						
		1-6	7-12	13-18	19-24	25 – 30	31 – 36	> 36
Claims settled but not paid to the policyholders / insureds due to any reasons except under litigation from the insured / policyholders	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
sum due to the insured / policyholders on maturity or otherwise	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	3,961	97	123	45	65	58	117	3,455
Cheques issued but not encashed by the policyholder/ insured	80,160	28,979*	4,069	8,070	7,661	8,078	8,993	14,312

*Note: Of the total ₹28,979 thousand, ₹22,343 thousand does not form part of Unclaimed amount of Policyholders under Schedule 13 as these are less than 3 months and part of pending cheques in Bank Reconciliation Statement.

15. Employees Benefit Plans

The Company has classified the various benefits provided to employees as under:-

Defined Benefit Plan – Gratuity

In accordance with Accounting Standard 15, actuarial valuation was done in respect of the defined benefit plan of gratuity based on the following assumptions:-

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Discount Rate (per annum)	7.90%	7.8%
Rate of increase in Compensation levels	8.00%	6.00%
Rate of Return on Plan Assets	7.90%	8.50%
Expected Average remaining working lives of employees (years) (The average expected lifetime is calculated based on the future working lifetime adjusted for the decrements. The same number for the previous year was not adjusted for the decrements.)	6.94	8.07

(₹' 000)

A. Changes in the Present Value of Obligation	Year ended 31st March 2016	Year ended 31st March 2015
Present Value of Obligation at the beginning of the year	49,969	37,144
Interest Cost	3,720	3,200
Current Service Cost	12,146	9,226
Benefits Paid	(5,994)	(5,135)
Actuarial (gain)/loss on obligations	8,894	5,533
Present Value of Obligation as at March 31	68,735	49,969

(₹' 000)

B. Changes in the Fair Value of Plan Assets	Year ended 31st March 2016	Year ended 31st March 2015
Present Value of Plan Assets at the beginning of the year	48,830	39,822
Adjustments to the opening fund	0	507
Expected Return on Plan Assets	4,462	3,609
Actuarial gains/(loss) on Plan Assets	(724)	27
Contributions	20,000	10,000
Benefits Paid	(5,994)	(5,135)
Fair Value of Plan Assets at March 31	66,575	48,830

(₹' 000)

C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets	Year ended 31st March 2016	Year ended 31st March 2015
Present Value of Obligation as at March 31	68,735	49,969
Fair Value of Plan Assets as at March 31	66,575	48,830
Funded Status	-	-
Present Value of unfunded Obligation as at March 31	(2,161)	(1,139)
Net Asset / (Liability) recognised in Balance Sheet	(2,161)	(1,139)
Included in other provisions under Schedule 14		

(₹' 000)

D. Amount recognised in the Balance Sheet	Year ended 31st March 2016	Year ended 31st March 2015
Present Value of Obligation as at March 31	68,735	49,969
Fair Value of Plan Assets as at March 31	66,575	48,830
Net Asset / (Liability) recognised in Balance Sheet	(2,161)	(1,139)
Included in other provisions under Schedule 14		

(₹' 000)

E. Expenses recognised in the Revenue Account	Year ended 31st March 2016	Year ended 31st March 2015
Current Service Cost	12,146	9,226
Past Service Cost	0	-
Interest Cost	3,721	3,200
Expected Return on Plan Assets	(4,462)	(3,609)
Losses/(Gains) on Curtailments and Settlement	0	-
Settlement Cost / (Credit)	0	-
Net actuarial (gain) / loss recognised in the Year	(9,618)	(5,506)
Total expenses recognised in the Revenue account	21,023	14,323
(Included in Employees remuneration and welfare benefits in Schedule 4)		

(₹' 000)

F. Experience adjustments of five years	Year Ended 31st March				
	2016	2015	2014	2013	2012
Present Value of Obligation as at March 31	68,735	49,969	37,144	29,126	14,309
Fair Value of Plan Assets as at March 31	66,575	48,830	39,822	22,082	14,964
Surplus/(Deficit)	(2,161)	(1,139)	2,678	(7,044)	654
Experience adjustments on plan liabilities	1,246	1,328	1,999	7,560	(1,570)
Experience adjustments on plan assets	724	(27)	(217)	-	46

Leave Encashment

Based on actuarial valuation at the end of the year, leave encashment has been provided at ₹37,863 thousand (previous year ₹29,443 thousand).

16. Segment Reporting

The statement on segment reporting is included in Annexure I.

17. Related Party Disclosure

Related party disclosures have been set out in Annexure II to this schedule. The related parties, as defined in Accounting Standard 18 'Related Party Disclosures' in accordance with the Companies Act, 2013 ('The Act') to the extent applicable and comply with the accounting standards in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial personnel and taken on record by the Board.

The related parties of the company are as follows:-

Name of the related party	Description of relationship
Future Retail Limited	Joint Venturer
Participatie Maatschappij Graafschap Holland N.V	Joint Venturer
Shendra Advisory Services Private Limited	Joint Venturer
Assicurazioni Generali SPA	Parent Company of Joint Venturer
Future Generali India Life Insurance Co. Ltd.	Two of the joint venturers having joint control
K G Krishnamoorthy Rao	CEO & Managing Director
Srinivasan Venugopalan	Chief Financial Officer
Manish Pahwa	Company Secretary

18. Lease

Operating lease commitments:

The Company's significant leasing arrangements include agreements for office and residential premises. These lease agreements are cancelable after a period of six months to three years at the option of the Company. The future minimum lease payments relating to these leases are disclosed below:

(₹' 000)		
Particulars	As at 31st March 2016	As at 31st March 2015
Payable not later than one year	48,082	42,198
Payable later than one year but not later than five years	8,818	11,041
Payable later than five years	Nil	Nil

- Amount charged to revenue accounts for lease is ₹1,60,793 thousand (previous year ₹2,06,457 thousand).
- There are no transactions in the nature of sub leases.
- The period of agreement is as per the understanding between the licensor and the licensee.

19. Contribution to Indian Motor Third Party Declined Risk Insurance Pool (DR Pool)

The Company is a participant in and has received the Declined Pool retrocession of premium in the current financial year. Accordingly as per the statement received from General Insurance Corporation

(GIC), the Company has recognized the pool retrocession up to 9 months ended 31st December 2015, the accounts for which were received till end of the financial year. Company has accounted for its share in Declined Risk Pool for the 3 months period January 2016 to March 2016 on provisional basis based on management estimate.

20. Contribution to Terrorism Pool

The company is a participant in and has received the Terrorism Pool retrocession of premium in the current financial year. Accordingly, as per the statement received from the Pool managers, the Company has recognised the pool retrocessions for the quarters ended 31st March 2015, 30th June 2015, 30th September 2015 and 31st December 2015, the accounts of which were received till the end of the financial year.

21. Contribution to Environment Fund

The Company has collected an amount of ₹2,767 thousand (previous year ₹2,563 thousand) towards Environment Fund from public liability policies. The Company has paid all the funds collected towards Environment Fund up to February 28, 2016 and the balance payable ₹80 thousand (previous year ₹253 thousand) has been disclosed under the head current liabilities in schedule 13.

22. Solatium Fund

In accordance with IRDAI's requirement and based on the recommendations made by the General Insurance Council vide letter dated 26th July, 2010, the company has provided 0.1% of the Third Party premiums (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the Solatium Fund.

23. Earning Per Share ('EPS')

The following table reconciles the numerator and denominator used to calculate basic/diluted EPS:

(₹' 000)		
Particulars	As at 31st March 2016	As at 31st March 2015
Profit/(Loss) after Tax		
Basic earnings before extra-ordinary items [A]	(52,549)	602,926
Basic earnings after extra-ordinary items [B]	(52,549)	602,926
Weighted average no. of equity shares (par value of ₹10 each) [C]	71,00,00,000	71,00,00,000
Basic & Diluted earnings per share (₹) [A/C]	(0.07)	0.85

24. Taxation

The Company carries on General Insurance business and hence the provision of section 44 and First Schedule to the Income Tax Act, 1961 are applicable for computation of Profits and Gains of its business. No provision for taxation has been made in the accounts since the Company does not have any taxable income in the current accounting year. Further as a matter of prudence, the company deems it proper not to recognize deferred tax assets.

25. MSMED Disclosures

According to information available with the management, on the basis of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) Act, the company has amounts due to Micro, Small and Medium Enterprises under the said Act as at 31st March 2016 as follows:

(₹' 000)

Sr. No.	Particulars	Year ended 31st March 2016	Year ended 31st March 2015
a)	i) Principal amount remaining unpaid to suppliers under the MSMED ACT 2006.	Nil	Nil
	ii) Interest on a) (i) above	Nil	Nil
b)	i) Amount of Principal paid beyond the appointed date	Nil	Nil
	ii) Amount of Interest Paid Beyond the Appointed date (As per Sec 16 of the said Act)	Nil	Nil
c)	Amount of Interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the said Act	Nil	Nil
d)	Amount of Interest accrued and due	Nil	Nil
e)	Amount of further interest remaining due and payable even in Succeeding years	Nil	Nil

26. Penalties levied by various Government Authorities during FY 2015-16

(₹' 000)

Sr. No.	Authority	Non-Compliance/ Violation	Year ended 31st March 2016		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	XX (NA)	XX (Nil)	XX (Nil)	XX (Nil)
2	Service Tax Authorities	XX (NA)	XX (23)	XX (23)	XX (Nil)
3	Income Tax Authorities	XX (NA)	XX (Nil)	XX (Nil)	XX (Nil)
4	Any other Tax Authorities	XX (NA)	XX (Nil)	XX (Nil)	XX (Nil)
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	NA (NA)	Nil (Nil)	Nil (Nil)	Nil (Nil)
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013	NA (NA)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	NA (NA)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Securities and Exchange Board of India	NA (NA)	Nil (Nil)	Nil (Nil)	Nil (Nil)
9	Competition Commission of India	NA (NA)	Nil (Nil)	Nil (Nil)	Nil (Nil)
10	Any other Central/State/Local Government / Statutory Authority	NA (NA)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Figures in brackets represent previous year figures.

27. During the year foreign exchange gain/ (loss) incurred by the Company is ₹(438) thousand (previous year ₹644 thousand).

28. Statement showing details of the repo and reverse repo transactions during the year (with reference to IRDAI circular IRDA/F&I/CIR/INV/250/12/2012)

(₹' 000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31st March 2016
Securities sold under repo				
1) Government Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
2) Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Securities purchased under reverse repo				
1) Government Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
2) Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Figures in brackets represent previous year figures.

29. The summary of the financial statements for the last five years and the ratios required to be furnished have been set out in the annexure III to this schedule.

30. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realised.

The components of the Company's deferred tax liabilities and assets (not recognised) are as below.

(₹' 000)

	As at 31st March 2016	As at 31st March 2015
Deferred Tax Assets (A)		
Section 43B Disallowance	28,677	1,865
Rule 6 E Disallowance	68,248	66,173
Carried Forward Loss / Unabsorbed Depreciation	797,115	798,546
Total	894,040	866,584
Deferred Tax Liabilities (B)	(47,010)	Nil
Net Deferred Tax Assets (A-B)	847,030	866,584

31. Provision for Free Look Period

Pursuant to the circular CIR/41/IRDA/Health/SN/09-10/32, the Company has made a provision for Free Look Period of ₹12 thousand (previous year ₹40 thousand).

32. Pursuant to the circular 067/IRDA/F&A/CIR/Mar-08, the additional disclosure is given under:-

(₹' 000)

	Year ended 31st March 2016	Year ended 31st March 2015
Under expenses "Others" schedule 4		
Outsourcing expenses	110,506	76,018
Business Support	1,237,852	1,153,167

33. Previous year figures have been regrouped where possible and wherever necessary to make them comparable with those of the current years.

(₹' 000)

	Amount	Reasons
From schedule 12, Due from other entities carrying on insurance business to schedule 13, Balance due to other insurance companies	15,464	As it represents declined pool liability towards insurance companies

As per our report of even date

For and on behalf of
M. M. Nissim & Co.
Chartered Accountants
FRN 107122W

For and on behalf of
Chhajed & Doshi
Chartered Accountants
FRN 101794W

For and on behalf of the Board of Directors

G N Bajpai
Chairman

K K Rathi
Director

KG Krishnamoorthy Rao
Managing Director & CEO

Sanjay Khemani
Partner
Membership No. 044577

Nitesh Jain
Partner
Membership No. 136169

Srinivasan Venugopalan
Chief Financial Officer

Manish Pahwa
Company Secretary

Place : Mumbai
Dated : 05/05/2016

Future Generali India Insurance Company Limited
IRDA Registration No 132. dated 4th September, 2007.

Annexure I to Schedule 16 - Notes to accounts and forming part of the financial statements Upto the Quarter ended 31st Mar 2016
(Refer Note no. 16)

Segmental Break up of the Balance Sheet item as at 31st Mar 2016

Segment revenues and segment results have been incorporated in the financial statements. However segment asset and liabilities, given the nature of the business, have been allocated amongst various segments to the extent possible.

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Particulars	Fire	Marine	Misc	Unallocated	Total
Net Claims Outstanding	3,13,305	2,94,325	1,01,88,448	-	1,07,96,078
	(2,19,394)	(1,95,832)	(89,33,046)	-	(93,48,272)
Reserve for Unexpired Risk	4,36,348	1,42,585	47,37,817	-	53,16,750
	(3,89,517)	(1,29,391)	(51,35,770)	-	(56,54,678)
Investments	17,40,500	5,64,664	1,23,64,966	55,49,401	2,02,19,531
	(15,50,263)	(5,53,284)	(1,20,10,824)	(56,33,850)	(1,97,48,221)

Figures in bracket represents last year figures (31st Mar 2015)

Future Generali India Insurance Company Limited
IRDA Registration No 132. dated 4th September, 2007.

Annexure I to Schedule 16 - Notes to accounts and forming part of the financial statements for the Year ended 31st March 2016 (Refer Note no. 16)

Segmental Reporting for the Year ended 31st March 2016

Particulars	Fire	Marine	Personal Accident	Health Insurance	Engineering	Aviation	Liability	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Workmen Compensation	Others	Total
1. Premiums earned (Net) (refer Sch 1)	4,31,460	4,86,555	4,59,659	10,46,590	1,66,315	286	71,476	48,79,156	24,38,109	93,379	2,24,033	5,17,392	1,08,14,410
2. Profit/(Loss) on sale/redemption of investments	28,506	9,248	7,578	23,217	5,955	36	2,336	96,725	44,467	-	3,683	18,515	2,40,266
3. Others-Miscellaneous Income	521	544	474	1,174	174	1	83	5,217	2,949	-	252	604	11,993
4. Interest, Dividend & Rent - Gross	1,52,088	45,726	37,462	1,14,795	31,969	176	11,549	4,78,252	2,19,864	-	18,211	91,546	12,01,638
Total Segment Revenue	6,12,575	5,42,073	5,05,173	11,85,776	2,04,413	499	85,444	54,59,350	27,05,389	93,379	2,46,179	6,28,057	1,22,68,307
1. Claims Incurred (Net) (refer Sch 2)	3,46,579	3,67,293	2,82,355	9,45,752	38,141	3,682	3,817	34,19,587	22,70,166	1,78,431	1,01,677	8,31,470	87,88,950
2. Commission (Net) (refer Sch 3)	(33,251)	67,049	44,182	9,041	(16,243)	(64)	14,870	69,473	(7,405)	-	17,493	(46,412)	1,18,733
3. Operating Expenses related to Insurance Business (Net) (refer Sch 4)	1,82,754	1,85,679	1,61,879	4,44,820	60,508	186	28,241	15,62,690	10,43,553	-	86,083	2,22,778	39,79,171
4. Premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	4,96,082	6,20,021	4,88,416	13,99,613	82,406	3,804	46,928	50,51,750	33,06,314	1,78,431	2,05,253	10,07,836	1,28,86,854
Segment Profit/Loss	1,16,493	(77,948)	16,757	(2,13,837)	1,22,007	(3,305)	38,516	4,07,600	(6,00,925)	(85,052)	40,926	(3,79,779)	(6,18,547)

(₹' 000)

Segmental Reporting for the Year ended 31st March 2015

(₹' 000)

Particulars	Fire	Marine	Personal Accident	Health Insurance	Engineering	Aviation	Liability	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Workmen Compensation	Others	Total
1. Premiums earned (Net) (refer Sch 1)	3,34,651	3,99,881	4,09,797	10,09,428	1,37,105	7	73,750	51,85,640	21,57,129	1,50,573	2,12,146	7,21,137	1,07,91,244
2. Profit/(Loss) on sale/redemption of Investments	13,913	4,965	3,796	12,432	3,451	5	1,401	50,110	21,570	-	1,908	13,117	1,26,668
3. Others-Miscellaneous Income	924	977	887	3,383	312	-	172	13,737	5,920	-	479	1,704	28,495
4. Interest, Dividend & Rent - Gross	1,38,891	44,442	33,963	1,11,270	35,160	48	12,543	4,48,506	2,09,609	-	17,079	1,17,405	11,68,916
Total Segment Revenue	4,88,379	4,50,265	4,48,443	11,36,513	1,76,028	60	87,866	56,97,993	23,94,228	1,50,573	2,31,612	8,53,363	1,21,15,323
1. Claims Incurred (Net) (refer Sch 2)	1,64,916	2,63,861	2,19,878	9,14,594	68,577	7	11,928	32,53,458	25,28,207	2,45,959	66,300	6,05,115	83,42,800
2. Commission (Net) (refer Sch 3)	(55,662)	51,835	38,349	(16,974)	(28,615)	(33)	14,343	2,59,925	(18,190)	-	16,398	(77,769)	1,83,607
3. Operating Expenses related to Insurance Business (Net) (refer Sch 4)	1,24,688	1,26,730	1,15,119	3,57,918	41,313	8	22,267	16,84,932	7,62,387	853	62,167	1,74,526	34,72,908
4. Premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	2,33,942	4,42,426	3,73,346	12,55,538	81,275	(18)	48,538	51,98,315	32,72,404	2,46,812	1,44,865	7,01,872	1,19,99,315
Segment Profit/Loss	2,54,437	7,839	75,097	(1,19,025)	94,753	78	39,328	4,99,678	(8,78,176)	(96,239)	86,747	1,51,491	1,16,008

Future Generali India Insurance Company Limited
IRDA Registration No 132, dated 4th September, 2007.

Annexure II to Schedule 16 Notes to Accounts note no.17 and forming part of Financial Statements For the Year Ended 31st March 2016

Related Party Disclosures under AS 18 (For the Year Ended 31st March 2016)

Sr. No.	Related Party	Relationship	Nature of transaction	For the year ended 31st March 2016		For the year ended 31st March 2015	
				Amount (₹'000)	Outstanding amounts carried to balance sheet. payable/(receivable) (₹'000)	Amount (₹'000)	Outstanding amounts carried to balance sheet. payable/(receivable) (₹'000)
1	Future Retail Limited	Joint Venturer	Rent & Maintenance for premises hired	3,600	-	-	-
			Operating expenses	1,266	-	1,405	-
			Insurance Premium received	1,955	-	1,901	-
			Insurance Claims paid	166	-	337	-
			Unallocated Premium	-	343	-	232
			Deposit Received/(Paid)	(200)	-	200	200
2	Assicurazioni Generali SPA	Parent Company of Joint Venturer	Reinsurance premium paid/payable	6,79,440	-	4,62,799	2,710
			Commission on reinsurance ceded	1,06,291	-	73,730	-
			Claims recovery on reinsurance	6,11,554	-	2,64,060	-
			Other Transaction (Reimbursement Received)	506	438	-	-
3	Participatie Maatschappij Graafschap Holland N.V	Joint Venturer		-	-	-	-
4	Shendra Advisory Services Private Limited	Joint Venturer		-	-	-	-
5	K G Krishnamoorthy Rao, Srinivasan Venugopalan and Manish Pahwa	Key Managerial Personnel (MD & CEO, CFO and Company Secretary)	Remuneration for the year	41,393	-	31,863	-
			Insurance Premium received	92	-	84	-
6	Future Generali India Life Insurance Co. Ltd.	Two of the joint venturers having joint control	Operating expenses	13,981	10,765	17,432	1,890
			Rent Deposits Received (Net)	2,051	-	140	-
			Settlement paid/ (received)	10,000	-	-	-
			Other transactions expense/(received)	(108)	-	254	-
			Insurance Premium Received	206	-	163	-
			Insurance Claims Paid	436	-	-	475
			Insurance Premium Paid	2,530	(94)	2,333	(102)
			Unallocated Premium	-	92	-	55

Summary of Financial Statements Upto the Year ended 31st Mar 2016

Annexure III to Schedule 16 - Notes to accounts and forming part of the financial statements for the year ended 31st March 2016
(Refer Note no. 29)

(₹ Lacs except per share data)

No.	Particulars	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12
	Operating Results					
1	Gross Written Premium	1,59,480	1,48,025	1,30,297	1,15,129	1,03,362
2	Net Earned Premium #	1,04,765	1,12,297	97,399	84,131	64,807
3	Income from Investments (net) @	14,419	12,956	9,502	7,357	4,767
4	Other Income	120	285	52	16	21
5	Total Income	1,19,304	1,25,538	1,06,952	91,504	69,595
6	Commissions (Net) (Including Brokerage)	1,187	1,836	1,788	1,652	(166)
7	Operating Expenses	39,794	34,729	28,373	25,427	23,599
8	Net Incurred Claim	87,890	83,428	68,293	59,254	40,973
9	Change in Unexpired Risk Reserve	(3,379)	4,384	8,507	10,221	12,674
10	Operating Profit/Loss	(6,188)	1,160	(8)	(5,050)	(7,485)
	Non Operating Results	-	-	-	-	-
11	Total income under Shareholder's Account	5,662	4,869	3,970	3,080	2,339
12	Profit/ (Loss) before Tax	(525)	6,029	3,962	(1,970)	(5,145)
13	Provision for Tax	-	-	-	-	-
14	Profit/ (Loss) after Tax	(525)	6,029	3,962	(1,970)	(5,145)
	Miscellaneous					
15	Policyholder's Account					
	Total Funds	1,46,701	1,41,144	1,05,920	88,737	60,602
	Total Investments	1,46,701	1,41,144	1,05,920	88,737	60,602
	Yield on Investments	10.14%	9.69%	9.25%	9.33%	9.09%
16	Shareholder's Account					
	Total Funds	44,758	45,640	39,477	35,498	27,941
	Total Investments	55,494	56,339	43,447	40,779	32,416
	Yield on Investments	10.14%	9.69%	9.25%	9.33%	9.09%
17	Paid up Equity Capital	71,000	71,000	71,000	71,000	52,000
18	Net Worth	44,758	45,640	39,477	35,498	27,941
19	Total Assets	2,41,440	2,21,546	1,81,010	1,61,593	1,39,054
20	Yield on Total Investments	10.14%	9.69%	9.25%	9.33%	9.09%
21	Earning Per Share	(0.07)	0.85	0.56	(0.36)	(1.03)
22	Book Value Per Share	6.30	5.56	5.56	5.00	5.37
23	Total Dividend	-	-	-	-	-
24	Dividend per share	-	-	-	-	-

Net of reinsurance

@ Net of Losses

Future Generali India Insurance Company Limited
IRDA Registration No 132. dated 4th September, 2007.

Receipts and payments for the year ended 31st Mar 2016

(₹' 000)

Sr. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
A.	Cash Flow from Operating Activities		
1	Premium received from Policyholders, including advance receipts	1,88,37,402	1,90,99,744
2	Other receipts	911	-
3	Payment to Reinsurers, net of commissions and claims	(9,73,487)	(5,51,164)
4	Payment to Coinsurers, net of claims recovery	(1,13,097)	(10,27,857)
5	Payment of Claims	(1,26,33,847)	(83,74,109)
6	Payment of Commission and Brokerage	(6,73,289)	(6,04,548)
7	Payment of other Operating Expenses	(39,76,696)	(32,62,584)
8	Preliminary and pre-operative expenses	-	-
9	Deposits, Advances and staff loans	(11,193)	(11,504)
10	Income tax paid (Net)	(5,50,051)	(6,67,151)
11	Service Tax Paid	(13,33,507)	(11,85,454)
12	Other payments	-	-
13	Cash Flow before Extraordinary items	(14,26,854)	34,15,373
14	Cash Flow from Extraordinary operations	-	-
15	Net Cash Flow From Operating Activities	(14,26,854)	34,15,373
B.	Cash Flow from Investment Activities		
1	Purchase of Fixed Assets	(1,19,878)	(37,567)
2	Proceeds from Sale of Fixed Assets	452	1,432
3	Purchase of Investments	(1,38,80,076)	(1,79,10,934)
4	Loans disbursed	-	-
5	Sale of Investments	1,40,13,405	1,34,79,594
6	Repayments received	-	-
7	Rent/Interests/Dividends Received	16,53,600	14,04,928
8	Investment in money market instruments and in liquid mutual fund (Net)*	(87,464)	(2,62,047)
9	Expenses related to investments	(3,395)	(2,985)
10	Net Cash Flow from Investment Activities	15,76,643	(33,27,580)
C.	Cash Flow from Financing Activities		
1	Proceeds from Issuance of Share Capital	-	-
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
5	Net Cash Flow from Financing Activities	-	-
D.	Effect of foreign exchange rates on cash and cash equivalents, net	-	-
E.	Net Increase/(Decrease) in Cash and Cash Equivalents during the year	1,49,789	87,793
1	Cash and Cash Equivalent at the beginning of the year	4,70,720	3,82,928
2	Cash and Cash Equivalent at the end of the year	6,20,510	4,70,720

*Investment in mutual fund where these are used as parking vehicles pending investment are to be indicated (net).

The form referred to above forms an integral part of Financial Statements.

For and on behalf of
M. M. Nissim & Co.
Chartered Accountants
FRN 107122W

For and on behalf of
Chhajed & Doshi
Chartered Accountants
FRN 101794W

For and on behalf of the Board of Directors

G N Bajpai
Chairman

K K Rathi
Director

KG Krishnamoorthy Rao
Managing Director & CEO

Sanjay Khemani
Partner
Membership No. 044577

Nitesh Jain
Partner
Membership No. 136169

Srinivasan Venugopalan
Chief Financial Officer

Manish Pahwa
Company Secretary

Place : Mumbai
Dated : 05/05/2016

Annexure III to schedule 16 Notes to Accounts (refer note no29) and forming part of Financial Statements
for the year ended March 31st 2016

Ratios for the year ended March 31st 2016

Sr. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
1	Gross Direct Premium Growth Rate	8%	14%
	Fire	22%	13%
	Marine	6%	13%
	Accident	13%	-12%
	Health	6%	10%
	Engineering	-2%	0%
	Aviation	273%	NA
	Liability	-5%	13%
	Motor (OD)	10%	17%
	Motor (TP)	18%	17%
	Motor (Total)	12%	17%
	Workmen Compensation	10%	10%
	Others	-20%	16%
	Miscellaneous (Total)	7%	14%
2	Gross Direct Premium to Net Worth	3.47	3.15
3	Growth rate of Net Worth	-2%	16%
4	Net Retention Ratio	66%	76%
	Fire	25%	24%
	Marine	81%	71%
	Accident	87%	84%
	Health	70%	68%
	Engineering	41%	33%
	Aviation	21%	5%
	Liability	49%	44%
	Motor (OD)	65%	95%
	Motor (TP)	95%	95%
	Motor (Total)	74%	95%
	Workmen Compensation	95%	91%
	Others	45%	47%
	Miscellaneous (Total)	71%	83%
5	Net Commission Ratio	1%	2%
	Fire	-7%	-14%
	Marine	13%	13%
	Accident	10%	10%
	Health	1%	-2%
	Engineering	-10%	-22%
	Aviation	-13%	-100%
	Liability	20%	20%
	Motor (OD)	2%	5%
	Motor (TP)	0%	-1%
	Motor (Total)	1%	3%
	Workmen Compensation	8%	8%
	Others	-8%	-11%
	Miscellaneous (Total)	1%	2%
6	Expense of Management to Gross Direct Premium	31%	29%
7	Expense of Management to Net Written Premium	46%	37%
8	Net Incurred Claims to Net Earned Premium	81%	77%
9	Combined Ratio	120%	110%

Sr. No.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
10	Technical Reserves to Net Premium Ratio	1.54	1.34
11	Underwriting Balance Ratio	(0.19)	(0.11)
12	Operating Profit Ratio	-6%	1%
13	Liquid Assets to Liabilities Ratio	0.10	0.10
14	Net Earning Ratio	0%	5%
15	Return on Net Worth Ratio	-1%	13%
16	Available Solvency argin Ratio to Required Solvency Margin Ratio	1.54	1.66
17	NPA Ratio		
	Gross NPA Ratio	NA	NA
	Net NPA Ratio	NA	NA
Equity Holding Pattern			
1	(a) No. of shares	71,00,00,000	71,00,00,000
2	(b) Percentage of shareholding (Indian / Foreign)	74.5% ; 25.5%	74.5% ; 25.5%
3	(c) %of Government holding (in case of public sector insurance companies)	NA	NA
4	(a) Basic and diluted EPS before extraordinary items (net of tax expense) for the period (not to be annualized)	-0.07	0.85
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the period (not to be annualized)	-0.07	0.85
6	(iv) Book value per share (₹)	6.30	6.43

The ratios have been calculated as per the IRDAI circular no IRDA/F&I/CIR/F&A/231/10/2012,dated Oct 5th 2012& IRDA/F&A/CIR FA/126/07/2013, dated July 3rd 2013

Glossary of key insurance terms

Accident

An event or occurrence which is unforeseen and unintended.

Accident insurance

Insurance cover of the loss of any limbs or eyes, etc. in the event of an accident. It also generally covers compensation to the policyholder's dependents in the event of death.

Act of God

Event caused by nature that is so unpredictable as to be unavoidable, for example, the timing and location of earthquakes or floods. Acts of God are normally insured against as a matter of course.

Actuary

A person professionally trained in the technical aspects of pensions, insurance and related fields. The actuary estimates how much money must be contributed to an insurance pension fund in order to provide future funds.

Actual total loss

Insured item that has been lost or completely destroyed. The full insured value is payable by the insurer.

Additional insured

An assured party specifically named under an insurance policy that is not automatically included as an insured under the policy of another, but whom the named insured's policy provides a certain degree of protection. (e.g. bankers or financial institutions)

Agent

An insurance company representative licensed by the IRDA negotiates or effects contracts of insurance, and provides service to the policyholder for the insurer.

Arbitration

A form of alternative dispute resolution where an unbiased person or panel renders an opinion as to responsibility for or extent of a loss.

Assurance

Insurance that provides for an event that will certainly happen (such as death), as opposed to an event that may happen. There are many types of assurance policies such as endowment assurance, life assurance, and so on.

Assured

Person who receives the proceeds of an assurance policy when the policy matures or the person assured dies.

Bancassurance

Involvement of banks in the traditional insurance market.

Blanket insurance

A policy designed to provide coverage under a single limit for two or more items (e.g. building and/or contents), two or more locations, or a combination of items and/or locations.

Broker

A marketing specialist who represents buyers of insurance and who deals with companies in arranging for the coverage required by the customer. He should be a license holder, issued by IRDAI.

Caveat emptor

Latin for 'buyer beware'. In legal terms this maxim means that a buyer of goods should use his or her own common sense, and that the law is not prepared to aid someone who buys goods foolishly.

Cession

Amount of the insurance ceded to a reinsurer by the original insuring company in a reinsurance

operation.

Claim

Request for payment to an insurance company in respect of loss or damage covered by an insurance policy, usually submitted by filling in a claim form.

Contractual liability

Legal Liability of another party that the business firm agrees to assume by a written or oral contract. It is common in construction and other agreements (written and oral) for one party to assume the liability of another.

Depreciation

A decrease in the value of property over a period of time due to wear and tear or adolescence. Depreciation is used to determine the actual cash value of property at time of loss.

Earned premium

For an insurance policy, the part of the premium that relates to an expired period of cover.

Expense ratio

The ratio of a company's operating expenses including acquisition costs to premiums written or earned.

Fiduciary

A person who holds something in trust for another.

Gross written premium

Gross direct premium plus reinsurance accepted

Group insurance

Insurance written on a number of people under a single master policy, issued to their employer or to an association with which they are affiliated.

Incurred losses

Expense account in an insurance company's income statement reflecting the claims paid during the policy year plus the loss reserves as of the end of the policy year, minus the corresponding reserves as of the beginning of the policy year.

Indemnity

Legal principle that specifies an insured should not collect more than the actual cash value of a loss but should be restored to approximately the same financial position that existed before the loss.

Insurance

Contract under which the insurer agrees to provide compensation to the insured in the event of a specified occurrence, for example, loss of or damage to property. In return, the insured pays the insurer a premium, usually at fixed intervals. The premium varies according to the insurer's estimate of the probability that the event insured against will actually take place (a calculation carried out by an actuary).

Insured

Person or company that holds an insurance policy (a contract with an insurance company); a policyholder.

Insurer

Insurance company or other person or company that agrees to indemnify someone against particular risks, usually as defined in an insurance policy and for an insurance premium.

Lapsed policy

A policy terminated for non-payment of premiums.

Liabilities

Portion of an insurer's balance sheet which denotes legal obligations of the company, including anticipated future payments of losses covered under policies issued.

Lien

The right to possession of property until such time that an outstanding liability has been repaid.

Loss ratio

In insurance, the value of all claims expressed as a percentage of total premium for a period. The figure is used as a guide to the profitability of the business when considering rates.

Net written premium

Gross written premium less reinsurance ceded

Policy

The legal document issued by an insurance company to a policyholder, which outlines the conditions and terms of the insurance, also called the policy contract or the contract.

Policyholder

A person who pays a premium to an insurance company in exchange for the insurance protection provided by a policy of insurance.

Premium

The sum paid by a policyholder to keep an insurance policy in force.

Risk control

In insurance, measures adopted to minimize the effect of an insurable risk, either before or after a loss occurs.

Reinsurance

Transfer of an insurance (or part of the risk covered) from one insurance company to another for a premium, not necessarily with the knowledge of the policyholder.

Renewal

Continuance of coverage under a policy beyond its original term by the insurer's acceptance of the premium for a new policy term.

Retention

The net amount of risk retained by an insurance company for its account or that of specified others, and not reinsured.

Risk

The chance of loss.

Sum insured

Limit of an insurance company's liability under a particular insurance policy.

Solvency margin

It indicates how solvent a company is or how prepared it is to meet unforeseen exigencies. It is the extra capital that an insurance company is required to hold. As per the IRDA (Assets, Liabilities, and Solvency Margin of Insurers) Rules 2000, both life and general insurance companies need to maintain solvency margins of 150% at all times

Surveyor

Person whose job is to examine buildings, etc. and report on their condition, often employed by an insurance company (for buildings insurance) or a mortgage provider.

Third party liability

Liability arising to a party, who is not party to the contract i.e. other than the insured or the insurer. This party/person is called the third party and the liability to him/her arising under law or contract is called third party liability.

Underwriting

Process of assessing proposals/risks for insurance.

Future Generali India Insurance Company Ltd.

(IRDAI Regn. No. 132) (CIN: U66030MH2006PLC165287)

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Elphinstone, Mumbai – 400013.

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Web: <https://general.futuregenerali.in/>

Insurance is the subject matter of solicitation.



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TOTAL INSURANCE SOLUTIONS