

Efficient services. Enduring trust!

Future Generali India Insurance Company Limited
Annual Report FY 2016-17



general.futuregenerali.in



BOARD OF DIRECTORS

G.N. Bajpai - Chairman
Non-Executive Director

Kishor Biyani
Non-Executive Director

Vijay Biyani
Non-Executive Director

Krishan Kanth Rathi
Non-Executive Director

John Inniss Howell¹
Non-Executive Director

Hayden Seach
Non-Executive Director

Jennifer Sparks
Non-Executive Director

Bhavna Doshi
Independent Director

Devi Singh
Independent Director

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

¹ Resigned with effect from August 31, 2016

KEY PERSONS

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

Easwara Narayanan
Chief Operating Officer

Srinivasan Venugopalan¹
Chief Financial Officer

Neel Chheda²
Appointed Actuary

Ashwani Kumar Arora³
Head Actuarial

Deepak Prasad
SVP - Corporate Sales

Raghavendra Rao
Head - Retail Sales

Ritu Sethi⁴
Head - Internal Audit

Anurag Sinha
SVP - Bancassurance

Ajay Panchal
Chief Risk Officer

Manish Pahwa⁵
*Company Secretary and
Principal Compliance Officer*

Krishnan Gopalakrishnan⁶
*Company Secretary and
Principal Compliance Officer*

Milan P. Shirodkar
Chief Investment Officer

¹ Resigned with effect from March 14, 2017

² Resigned with effect from December 14, 2016

³ Appointed with effect from February 21, 2017

⁴ Appointed with effect from July 1, 2016

⁵ Resigned with effect from December 31, 2016

⁶ Appointed as a member on February 21, 2017

AUDIT COMMITTEE

Bhavna Doshi - Chairperson

G. N. Bajpai

Devi Singh

INVESTMENT COMMITTEE

G N Bajpai - Chairman

Krishan Kant Rathi

John Inniss Howell¹

K.G. Krishnamoorthy Rao

Srinivasan Venugopalan²

Ajay Panchal

Neel Chheda³

Milan P. Shirodkar

¹ Resigned with effect from August 31, 2016

² Resigned with effect from March 14, 2017

³ Resigned with effect from December 14, 2016

POLICYHOLDERS PROTECTION COMMITTEE

G N Bajpai - Chairman

John Inniss Howell¹

Krishan Kant Rathi

Hayden Seach

¹ Resigned with effect from August 31, 2016

RISK MANAGEMENT COMMITTEE

G N Bajpai - Chairman

John Inniss Howell¹

Krishan Kant Rathi

Hayden Seach

¹ Resigned with effect from August 31, 2016

ETHICS AND COMPLIANCE COMMITTEE

G N Bajpai - Chairman

John Inniss Howell¹

Krishan Kant Rathi

Hayden Seach

¹ Resigned with effect from August 31, 2016

NOMINATION AND REMUNERATION COMMITTEE

Bhavna Doshi - Chairperson

G. N. Bajpai

Devi Singh

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Devi Singh - Chairman

Krishan Kant Rathi

John Inniss Howell¹

Hayden Seach

¹ Resigned with effect from August 31, 2016

BANKING AFFAIRS COMMITTEE

Krishan Kant Rathi - Chairman

John Inniss Howell¹

K.G. Krishnamoorthy Rao

¹ Resigned with effect from August 31, 2016

SHARE TRANSFER AND ALLOTMENT COMMITTEE

G N Bajpai - Chairman

K.G. Krishnamoorthy Rao

Krishan Kant Rathi

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

Telephone: 022 – 4097 6666

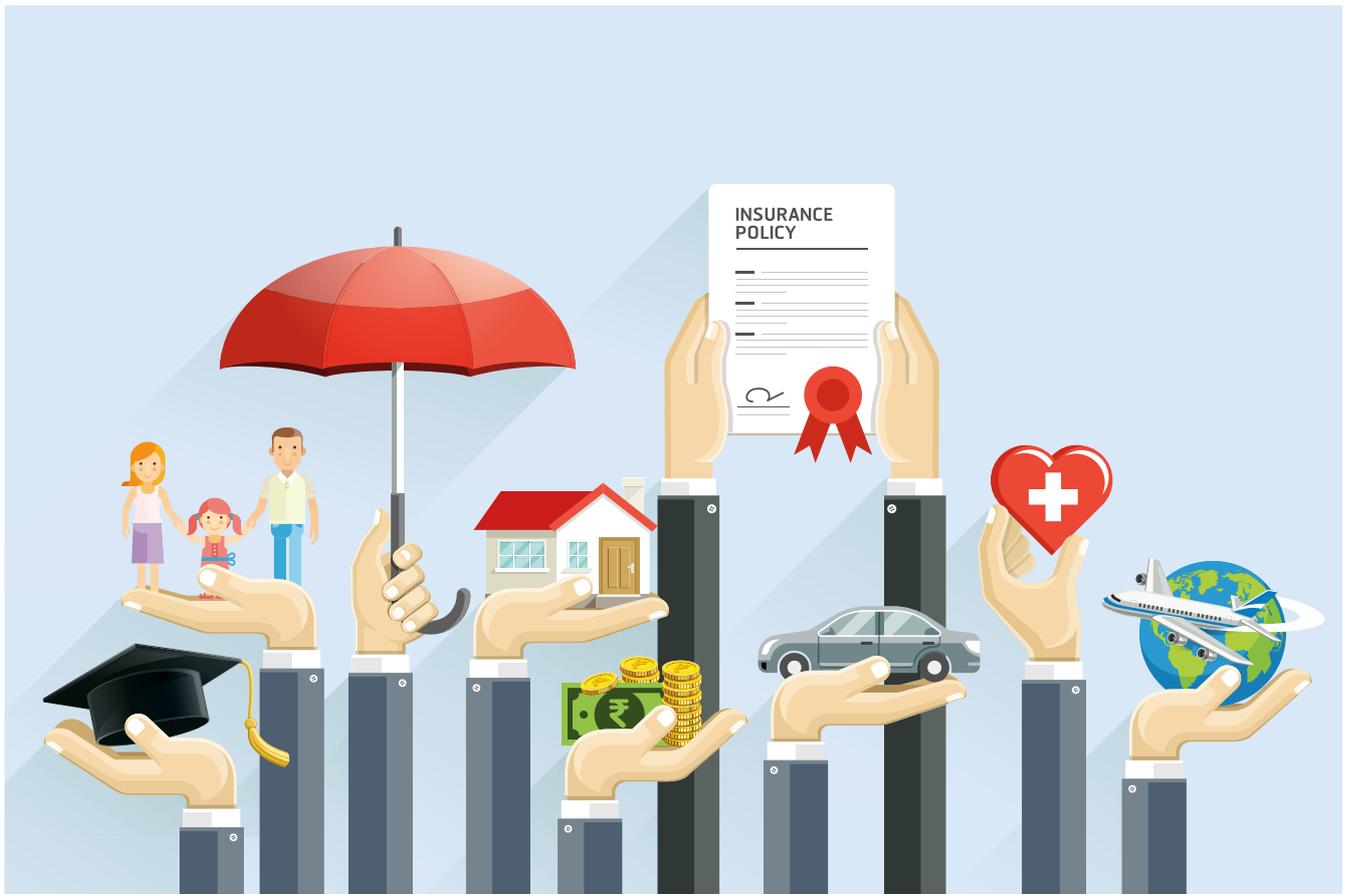
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The Indian insurance industry is an interesting paradox. While insurance penetration and density as a percentage of GDP are minuscule, the competitive intensity is significant marked by the presence of a large number of players.

Within this space, at Future Generali India Insurance Company Limited, we focus on differentiation by leveraging our rich expertise in promoting insurance literacy and empowering the customer with efficient service including, among other things, an industry-leading claims settlement time-frame.

The sum of these proactive initiatives has enabled us to earn customer trust – a true measure of an insurance company’s success – reflected in quality repeat business on one hand and respectable organic account acquisitions on the other.

Future Generali India Insurance Company Limited.

Among the country's most respected non-life insurance brands.

Having disbursed 1.37 million policies in 2016-17, a 7% growth over the previous financial year.



Parentage

Future Generali India is a joint venture between the Future Group – pioneers and game-changers of organised retail in India – and Generali, a 186-year-old global insurance Group.

Niche

Future Generali India commenced business in September 2007 with the objective of catering to a country on the threshold of growth, considering a large population and insignificant insurance penetration. Today, the Company benefits from the Indian expertise and network of the Future Group and rich global insurance insights across diverse product classes of the Generali Group.

Expertise

Future Generali India provides comprehensive solutions to customers and enterprises through retail, commercial, personal and rural insurance product offerings. On the retail side, the Company reaches out to customers through more than 6,100 advisors and 'FG Direct' channels pan-India, providing cutting-edge institutional insurance solutions to over 2,200 corporate clients.

Competitive edge

Future Generali India's competitive edge is derived from an extensive range of non-life insurance products, strong network, quick policy issuance with uncomplicated documentation as well as sensitive and swift claims service, making it a preferred, customer-facing brand.



Our products portfolio **Personal**

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



Commercial

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



Social/rural

- Farmers’ package • Cattle and livestock • Janata personal accident

What sets Future Generali India apart

Proven performance

- Over 12,60,000 customers
- Settlement of over 1,80,000 claims every year
- Presence in 120+ locations pan-India
- Around 2,000+ active corporate clients
- Over 6,000 agents across the country

Customer-centric

- In-house claims evaluation expertise paired with strong technology leverage provides fast and easy claims settlement
- Around 4,200 cashless hospitals (for health insurance) and over 900 cashless garages (for motor)
- Committed to providing value-added features like Future Xpress and Future Xpress+ (quicker claims settlement services)
- ISO 9001:2008-certified for quality excellence and ISO/IEC 27001:2013-compliant, reflecting robust information security management systems

Strong foundation

- A joint venture between Future Group, India’s largest retailer, Generali Group, one of the largest insurance organisations in the world
- Capital infusion of ₹810 crore by the principals since commencement, reflecting strong capital commitment
- Assets under management of ₹2,484 crore as on March 31, 2017
- Robust knowledge and expertise in actuary, underwriting, claims evaluation and customer service

Comprehensive product portfolio

- Wide-ranging insurance solutions across personal, commercial, social and rural insurance
- Growing presence in niche segments like events, jewellery and film insurance
- Products represent the amalgam between price and innovation, enabling servicing of a large and diversified customer base

Key institutional growth partners

Corporate customers

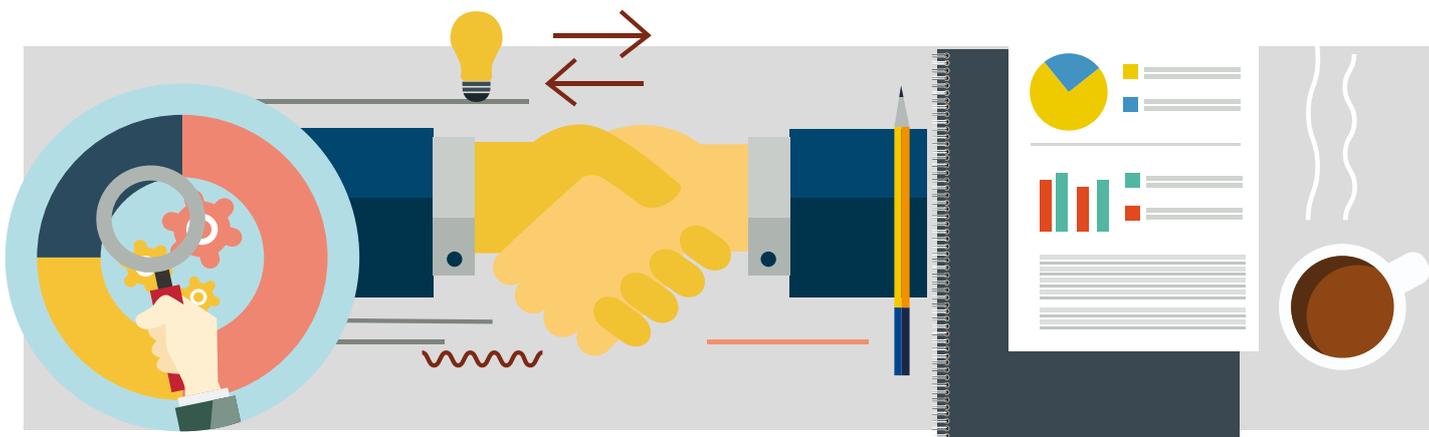
General Motors, Bharat Petroleum, Bajaj Energy, Schlumberger, Fab India, L&T, Ricoh, JSW Steel, DuPont, Mitsubishi, Renault, Firefox, Yo Bikes, Hyundai, Fiat and Nissan

Reinsurance partners

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

Bancassurance partners

Lakshmi Vilas Bank, PMC Bank, Baroda UP Gramin Bank, Sarva U.P. Gramin Bank, Bank of Maharashtra and UCO Bank



Business-wise GWP breakup, 2015-16

59%
Motor

12%
Fire

1%
Liability

4%
Marine

2%
Engineering

13%
A&H

9%
Miscellaneous



Business-wise GWP breakup, 2016-17

49%
Motor

12%
Fire

1%
Liability

3%
Marine

2%
Engineering

14%
A&H

19%
Miscellaneous



Core financial highlights, 2016-17


128
Branches


1,702
Employees


6,000
Agents



Key financial performance indicators, 2016-17

₹1,843 crore

Gross written premium (GWP)
Up 16% over 2015-16

0.14 crore

Number of policies issued
Up 7% over 2015-16

0.18 crore

Number of transactions managed
Up 7% over 2015-16

₹1,031 crore

Claims paid

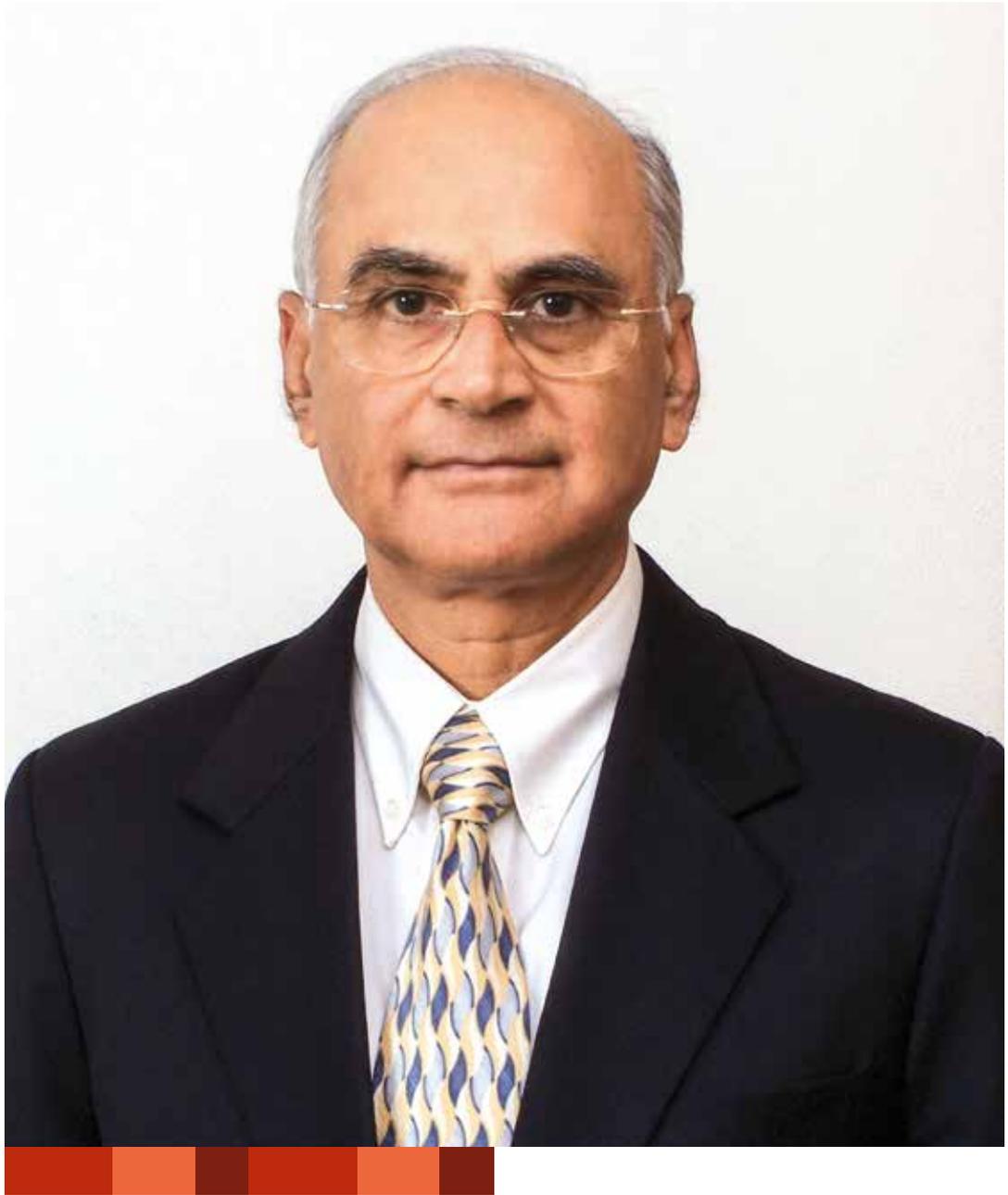
92.5%

Transactions managed and policies issued within TAT
Up 1.6% over 2015-16


12 Lakhs
Active customers


114
Products


0.14
Policies sold (crore)



Message from the Chairman

Dear Valued Shareholders,

I am pleased to share that your Company, Future Generali India Insurance Company Limited (FGIICL), reported a favourable 2016-17 and is on course to become one of the prominent general insurance players of the country. The success of your Company can be broadly attributed to respectable growth in revenues, expanded margins, calibrated vertical focus, improved service quality and disciplined underwriting.

Performance

The Company achieved a Gross Written Premium of ₹18,420 million and reported a net profit of ₹428 million.

Overall growth in premium collected stood at 16% and disciplined underwriting helped the Company overcome the negative result of the previous year. Our strategy to meet the challenges of ever-increasing competition in pricing was a well-researched selection of business as granular a level as possible. This entailed an informed call to move out of certain segments of the business in some geographies. The Company undertook this exercise as a project across the country.

Since the premium rates for major lines of business like motor, fire and marine cargo insurance continue to be under pressure, it was essential for the Company to grow profitably through judicious selection of risks in this challenging environment. I am happy to inform you that the second half of the financial year showed a declining trend in the loss ratios and helped the Company report month-on-month report.

Another initiative that we continue to work on is improving customer experience by reinforcing our underwriting discipline. This represents a win-win proposition for the entire ecosystem, enabling us to build a quality book on the one hand and ensuring timely customer claims settlement on the other. Importantly, years of experience and insights have allowed us to keep a watchful eye on the selection of risks; what might be a tempting business to underwrite today could wipe out profitability tomorrow in the event of a claim. We are leveraging a number of statistical and projection tools to understand risk probabilities and outcomes and this increasing proclivity towards a more scientific and accurate underwriting discipline has helped us create a book that is less vulnerable to external risks. Our rich insights into insurance, our ability to leverage technology and the unique skills and knowledge of our people are all elements that will continue helping us deliver sustainable growth, into the future.

The Company opted for a cautious approach towards crop insurance, which was a substantial growth contributor for the general insurance industry in the financial year. With clusters being made the unit of insurance, insurers face a new set of challenges. While district, as the unit of insurance, was a smaller exposure affording spread across States, it did not pose a great challenge in terms of capital deployment. The new dispensation introduces the challenge of a smart selection of exposure within the capital allocated since a cluster comprising a collection of districts adds the dual dimensions of concentration and enhanced exposure levels. Prudent underwriting helped us build a profitable portfolio.

Being at the confluence of a massive insurance under-penetration on the one hand and a growing recognition of insurance as a potent risk mitigation tool on the other, the Indian insurance market presents a huge business opportunity waiting to be harnessed. Rising financial literacy along with a rise in per capita incomes as well as government initiatives like the 'Pradhan Mantri Jan-Dhan Yojana' for enhancing financial inclusion are likely to drive sustainable growth of the Indian insurance industry.

At Future Generali India Insurance, we have chosen to embrace the rapid technological changes underway as opposed to resisting

them. In fact, we believe that leveraging technology and improving the quality of services is a more appropriate and resilient response to the ever-competitive market than succumbing to the pressures. Our Agents Virtual Office is a platform for policy issuance and other services that we have provided to our agents or through our agents. Apart from improving the turnaround time and quality of documentation and servicing, which benefit agents and customers, this helps provide our channel partners with a sense of empowerment resulting in enhanced levels of loyalty. Yet another technological intervention launched is in the realm of motor claims. Our i-MoSS software installed in mobile tabs has automated a significant part of loss assessment, improving the quality and speed of assessment. Technology has emerged as a tailwind to drive efficiency across our operations while enabling us to provide a more seamless customer experience across all touch points.

An emphasis on service as a business differentiator

The Indian insurance industry is highly competitive with a large number of players vying for the same share of the pie. To win in this market, industry constituents need to have a long-term orientation to business. Since price is hardly a determinant for customer acquisition, the only way to win mandates is through service differentiation. Besides, since premiums are typically market-determined and also influenced by regulations, the one lever in hand to persuade customers is superior service.

At Future Generali India Insurance, we emphasise service; this emphasis is measurable as the component of 'service' is an integral constituent of our unique Net Promoter Score (NPS). The NPS tells us how customer-facing and customer-oriented we have been as an enterprise because it aggregates feedback directly from the original source – customers. I am happy with our NPS of 26 at the end of March 2017. We have already charted out a pathway to become more service-driven through key identifiable areas that include technology leverage, sharpening our resource skills, building infrastructure to reach to customers in as short a timeframe as possible and, most importantly, being open to feedback.

I congratulate the management team of the Company which measured up to the challenge in bringing profitability back to the business while looking for growth avenues. The team has been able to position your Company as a prominent player in the retail and corporate segments of the general insurance business.

As a Company, we also learn from our principals Future Group and Generali, who have established large and thriving businesses in India and around the world; we are fortunate to have them guide us in a challenging and competitive environment.

In closing, I must thank the regulator, our Board for their guidance, our employees for their commitment, our partners for their faith and our customers for their business.

We will do everything possible to build a sustainable and profitable business.

With my best wishes,

G.N. Bajpai
Chairman

Business review

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



The financial year 2016-17 has been exciting and at the same time challenging for us as during this year we needed to take some critical steps to swing back to profit and improve profitability. This was made possible by our concentrated efforts in creating the right portfolio mix and optimising geographic presence, helping us mitigate systemic risks and protecting our book from sudden large claims.

Our Net Promoter Score of 6 in February 2016 scaled to 26 by end of March, 2017.

Differentiating ourselves through efficient customer service

As a business, insurance is becoming increasingly specialised, especially with its growing recognition as a tool to overcome risk. Therefore, the mindset towards insurance is emerging as one where customers are becoming proactive in their risk assessment and are looking at solutions that are best-fit and customised.

At Future Generali India, customer service excellence lies at the heart of our operations. At our Company, we are increasingly promoting the concept of an experience – right from the time a customer purchases our policy till the point of claims appraisal and disbursement. Controlling this link with our best possible efforts has had a strong positive outcome in the sense that word-of-mouth brand awareness has probably been our strongest marketing campaign.

Documentation is considered to be a grey area in the financial services industry and it is this challenge that we

have sought to convert into an opportunity by minimising document verbosity. At our Company, we like to keep our policy documentation simple and straightforward so that the customer is largely aware of the contours of the transaction. We also leverage technology to ensure that claims appraisal is completed on time, which has led to us possessing one of the lowest claims settlement turnaround times in the industry.

Enhancing customer accessibility through an omni-channel distribution architecture

At our Company, we possess a relatively well-balanced distribution network that focuses on reaching out to corporate/institutions as well as retail customers. We also possess strong multi-year agency tie-ups and we have leveraged technology with this ecosystem to digitalise our interface with them. This has resulted in a near real-time sharing of information, resulting in quicker decision-making that has enhanced customer service.

We also possess robust bancassurance through tie-ups with multiple rural, cooperative and commercial banks. Our thrust on this distribution architecture, leveraging the bank's customer database, was evident in 2016-17 when we tied up with as many as 18 banks, which is our highest single-year addition. Bancassurance, which optimises our customer acquisition costs, strengthens our ability to serve the customer better and enhances brand visibility, will continue to remain a focus area.

We are increasingly assessing digital means as a means to reach out to a wider target audience at relatively low costs with good prospects of direct engagement, opening up our ability to influence their decision-making process.

The year 2016-17

For our health insurance portfolio, we focused on sales capacity building through increasing agency tie-ups. This was aligned with our intent to increase retail health insurance sales in which we enjoy a stronger pricing power vis-à-vis corporate health insurance sales.

Aligned with our focus on the retail health portfolio, we emphasised 'Health Total', a comprehensive health insurance cover for individuals and families, which received good market response. We also launched an exclusive online travel product in line with the market, moving towards purchasing policies from the comforts of their homes or offices. This product also received a strong response, representing a competitive proposition with the cost of customer acquisition being relatively low compared with other channels.

Under our corporate health insurance basket, we engaged in greater market segmentation with a special emphasis on M/SME customers. We also focused on government mass insurance schemes, marked by its success in Karnataka.

For our motor portfolio, the largest chunk of our book, we protected our profitability through cautious underwriting and selective geographic diversification. We engaged in comprehensive portfolio analysis to gather insights that would reinforce our insurance writing and actuary practice. Going into the future, we believe that regulations-driven increased policy pricing will help restore discipline while an overhaul and stricter implementation of the new Motor Vehicles Act will discourage traffic violations.

Our culture

Though we are a relatively young enterprise, we bring decades of experience that our principals possess in insurance and retail.

Agents Virtual Office, an online policy issuance platform that empowers our agents, made a modest beginning with issuing 20,000 policies within first year of launch!

Since insurance is a services-led business, customer expectations management is of paramount importance, especially since insurance is a pledge to stand by customers in their times of need. It is in this context that I am most proud of our Company's unique culture. The values that are instilled in this Company by our principals, and the fact that our colleagues live by these every day, represent the spirit of insurance.

Truly, our culture becomes a key differentiator when recruiting experienced professional talent, while retaining our valued clients and when winning new mandates.

In closing

The various initiatives taken by the Government of India to promote the economy is enhancing GDP growth; the general insurance industry will immensely benefit from a growing economy. At Future Generali India, we see attractive growth opportunities unfolding ahead and I am confident that our prospects are bright. The Indian insurance industry is expanding rapidly and businesses are dependent on insurance to keep the flow of goods and services moving and employers are looking for solutions to attract, retain and engage their ever-changing workforce. Concurrently, the pool of insurable risks is growing, becoming more complicated and more interconnected. The advice and solutions that our brokers, consultants and claims professionals offer to their clients will continue to increase in value, thereby driving future growth.

Our growing team is well-positioned to help our clients navigate, manage and mitigate their risks. We enjoy an innovative, engaging and client-centric culture with a focus on providing superior advice, customised solutions and the most relevant products and solutions to our clients. Working as a unified global team, I am confident that we have the right platforms, the right people and the right strategy to successfully grow this business sustainably with a focus on the quality of the book that will de facto contribute to profitable growth.

I would like to thank IRDAI, RBI, RoC, our Shareholders, the Board and Chairman for all the support given to the management to run the business.

I would also like to thank my colleagues for their commitment and hard work. Even though we have covered much ground, it appears that we are just getting started! Let us seize the opportunities to project a better and brighter outlook in the coming year.

Best wishes,

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

“You did great for us. Thank you. We will never forget you.”

“The day I lost my car, I was devastated. To add insult to my loss, there were numerous court hearings and fruitless visits to the police station.

In this trying period, it was the reassuring support of an executive from Future Generali that was my only hope for some relief. It was only through his efforts that we not only managed to have the case reopened but, most importantly, got the complete insurance amount that we were entitled to.”

At Future Generali India, insurance is not about policies. It is about recognising the people behind them. Hence, we consider it our business to leverage our insurance expertise to provide efficient customer service, earning their loyalty and, eventually, more business.

By simplifying processes, we enhanced employee engagement and customer satisfaction. As an outcome, more customers are willing to recommend us today.

In 2016-17, we paid ₹10,306 million in claims to our customers across India, standing strongly by them during their time of need.

1,031

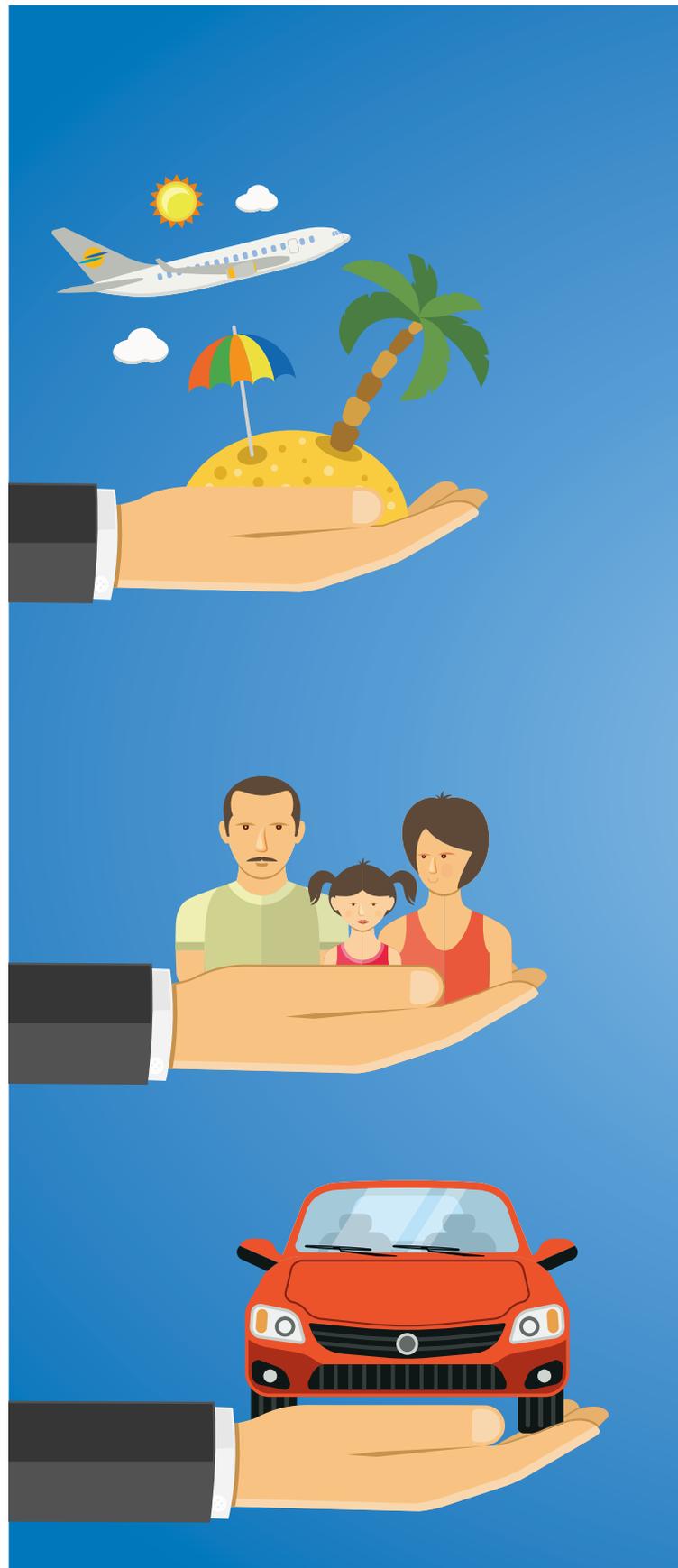
Claims disbursed, 2016-17 (₹crore)

36

Average claims disbursement timeframe, 2016-17 (days)

5

Distribution channels through which customers can reach us (direct, online, agency, bancassurance and brokerages)

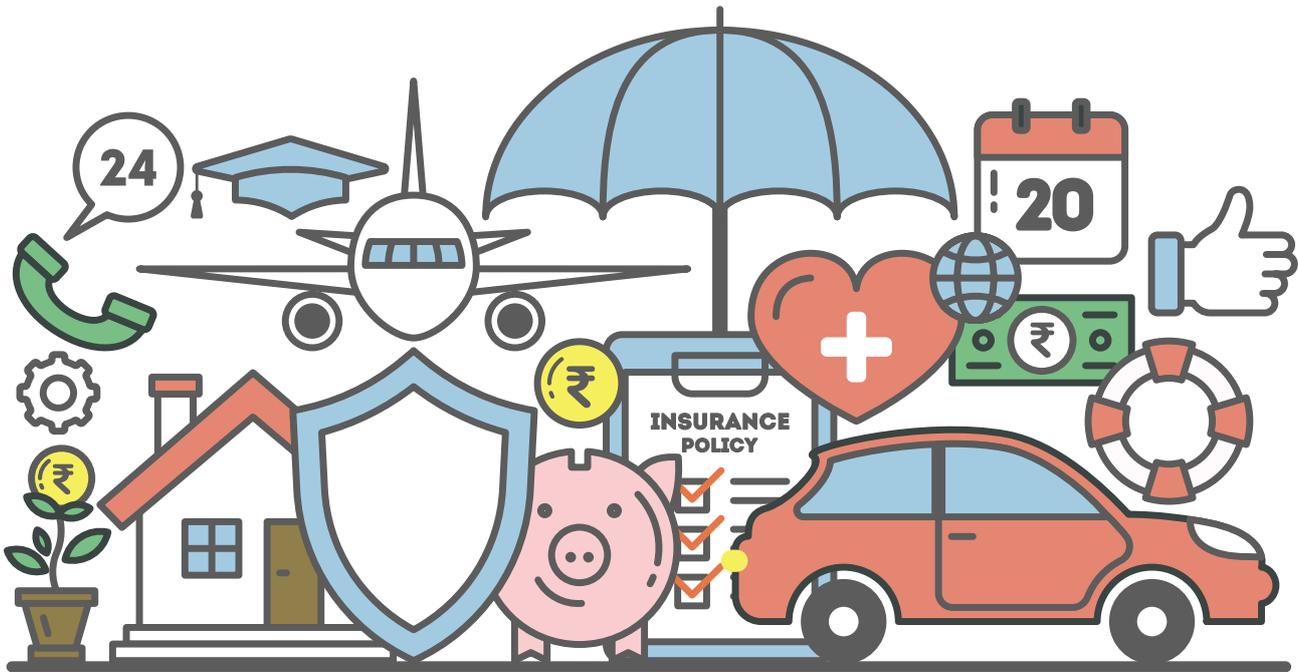




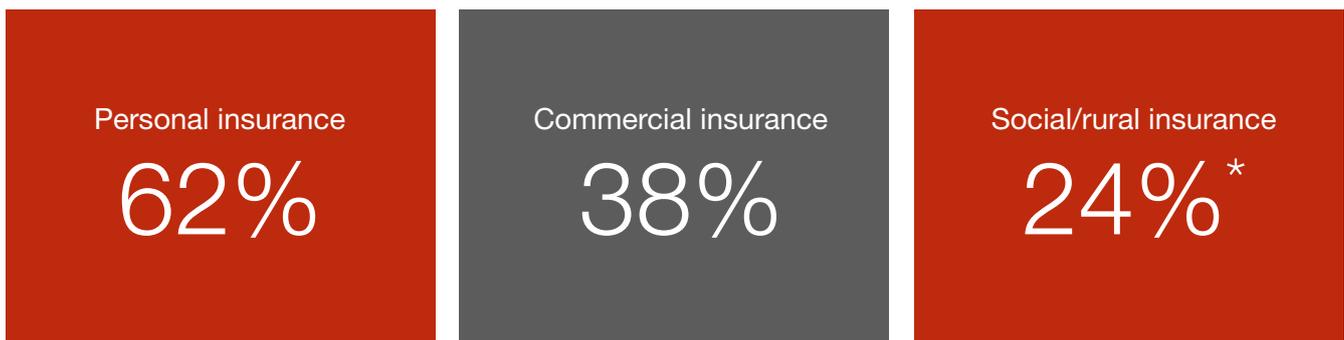
Business segment review

Future Generali India's business is organised around personal insurance (covering motor, health, travel, home and lifestyle insurance), commercial insurance (property, engineering, liability, marine, employee benefits and events insurance) and social/rural insurance.

Since health and motor insurance constitute the largest part of our business, these segments have been covered for reporting in detail.



Business segment contribution to GWP (%), 2015-16



* Social/rural is also included in personal insurance or commercial insurance

Health insurance

- GWP, 2016-17: ₹204 crore
- GWP growth over 2015-16: 33%
- Contribution to overall GWP, 2016-17: 11%
- Products (March 31, 2017): 20
- Claims settled, 2016-17: ₹151 crore

Portfolio

- Health Total (comprehensive health insurance product)
- Future Health Suraksha (individual and 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 (Worldwide, Schengen & Asia)
- Future Travel Suraksha Select
- Future Easy Travel (Worldwide & Schengen)
- Future Student Suraksha

Overview

The success of Future Generali India's health insurance business is anchored around trust, credibility and strong customer service.

Within the health insurance portfolio, the Company offers a range of products suitable for retail customers and corporates of all sizes and profiles. One of the key differentiators of this unit is efficient customer service, reflected in a claim settlement timeframe of just seven days. The division's ability to provide best-in-class service,

transact and monitor the business effectively has resulted in the overall portfolio performing better than the industry average.

The Company's robust product and segment mix under health insurance (Health/PA/travel) are reflected in its loss ratios at 78.93% for the financial year.

Having gained strong business insights, the Company's focus comprises aligning the product portfolio in the retail health and personal accident space with dynamic customer needs. At this division, the Company also focuses on increasing the proportion of the retail business in the overall mix, making it less susceptible to pricing pressures, enabling it to directly grow brand equity while diversifying the health insurance book.

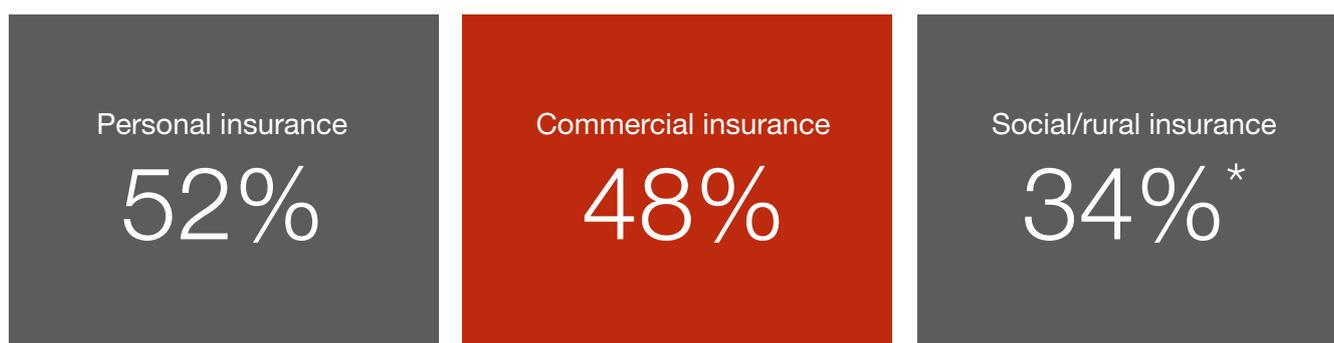
Core strengths

- In-house end-to-end solutions, providing customers with a seamless and high-quality health insurance experience
- Wide network of hospitals/medical centres under coverage
- High customer convenience in offering cashless services
- Quicker claims disbursement
- Facility for online purchases (especially for meeting last-minute needs, including foreign travel)
- Wide products bouquet that can be tailor-made to suit diverse requirements
- Large and reputed corporate clientele with an emphasis on meeting their dynamic requirements

Retail health business segment highlights, 2016-17

- Good traction recorded for 'Health Total', a comprehensive health insurance product that provides covers from ₹3 lakh to ₹1 crore, catering to varying needs and requirements. Health Total is available under three plans: Vital, Superior and Premiere. All plans are available with individual and floater options and with a lifelong renewal facility. This plan can cover as many as 15 members of the family

Business segment contribution to GWP (%), 2016-17



* Social/rural is also included in personal insurance or commercial insurance



- Focused on expanding geographic coverage with an emphasis on the country’s Southern, Eastern and Northern parts to supplement a strong presence in the states of Maharashtra and Gujarat.
- Appointed over 1,200 agents to cover a larger retail footprint, provided extensive training and equipped them with a comprehensive kit to help them make informed sales.

Corporate health business segment highlights, 2016-17

- Differentiated ourselves on the strength of our robust service levels, meeting corporate requirements with speed and surety, which helped retain large and reputed clients
- Shifted focus towards smaller group-size policies, especially towards meeting the needs of medium and small enterprises (M/ SMEs), which will represent a strong focus area, going forward
- Renewed the RSBY policies in Karnataka and West Bengal

General highlights, 2016-17

- Launched online travel insurance products, exclusively available on our website - Future Easy Travel (Worldwide & Schengen)
- Launched ‘Sukshma Hospi-cash’, a micro-insurance product that guarantees a cash benefit in case the insured gets hospitalised. This product is offered on individual sum insured basis or on a family floater sum insured basis, covering self, spouse and up to a maximum of three dependent children (up to 25 years). This product has seen traction in the micro finance sector

Priorities, 2017-18

- Focus on the retail health basket, especially individual health and accident cover
- Augment agent productivity through re-skilling and empowering them with technology through the Agents Virtual Office
- Focus on M/SMEs and micro-insurance as potential upcoming segments
- Launch need-based health insurance products and shrink disbursement time-frames



The macro perspective

“For our health insurance business, our focus during 2016-17 was on providing efficient customer services that helped us retain customer loyalty and business. Today, we are on our way to enhance the proportion of our retail health insurance business in the overall mix to 30% over the next three years. On the corporate health insurance front, the big highlight was that we were able to retain a large part of our existing business while also winning new and prestigious accounts. As a means to widen the customer access of our brand, we also emphasised on opening up further routes to market while ensuring knowledge-driven sales in which the customer was made aware of the nitty-gritty of the policies, documentation, coverage and exclusion. Going into 2017-18, we will continue to focus on introducing new and relevant products, especially in unserved and under-served areas of the market. We would also focus on small and medium business enterprise segment under our corporate health insurance platform.”

Shreeraj Deshpande, Head, Health Insurance

Motor insurance

- GWP, 2016-17: ₹899 crore
- Contribution to overall GWP, 2016-17: 49%
- Products (March 31, 2017): 1
- Claims settled, 2016-17: ₹530 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 (an estimated 400 people are killed in road accidents in India every day).



The Insurance Regulatory and Development Authority of India (IRDAI) has proposed an increase of up to 50% in third-party liability premiums of motor insurance (April 2017 onwards) to bring product pricing in parity with the growing risks. Besides, the Union Cabinet approved the Motor Vehicle (Amendment) Bill, 2016, to address road safety and improve citizen facilitation while dealing with transport departments. The amendment seeks to significantly hike minimum penalties while introducing new provisions towards enforcing traffic discipline and prevent violations.

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

- **Car damage:** In the event of ordinary losses/damages to the car, regardless of who is at fault and where the accident took place, a wide variety of cases, from broken windows to theft or destruction is covered
- **Personal accident cover:** A compulsory personal accident cover of ₹1 lakh is available for individual owners of the car while driving. The customer can opt for a personal accident cover for passengers up to a maximum amount of ₹2 lakh per person
- **Third party liability:** Any legal liability that the customer 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 the car, is covered. The policy also covers legal expenses that might be incurred

Core strengths

- Quick turnaround time and high service reliability
- Instant policy issuance with cashless/direct settlement 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

In response to the industry's need for a quicker resolution to claims

appraisal, a typical pain point, Future Generali India introduced the revolutionary i-MoSS app for motor claim surveys 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-spot upload of documents and photographs
- OCR feature enabling auto calculation, thereby shrinking time between evaluation and disbursement
- Real-time/on-site approval and claims settlement
- Generates instant approvals to garages
- Automates settlement advice to clients and discharge advice to garages
- Works in both offline and online modes
- The automated process reduces the total claim settlement time and leads to minimal errors
- Settles claims faster by 50% in the entire life-cycle of claims

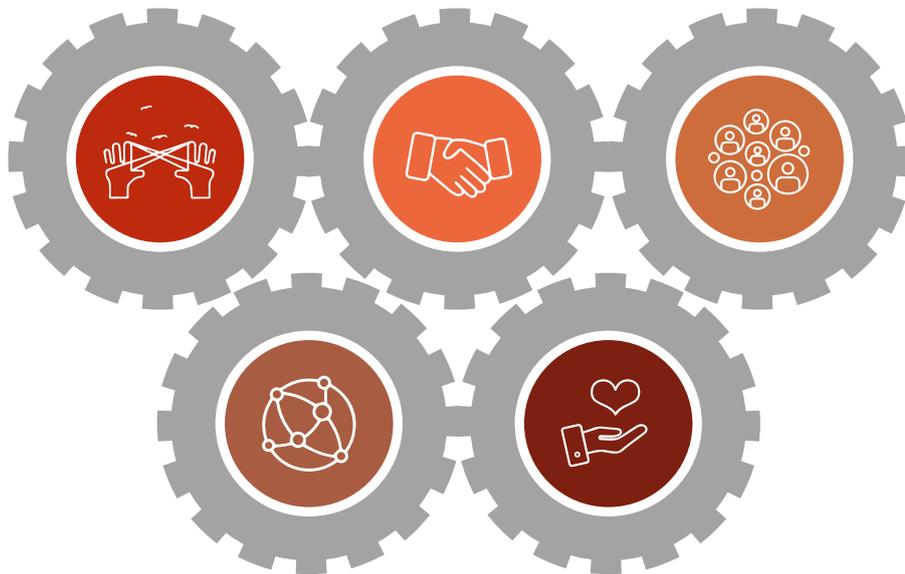


The macro perspective

“At Future Generali India, we took our customer service philosophy ahead in 2016-17 by focusing on technological innovation, reinforcing our underwriting practice and launching products/extensions that were most relevant for our customers. Our revolutionary i-MoSS app continued to hugely optimise operations with the end result that we could provide a seamless insurance experience to our customers. Going into 2017-18, we will engage in better customer segmentation to not only ensure that we provide increasingly customised services to our clients but also strengthen the intimacy of the relationship. We exist because of our customers and it is this ethos that we will continue to live by each day.”

Easwara Narayanan, Chief Operating Officer

Organisational excellence drivers



Robust underwriting practice

Overview

Broadly speaking, underwriting is the process of pricing risk. Hence, strong underwriting discipline is critical to an insurance company's sustainability. At Future Generali India, we possess a robust underwriting practice that is anchored around years of insights into the insurance industry, modern forecasting tools, risk probability and prediction technologies along with skilled insurance actuaries and underwriters with strong senior management oversight.

Key highlights, 2016-17

- Motor underwriting guidelines have been made system-driven to ensure effective management of the portfolio on disciplined lines
- Engaged in extensive database analysis across the portfolio to aggregate insights, develop trends and patterns and leverage this knowledge into reinforcing pricing discipline as well as enhancing risk mitigation
- Focused on continual monitoring of claims to ensure the adequacy of resources in meeting liabilities (especially exigent liabilities)
- Explored technology deployment that included QlikView (for building reports) and Emblem (forecasting emerging scenarios in real-time) that helped in better analysis for sharper pricing discipline

Blueprint, 2017-18

- Enable better pricing decisions, especially after engaging in thorough analysis for the health portfolio
- Take steps towards creating customised insurance products based on gender, age and demographic profile
- Provide a superior underwriting experience to our customers and reinforce our position as an important link in the insurance value chain

Omni-channel distribution architecture

Corporate sales

Overview

At Future Generali India, our relationship with the corporate customer does not end as a mere vendor. We believe in building sustainable relationships over time, which has been a key mantra for dependable corporate business growth. At our Company, we do not just settle the claim; we stand beside our customer in difficult times, staying true to the spirit of insurance. This focus resulted in the Company achieving a 96% retention ratio of corporate customers. Some features that make us a preferred insurance partner for customers include:

Something interesting!

Our database analysis indicated interesting insights, empowering us to optimise our health insurance portfolio in a region that is prone to lifestyle-related health risks. We also downsized our motor portfolio in a region plagued with driving indiscipline and accident records.

- Excellent service across all customer touch points – underwriting, policy servicing and claims settlement
- Culture of developing sustainable relationships
- Expertise in underwriting risk with additional support from Generali in ensuring the implementation of cutting-edge industry practices

Key highlights, 2016-17

- Reported a near 50% growth in premiums to ₹394 crore
- Added over 200 new clients across the large and M/SME spaces
- Wrote the highest number of group health policies at a higher price with zero client attrition, reflecting the strength of our brand as a dependable and customer-oriented insurance partner
- Increased participation across large major industrial houses with strong backing from Generali
- Wrote business for India's longest and state-of-the-art road tunnel connecting Chennai with Nashri in Jammu & Kashmir

Blueprint, 2017-18

In India, climate change-induced natural disasters have become regular. In this challenging environment, our priorities are to minimise risks for clients while protecting our company from contingent liabilities. Some of our other priorities include:

- Focus on stringent book appraisal to enhance portfolio quality
- Take decisions to write business with a focus on profitability



The macro perspective

“At Future Generali India, our ability to be proactive in serving large corporate accounts ensures that we are on a sound footing to win new customers and mandates. Besides, our competence to create and sustain strong customer relationships, our well-trained and committed sales force with extensive insurance experience, our ability to customise solutions so that they are best-fit to meet client demands and our culture to remain faithful to the spirit of insurance have all come together to enable us to create a strong and unassailable competitive advantage.”

Deepak Prasad, Head, Corporate Sales

Bancassurance

Overview

At Future Generali India, we consider bancassurance as a critical distribution channel. Our Company possesses the experience of having engaged with multiple bancassurance partners that has helped in building and managing various distribution models – direct selling at bank branches, tele-calling and via the digital platform. This channel gives the Company a dual advantage in a competitive market: wider and lower-cost reach in customer acquisition and direct customer interface, giving us the opportunity to build brand credibility.

Key highlights, 2016-17

- As many as 18 banking partners were added, the highest single-year addition
- Entered into bancassurance tie-ups with two large banks, Bank of Maharashtra and UCO Bank along with regional rural banks
- Sales contribution from bancassurance increased respectably in the overall sales mix (stands at 5% in 2016-17)

Blueprint, 2017-18

- Focus on enhancing bancassurance sales contribution to 16%
- Increase tie-ups with banks, especially public sector banks and regional rural banks, with a view to reach out to a larger segment of the rural population
- Enhance bancassurance coverage with a focus on Gujarat and Madhya Pradesh



The macro perspective

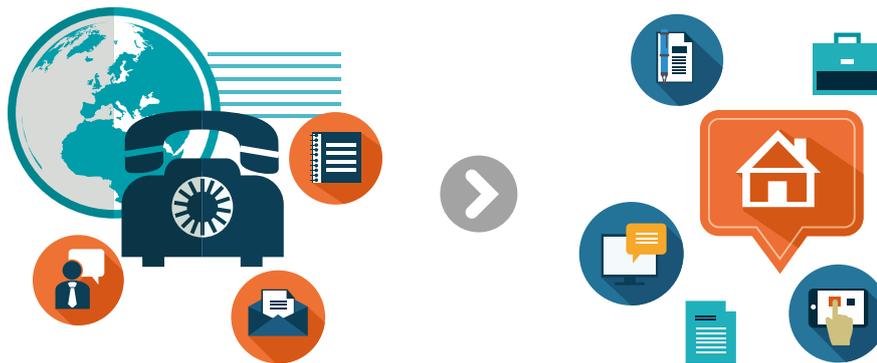
“Bancassurance is a critical distribution channel because it leverages the infrastructure of the banking partners to reach out to its customer base. Banks help by providing local insights and behavioural patterns of their customers, which help us in providing relevant products.”

At Future Generali India, we added 18 banks across the public and rural banking space in 2016-17 and this just shows the emphasis we have on bancassurance. Going into 2017-18, we expect to continue adding bancassurance partners strategically, thereby enhancing insurance inclusion and acquiring customer accounts through a high-engagement route.”

Anurag Sinha, Head, Bancassurance

Something interesting!

Bancassurance gives the Company a dual advantage in a competitive market: wider and lower-cost reach in customer acquisition and direct customer interface, giving us the opportunity to build brand credibility.



Retail

Overview

At Future Generali India, retail is segregated across channels, including agencies/agents, motor dealerships, insurance brokerages and direct marketing. At our Company, the retail channel contributes 60% of the total business. Our retail distribution competence is reflected in the following:

- 6,000-plus agents in India across various segments along with a strong direct marketing team
- Under retail, the Company issued 1 million policies with 3% growth over the previous financial year

Key highlights, 2016-17

- Launched Agent’s Virtual Office (AVO), an online platform under which agents can operate as if they were in any physical branch office, strengthening their convenience and decision-making process
- Focused on personal accident, travel insurance and motor insurance products
- Introduced travel products on the website, exclusively for online customers

Blueprint, 2017-18

- Appoint 1,500 agencies/agents
- Focus on bringing the motor portfolio back to profitability through selective underwriting and increased premiums
- Focus on increasing individual health policy sales



The macro perspective

“The retail channel is an important constituent of our distribution architecture. At our Company, we are focusing on growing the share of retail sales in the overall portfolio. Typically, retail is less price-sensitive and also, the platform provides us with the opportunity

to directly engage with the customer. Since customer service is an essential component of retail sales, we are well-equipped in terms of possessing the infrastructure and the resources to competently and efficiently manage customer expectations.”

M. Raghavendra Rao, Head, Retail Sales

Human resource management

Overview

At Future Generali India, out of our 1,700-strong employee base, almost 28% have been with us for more than five years. Moreover, our attrition rate stood at about 25%, while the industry average was over 27%.

With a view to nurture our intellectual capital, emphasis on training and retention has been bifurcated into behavioural and technical/domain training. Employees’ career is mapped and linked to training through a comprehensive in-house training architecture.

The key objectives of our HR strategy are:

- Emerging as an employer of choice through best-in-class employee engagement activities
- Focus on talent management
- Creating an effective performance management system
- Ensure effective and streamlined communication

Some of the key initiatives embraced to meet our objectives include the following:

- Empowered employees through both direct (revisiting of organisation authority and responsibility matrix) and indirect methods (delegation of authority)
- Competence-based learning programs delivered to all managers; e-learning modules and gamification apps for middle and junior management
- Revamped rewards and recognition (R&R) platform for increased emphasis on recognition of innovation-driven successful performance, under the Exemplar program

Something interesting!

Under Agents Virtual Office, as many as 20,000 policies were issued within only six months of launch of the platform. This initiative improved our operational efficiency and helped optimise customer acquisition costs.



- Facilitated programs for cross-functional working across teams (action learning projects)
- Develop structured engagement programs towards ensuring overall alignment through top-down (Manthan) and bottom up (Reach-HR) communication platforms

Key highlights, 2016-17

- Introduced CEO Awards for recognising and rewarding desired behaviour as Exemplar among individuals and teams
- Conducted leadership excellence workshops for the senior management to enhance organisational competence levels
- Exposed teams to industry forums and seminars for networking and cross-functional learning
- Awarded as winners of the Great Indian Workplaces Award 2017 and also won Excellence in Implementation of HR Technology from Business World
- CHRO received '100 Most influential leaders Award 2016' from World HRD Congress

Blueprint, 2017-18

- Total people alignment to business through best-in-class engagement initiatives
- To enable employees to enhance their domain skills and capabilities in a structured manner
- To create a culture of open feedback and appreciation to merit by coaching and developing teams
- Integrate HR practices and programs with technology to have a digital platform which are easy to use

Technology orientation

Overview

At Future Generali India, we are leveraging technology to create an operationally-stronger and customer-facing enterprise. Over time, technology has helped the Company to improve customer experience and gain customer loyalty.

Key highlights, 2016-17

- Introduced the revolutionary i-MoSS app for motor claim surveys, reinforcing customer service. The primary objective of this technology is to make the loss assessment faster and efficient by automating mundane work and reduce the turnaround time for settlement of motor claims

- Leveraged online sales to exclusively market select products on the website. These products were need-based and designed to enhance customer convenience

Blueprint, 2017-18

- Introduce more products exclusively on the online platform
- Widen the appeal for Agents Virtual Office so that a larger ecosystem of our agents and brokers board the business-enhancing online platform
- Focus on ongoing technological upgradations to meet evolving customer expectations
- Customer app, ready for launch by August 2017, would be yet another friendly way to reach out to the customer

Corporate social responsibility

In today's world, success of an organisation cannot be measured only by the profit it makes but by the difference it makes in the lives of people. Thus, every corporate must fulfil its social and environmental responsibility which eventually helps establish a sustainable business. And the very essence of sustainability is reflected by the 'Triple Bottom Line' approach that shifts the organisation's focus not just on profits, but on generating profits in a way that is better for both people and the planet.

At Future Generali India, we drive our inspiration for CSR from one of our core values '*Live the community*'. Community is the social, economic and environmental fabric of the society, the very foundation on which Generali Group has built its history. Being a part of this global Group, we have imbibed a global perspective which is reflected in the way we work and behave. The Company's vision statement, '*Our vision is to actively protect and enhance people's lives*' places emphasis on the impact that we have on the community and on the quality of people's lives.

We aim to create a measurable impact in the society by bringing a positive change in people's lives through significant solutions to the social and environmental issues prevailing in our country.

With our vision so incredibly focused on the welfare of the people, the organisation feels a powerful sense of responsibility towards the interests of the community and the environment. We have identified social initiatives aimed at empowering the society while taking care of the basic needs of health, education and environment.

Although we are at a nascent stage of our CSR journey, our employees are actively engaged in our sustainability efforts and take pride in being part of a socially responsible corporate.

Insurance report

Indian economic overview

India's economic growth stood at 7.1% for the fiscal year 2016-17. The government's initiative to demonetise certain high value notes during November 2016 and the proposed implementation of the landmark tax reform of GST (Goods and Services Tax) is expected to act as strong economy reset triggers, enabling the country to realise its full economic growth potential.

Indian insurance sector overview

The general insurance industry in India crossed ₹100,000 crore in premium income at the end of January 2017, aided by a growth in crop and property insurance. It recorded a 12% growth in gross direct premium underwritten in the previous year (April 2016) at ₹10,525 crore. Standalone health insurance companies reported premium income of ₹4,276 crore during the first 10 months of 2016-17.

(Source: IRDAI, <http://economictimes.indiatimes.com>)

Budgetary provisions, 2017-18

Significant provision for subsidies in the form of premia towards the Pradhan Mantri Fasal Bima Yojana is expected to increase the number of beneficiaries by 50% over the next two years from the present level of 20%. As part of this scheme, a corpus of ₹9,000 crore has been allocated for crop insurance in 2017-18. Besides, the implementation of the Digital India initiative is expected to make citizens residing in rural areas tech-savvy and hence keen on using digital channels to buy policies (Source: IBEF).

Governmental initiatives

- Sanctioned the listing of five public general insurance companies, reducing the government's stake in them to 75% from 100%
- Approved to increase the stake of foreign investors to 49% equity investments in insurance
- Launched an insurance pool to the tune of ₹1,500 crore mandatory under the Civil Liability for the Nuclear Damage Act (CLND)
- Formed two committees under the aegis of the IRDAI to explore and suggest ways to promote e-commerce in the sector to increase insurance penetration and foster financial inclusion
- Made third-party insurance compulsory for all vehicle-owners as per the amended Motor Vehicles Act

Source: IBEF and IRDAI

Opportunities

Despite there being 30 players in India's general insurance industry, the market is still significantly under-penetrated. In the general insurance sector, the penetration level is just about 0.65%. With penetration-premium as a percentage of GDP at 0.7% for non-life insurance, there is a huge untapped potential in the Indian market.

In addition to the growth of the urban market for insurance in India, the rural landscape is now emerging as yet another growth driver with rising incomes, increasing financial awareness and significant product under-penetration.

Outlook

The Indian insurance sector is set to report significant growth, going forward. Lower penetration, favourable demographics, initiatives like 'Pradhan Mantri Jan-Dhan Yojana' for enhancing financial inclusion, rising financial literacy and increase in domestic savings consequent to rise in per capita income are together expected to support the growth of India's insurance sector.

Sectoral analysis

Health insurance

The Central Government has undertaken several initiatives in the healthcare space, including submitting a proposal to provide dialysis services in district hospitals, increasing the supply of generic drugs under the Jan Aushadhi programme and pushing for the implementation of cutting-edge medical technology at the grassroots, among others.

Besides, while key resolutions from Union Budget, 2017-18, for making medical devices affordable could lighten the consumer burden, higher tax exemption on health insurance/PA premium to individual tax payers and also a waiver of service tax on health insurance premium will be welcome, contributing to making policies more affordable.

The Union Cabinet approved the National Health Policy, 2017, after having deferred it twice. The last health policy was issued almost 15 years ago, in 2002. Prime Minister Narendra Modi indicated that the National Health Policy marks a historic moment in the Government's endeavour to create a healthy India where everyone has access to quality healthcare. This policy proposes to raise public health expenditure to 2.5% of GDP in a time-bound manner.

Motor insurance

The premium for third-party motor vehicle insurance is set to go up significantly, following the central Government's decision to do away with the cap on third-party liability in case of grievous injuries or deaths resulting from road accidents. The IRDAI has proposed a ~50% hike for most categories of vehicles for 2017-18. The hike will be applicable for mid-segment (1,000-1,500 cc) as well as bigger cars and SUVs. For commercial vehicles, the IRDAI has proposed a hike of up to 50% in premium for different categories of CVs. The regulator has also planned to increase the premium for e-rickshaws (Source: *Livemint and The Times of India*).

Crop insurance

The Pradhan Mantri Fasal Bima Yojana has been designed as a forward-looking insurance platform for the country's farming community to protect their crop – and income – from the vagaries of natural calamities. The sum of ₹5,500 crore channelised towards this as a part of Union Budget 2016-17 was revised to ₹13,240 crore (for arrears settlement). For 2017-18, the central Government has allocated a sum of ₹9,000 crore. In FY 2016-17, a sum of ₹20,611 crore of crop insurance was underwritten by insurers (Source: *The Times of India*).

Micro insurance

The micro insurance portfolio in India made steady progress since introduction. Several insurers have commenced micro insurance operations and introduced ancillary products. The logistical infrastructure has also been considerably strengthened, though volumes are still paltry. Some insurers offer accident and permanent disability benefits during the premium-paying term only or for the full-term. The sum insured is capped at ₹1 lakh per asset per person, as per the latest Microinsurance Regulations of 2015. Microfinance institutions, converted to small finance banks, could enlarge the micro-insurance market, going forward (Source: *IRDAI*).

Emerging trends

The year 2016 witnessed several innovations to benefit the customer. The opening of e-insurance accounts was one such example. Also, the introduction of selling and buying of insurance policies through e-commerce will certainly bring in behavioural shifts among customers.

In November 2016, in two separate developments, the Government of India hived extant 500 and 1,000 rupee notes and announced that Aadhaar-based smartcards would be issued to monitor the

health of senior citizens. With this, customers are now expected to increasingly opt to pay their insurance premium electronically.

(Source: <http://www.financialexpress.com/money/impact-of-demonetisation-on-the-indian-insurance-sector/510984/>)

Demand drivers

- Rising per capita incomes**

India's economy is the world's seventh largest in terms of nominal GDP and the third-largest in terms of PPP (purchasing power parity). By 2024-25, Morgan Stanley expects per capita income to rise 125% of the current levels to about ₹234,713 (conversion @ ₹64.31). With the increase of per capita income, per capita spending could grow, which could boost the insurance market. (Source: <http://www.livemint.com/Politics/0e9KuMQkAFGczsLQH7eR3H/Indian-economy-to-reach-5-trillion-by-2025-says-report.html>)
- Governmental reforms**

To provide insurance cover to below poverty line (BPL) households, the Government introduced insurance schemes like Rashtriya Swasthya Bima Yojana (RSBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) through the State tender route, which could provide significant opportunities to Indian insurance companies.
- Rising motor sales**

In a landmark event, passenger vehicle sales in India crossed the three million milestone for the first time in 2016-17, with the segment witnessing a growth of 9.23% y-o-y. For the fiscal ended March 2017, domestic passenger vehicles sales increased to 30,46,727 units against 27,89,208 in the previous year. In addition, motorcycles sales in 2016-17 increased 3.68% to 1,10,94,543 units and scooter sales rose a sharper 11.39% to 56,04,601 units. The year witnessed the highest sales of passenger vehicles, utility vehicles, motorcycles and scooters (Source: *SIAM*). With rising preference for personal mobility, increasing incomes and a slew of new launches by OEMs, the Indian automobile and two-wheeler market is expected to report good growth, going forward.
- Growing healthcare costs**

Today, even as lifestyle diseases impact India in a big way, almost 83% of the population in the country is yet to be covered by a health insurance product. Moreover, almost 3.5% of India's population trips into poverty each year on account of large healthcare expenses (Source: *International Population Conference report*). In such an environment, health insurance is not just advisable; it is an imperative.

Managing risks at Future Generali

At Future Generali India, our risk strategy continues to be underpinned by investing our 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.



Strategic risks

Any strategic missteps in a competitive industry could derail our business.

At Future Generali India, we possess robust control systems that regulate all our processes within a well-defined framework matrix. While each business portfolio is managed by dedicated teams with supervisory control, the entire portfolio and business are monitored centrally by the senior management, ensuring a ring-fenced control mechanism. Our comprehensive business plan has defined threshold risk appetites; any risk assumption beyond this point has to be vetoed centrally.

Actuarial/underwriting/pricing risks

Actuary is a critical component of the insurance business as the practice quantifies a probable future risk/uncertainty and puts a price to it.

At Future Generali India, we embrace technology (Freeware, Clickview, R Software, EMBLEM and VBA modelling, among others) that helps us analyse emerging scenarios, view trends, predict and evaluate future scenarios, view developments in real-time and develop future models that reinforces our underwriting, pricing and reserving capabilities. Our strong policy-driven and regulatory-compliant underwriting practices enable us to cover for probable future losses. A comfortable portfolio construct with a fairly good customer spread (corporates and individuals) enables strong customer service.

Solvency risks

For an insurance company, solvency represents the degree to which the current assets exceed the current liabilities.

At Future Generali India, we reported a solvency ratio of 172% in 2016-17 (154% in 2015-16), an outcome of our rigorous risk management practices. We also created ample systemic liquidity to meet our short-term obligations by investing funds in liquid debt instruments. Besides, we adhered to all regulatory requirements with control by the Risk Management Committee that enabled us to match liabilities with assets.

Regulatory risks

The Indian insurance industry is a highly regulated sector and any non-compliance with the regulations can lead to severe implications, including business disruptions. At Future Generali India, being part of two large reputed corporate houses who themselves have been industry-leaders for decades, we have drawn our legacy from this parentage. We conform to the highest degree of ethical and governance standards as also adhere to robust compliance practices to manage regulatory risks on an ongoing basis, effectively securing the interests of all our stakeholders. At Future Generali India, the management is regularly updated on various regulatory developments and necessary process changes are promptly effected from time to time so that Future Generali India is always well-equipped to mitigate any type of regulatory risks.

Investment risks

Our investments are made with due regard to risk. The various risks inherent to our investment operations such as credit risk, market risk, liquidity risk and operational risk are regularly monitored and mitigated. There is an excellent control structure in place including investment mid – office, risk management team, risk management sub-committee (a management oversight committee) and risk management committee of the Board.

Our investment assets stood at ₹2,483.6 crore as on March 31, 2017.

There has been no default in any of the fixed income exposures since inception.

Catastrophe risks

These risks are classified as those that arise from unpredictable events.

At Future Generali India, we try to mitigate these risks by understanding the accumulation of risk across particular zones on an ongoing basis and embracing preventive measures that ensure actual risk does not exceed our appetite. Over and above, we have adequate reinsurance arrangements against any unforeseen catastrophic events.



Future Generali India Insurance Company Limited
Annual Report for Financial Year 2016-2017

Statutory Section

Directors' Report

Dear Members,

Your Directors are pleased to present the Eleventh Annual Report of your Company along with the audited statement of accounts for the financial year ended March 31, 2017

1. Financial highlights

The highlights of financial results of the Company for the financial years 2016-2017 and 2015-2016 are as under:

(Amount in ₹ '000)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Gross Direct Premium	18,154,969	15,552,608
Gross Written Premium	18,426,964	15,947,958
Net written Premium	11,318,843	10,476,482
Net earned Premium	10,879,039	10,814,410
Net Incurred Claims	8,410,883	8,788,950
Net Commissions'	(325,207)	118,733
Management Expenses	4,646,140	3,991,851
Income from Investment	2,280,750	2,032,575
Profit /Loss Before Tax	427,973	(52,549)
Profit /Loss After Tax	427,973	(52,549)
Number of Policies Issued	1,373,056	1,285,976
Number of employees	1,702	1,783

2. Operational review:

2.1. Industry Overview

The Gross Direct Premium of the industry for the period April 1, 2016 to March 31, 2017 grew from ₹96,376 Crore to ₹127,631 Crore on a year-on-year basis, a growth of about 32.4%.

2.2. Company Overview

Your Company has completed its Ninth full year of operations. During the year under review, your Company achieved a Gross Direct Written Premium of ₹1,816 Crore against ₹1,555 Crore in the previous year, registering a growth of 16.79% over the previous year. The Company earned a net profit of ₹42.80 Crore against net loss of ₹5.25 Crore in the last year.

During the year, the Company has not changed its nature of business and continued the business of General Insurance as its core activity.

2.3. Regional and Branch Office Network

During the year under review, the Company has realigned its branch office network and also opened four (4) Branch offices across the country. The Company had a total of 128 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.

2.4. Training and Development

During the Financial Year 2016-17, the Learning and Development department worked towards developing an employee, off roll staff, Agents & Intermediary professional and behavioral competencies.

Induction Programs, Branch Excellence Programs, Master Classes and Soft Skill Programs formed the principal pillars for this purpose. Life/Soft Skills development mailers served to behaviorally orient employees towards continual professional and personal improvement. Online Certifications were also conducted from time to time to assess learnings & their application. Anti-Money Laundering and Know Your Customer (AML and KYC) programs were regularly conducted for the employees and intermediaries of the Company.

2.5. Solvency Ratio

Your Company has been continuously monitoring its solvency margins in complying with the requirements of Insurance Regulatory and Development Authority of India (Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016 and has maintained the required solvency margin as at March 31, 2017 at 1.72, which is above the requirement of 1.50 prescribed by the Insurance Regulatory and Development Authority of India (IRDAI).

2.6. 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 ₹2483.55 Crore, the market value of the investments as on March 31, 2017 was ₹2,551.12 Crore. The weighted average return on Investments for the period ended March 31, 2017 was at 9.90% p.a. The Company has earned total Investment income of ₹226.07 Crore during the year ended March 31, 2017.

As per the IRDAI (Investment) Regulations, 2016, your Company has appointed M/s. AMK & Associates, Chartered Accountants to carry out the Concurrent Audit of the Investment function of the Company for the financial year 2017-2018.

2.7. Human Capital

Your Company appreciates the importance of human resources and accordingly has strengthened focus on its continuous improvement towards increasing efficiency and accountability, taking planned and structured approaches to build a robust talent pipeline for future readiness.

Your Company conducted focused programs to enhance individual and organisational capabilities, driving greater employee engagement towards better alignment of people practices to achieve common organisational objectives, vision and values.

As a part of Talent Management, a structured development plan for senior leadership and critical talents were also initiated during the year. A focused Employee Engagement approach of identifying, planning and calendaring and involving all levels of employees was followed by organising varied programs to create alignment to Company's objective, vision and values and larger teamwork collaboration at all levels. This year, your Company has won the Excellence in HR Technology Award from "Business World". Your Company also participated in Employee HR Innovation Awards organised by "Hindustan Times". Your Company is pleased to inform you that Five HR best practices of your Company were featured in the Dun & Bradstreet HR Best Practices.

People initiatives have been driven by passion and persistence consistently during the years and the participation and acceptance of the same have been overwhelming.

As at March 31, 2017, your Company had a workforce of 1,702 to meet the growing needs of additional human resources, enter new geographies and to strengthen the existing channels/ departments.

2.8. Operations

During the financial year 2016-2017, your Company has taken various initiatives to accelerate the policy issuance system. The major initiatives inter-alia are as under -

- Policy issuance facility to Common Service Centres (Government of India initiative) through Government enabled portals with extended servicing such as renewals and introduction of new rural market focused products like 'Sukshma Hospicash'.
- Extension of Online Web Aggregator business through multiple tie-ups and automation of transactions through direct integration into the core system.
- The launch of an Agent's Portal.
- The introduction of enhanced underwriting controls in the form of additional validations built in Policy Asia (viz. Core Policy Issuance System) at the IMD level. Over 12 variable parameters introduced to address complexity in guidelines to exercise better controls and simultaneously facilitate quicker decision making and underwriting approvals.
- Offline Policy Issuance Module diversified with extended warranty products, Motor & Marine businesses.

2.9. Claims

During the financial year 2016-17, your Company witnessed 2,19,111 claims being reported, of which motor and health insurance claims

accounted for 91% of the claim reported. There was a reduction of 3183 claims in comparison to the previous Financial Year 2015 - 16 wherein motor and health insurance claims contributed to 92% of the claims reported. In terms of claimed amount, the figures were ₹1142 Crore in Financial Year 2016-17 as compared to ₹1514 Crore in Financial Year 2015-16 of the 2,19,111 claims reported, 2,25,179 claims were settled by your Company resulting in a 93.11% settlement ratio.

In response to the industry need for quicker resolution to claims appraisal, during the said financial year ended March 31, 2017, your Company introduced the revolutionary "i-MoSS" app for motor claim surveys that goes a long way in reinforcing customer service. Some of the key benefits of this app include the following:

- Auto allocation of survey
- OCR feature enabling auto calculation, thereby shrinking time between evaluation and disbursement
- Real-time/on-site approval and claims settlement
- Generates instant approvals to garages
- Works in both offline and online modes
- Settles claims faster by 50% in the entire lifecycle of claims
- The automated process also reduces the total claim settlement time and leads to minimal errors.

2.10. Information Technology

The Company is continuously exploring the possibility of usage of intelligent power management solutions with the intention to reduce power consumption and CO2 emissions from Desktops & IT Infrastructure in line with the green computing initiative.

Your Company has launched "Health Buzz" Application to offer end-to-end product offering features of Real-time Cashless authorisation & Claim Adjudication, Fraud Management, Finance Management, Business Process Management, Document Management System. The Application provides scalability, manageability and visibility to reach to its health customer's and provide seamless service.

2.11. 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.

2.12. Rural and Social Business

Like all the preceding years, your Company has overachieved the rural and social obligation during the financial year. In rural sector, the Company achieved a total of ₹629.06 Crore premium against the required obligation of ₹127.08 Crore in the social sector. Your Company has provided coverage of 6.15 Lakhs people as against the regulatory coverage of 0.45 Lakhs. Your Company has generated ₹3.89 Crore premium through CSC-SPV in our first year of a tie-up with them. CSC-SPV is a project of Government of India under National e-governance Program, well supported by IRDAI to have technology enabled insurance distribution services in the rural areas of the Country.

During the Financial Year 2016-17, your Company has covered more

than 13.97 Lakhs farmers from different states under Government of India's Agriculture Insurance Program.

The Insurance Regulatory and Development Authority of India had notified new Regulation namely IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 on August 24, 2015, which is applicable from the financial year 2016-17. The said Regulation specifies the minimum business commitment to be achieved by a general insurance Company in the rural and social sector 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 progressively 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 the development of this line of business considering the 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 multi-specialty hospitals.

Further, the Insurance Regulatory and Development Authority of India has opened up new opportunities in the field of microinsurance, which has enabled us to accelerate our activities of tying-up with MFIs/NGOs and other Institutions in the rural domain to penetrate into the remote areas of the country. Your Company designed a new micro insurance product named "Sukshama Hospicash". This product has performed well and was well received by various target markets. Your Company covered 1.05 Lakhs persons in Financial Year 2016-17 under the said Product.

2.13. Share Capital

During the year under review, additional capital was infused by the issuance of 99,803,705 equity shares at par on rights basis. Your Company did not issue any sweat equity shares or equity shares with differential voting rights or under Employees Stock Option Scheme. The issued, subscribed and paid-up share capital post allotment as on March 31, 2017 is ₹8,098,037,050. The existing Shareholders continue to remain committed to supporting the business operations of the Company.

2.14. Amendment to JV Agreement

IRDAI had issued Guidelines dated October 19, 2015 on "Indian Owned and Controlled" enumerated in the amendments carried out to the Insurance Act, 1938 vide Insurance Laws (Amendment) Act, 2015 and these guidelines, were effective from October 19, 2015. Further, as per above Guidelines, a period of 6 months was given for the existing insurance Companies to confirm compliance with the said Guidelines. These guidelines entailed a detailed review of the Joint Venture Agreement dated May 23, 2006 and carrying out a gap analysis.

Accordingly, the Shareholders executed an Amendment Agreement to the Joint Venture Agreement ("Amendment Agreement") and submitted the same to the IRDAI on April 18, 2016 along with a confirmation that the Joint Venture Agreement is in compliance with the requirement of 'Indian owned and controlled' as set out under the said Guidelines. The Amendment Agreement was further amended as per the directions of the IRDAI on December 5, 2016 and submitted to the Authority in compliance with the said guidelines. Your Company has accordingly complied with the requirements of

the IRDAI Guidelines on "Indian Owned and Controlled".

2.15. Corporate Governance

Your Company has taken structured initiatives towards Corporate Governance and its practices are valued by various stakeholders. The IRDAI issued revised Corporate Governance Guidelines on May 18, 2016 and your Company has ensured compliance with the said guidelines. A detailed report on Corporate Governance is annexed and forms part of this report at "Annexure - I" along with a Certificate from the Company Secretary and Principal Compliance Officer.

2.16. IRDAI Registration

Insurance Regulatory and Development Authority of India (IRDAI) has issued a Circular dated April 07, 2015 which states that Section 3A of the Insurance Act 1938 has been amended by the passing of the Insurance Laws (Amendment) Act, 2015 to remove the process of annual renewal of the Certificate of Registration issued to the Insurers under Section 3 of the Insurance Act, 1938. The Insurers however, continue to pay such annual fees as may be prescribed by the Regulations. Thus, with effect from December 26, 2014 insurers would not be issued the Renewal Certificate of Registration (IRDAI/R6) on an Annual Basis.

Accordingly, the Certificate of Registration of the Insurers renewed in 2014 shall continue to be in force from April 1, 2015 onwards, subject to the provisions of Section 3A read with Section 3 of the Insurance Act, 1938. The requisite renewal fee has been remitted to the IRDAI well in time and the Certificate of Registration of the Company is in force.

3. Audit Committee

The details of the Meeting, Composition and the attendance of the Directors and Members are provided in the Corporate Governance Report, which forms part of this report.

4. 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 2002, the Management Report forms part of the Financial Statements of the Company.

5. 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 - II" and forms a part of this report.

6. Meetings of the Board

The Board of Directors met Five (5) times during the financial year 2016-2017. The intervening gap between the meetings was within the period prescribed under the provisions of Companies Act, 2013 and Corporate Governance Guidelines, 2016. The details of the Board Meeting and the attendance of the Directors are provided in the Corporate Governance Report.

7. Directors' Responsibility Statement

To the best of the knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in accordance with the provisions of Section 134(5) of the Companies Act, 2013 and confirm that:

- a) 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);
- b) 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 & fair view of the state of affairs of the Company as on March 31, 2017 and of the profit and loss of the Company for the year ended on that date;
- c) 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;
- d) That the annual accounts have been prepared on a going concern basis;
- e) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Company has received declarations from Dr. Devi Singh and Mrs. Bhavna Doshi, Independent Directors of the Company as per Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

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

The Nomination and Remuneration Committee of the Company 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.

9.1 Criteria for 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, marketing, administration, corporate and strategic planning or fund management so as to have a diverse Board of Directors.
- b. In the 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;
 - The diversity of the Board.

- e. In the case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

9.2 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/Head of Finance, 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, IRDAI Corporate Governance Guidelines, 2016 and other applicable laws.

10. Remuneration of Directors, Key Managerial Personnel and Senior Management

The Remuneration paid to Non-Executive Directors and Managing Director & CEO is in terms of the Remuneration Policy for Non-Executive Directors and Managing Director /Chief Executive Officer/ Whole-Time Directors which was duly approved by the Board of Directors.

Objectives of the Remuneration Policy

The overall objectives for laying down the Remuneration Policy for Non-Executive Directors and Managing Director & CEO is to offer compensation systems that make it possible to attract, retain and motivate the most outstanding professionals in order to enable the organisation to attain its strategic objectives, sustainable growth and long-term goals within the increasingly competitive context in which it operates.

Further, the remuneration system is in line with the various regulatory frameworks existing in the Insurance environment and the compensation system is aligned to the IRDAI's guidelines for sound compensation practices and follow the general principles of:

- Effective and independent governance and monitoring of compensation.
- Alignment of compensation with profitability and growth of the Company in terms of the strategic plan of the Company.
- Prudent risk-taking through well designed and consistent compensation structures.
- Clear and timely disclosure to facilitate supervisory oversight by all stakeholders.

Design and structure of Remuneration processes

The remuneration paid to MD & CEO is derived at keeping all aspects of the remuneration structure such as fixed pay, perquisites, bonus, guaranteed pay, severance package, stock, pension plan, gratuity, etc. and also a long-term performance-based deferred cash plan and the remuneration structure leads to a proper balance between fixed and variable pay and is based on the performance and various other parameters as per the matrix.

Remuneration for the Directors, Key Management Personnel and other senior official's salary

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 IRDAI Guidelines on Non-Executive Directors and Managing Director/Chief Executive Officer/Whole Time Directors of Insurers, 2016, 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 & Remuneration Committee determines individual remuneration packages for Directors, KMPs 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 for the Managing Director & CEO

At the time of appointment or re-appointment, the Managing Director & CEO shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director & CEO within the overall limits prescribed under the provisions of Section 34A of the Insurance Act Guidelines on Remuneration of Non-executive Directors and Managing Director / Chief Executive Officer / Wholetime Directors of Insurers and the IRDAI Corporate Governance Guidelines, 2016 and the applicable provisions of the Companies Act, 2013.

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

11. Auditors

11.1 Auditors and their Report

In accordance with the IRDAI Regulations/Guidelines, your Company reappointed M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Registration No. 105049W) as joint statutory auditors of the Company in the last Annual General Meeting. They hold office up to the conclusion of the ensuing Annual General Meeting of the Company.

M/s. Chhajed & Doshi, Chartered Accountants will be completing five consecutive years of appointment as joint statutory auditors and are not eligible for reappointment as per IRDA Regulations / Guidelines. The Board of Directors wishes to place on record its appreciation of the services rendered by M/s. Chhajed & Doshi, Chartered Accountants during their tenure as joint statutory auditors of the Company.

The Board of Directors recommended to appoint M/s. M.M. Nissim & Co., Chartered Accountants (Firm Registration No. 107122W) as

one of the Joint Statutory Auditors of the Company in place of the retiring auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

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

11.2 Secretarial Auditor and Secretarial Audit Report

M/s. Anish Gupta & Associates, Company Secretaries in Whole Time Practices carried out the Secretarial audit under the provisions of Section 204 of the Companies Act, 2013; for the financial year 2016-17.

The Secretarial Audit report is annexed to this report as **"Annexure - III"**.

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, have re-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 2017-2018.

11.3 Internal Auditors

During the year under review, Mrs. Ritu Sethi was appointed as the Head - Internal Audit of your Company with effect from July 01, 2016 and as per the requirements of the IRDAI Corporate Governance Guidelines, 2016 on the reporting of Key Persons, your Company has made the necessary intimation to the Authority.

12. Particulars of Loans, Guarantees or Investments

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

13. Dividend & Reserves

In order to conserve the resources of the Company, the Directors do not recommend any dividend for the financial year ended March 31, 2017.

During the year your Company does not propose to carry any amount to the reserves, considering the accumulated losses.

14. Future Outlook

The financial year 2016-17 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% during the 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. The Government of India been emphasising on 'Make in India' to provide an impetus to the domestic manufacturing sector. The Government has also announced various measures in the Union Budget to boost rural growth, while not deviating from the path of fiscal consolidation. Low-interest rate scenario coupled with Government initiatives on 'Ease of Doing Business' & 'Make in India' may lead to much needed private capex taking off over next few months. This will augur well for a pick-up in GDP growth, corporate

earnings and hence better equity market performance in Financial Year 2017-18. The debt markets stayed buoyant in the financial year 2016-17 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 2017-18.

15. Material Changes and Commitments, if any, affecting the Financial Position of the Company

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 minimise energy consumption, only after looking at Cost Benefit Analysis.
- (II) The steps taken by the Company for utilising alternate sources of energy;
The Company explored utilising 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	- ₹209,933/-
Expenditure in foreign currency	- ₹301,927/-

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 Owners) 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. Asset and Liability 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, Risk Management Guidelines, IT Security Guidelines etc.

• Risk Management Controls and Limits

The Company has an independent Enterprise Risk Management function, which is headed by Chief Risk Officer. The Company monitors and controls the risks evolution at different levels of the operating structures. 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 and guidelines. Some critical limits are inbuilt in the system to ensure 100% compliance. Monitoring reports (MIS) are generated from systems and reported to concern authority on a regular basis. The limits/indicators defined for monitoring operating objectives of the strategic plan and solvency position are monitored by the management on the monthly/quarterly basis.

• Risk Measurement and Models

There is no common measurement methodology and model applicable to all the risks. ERM team and risk owners discuss jointly the risks incorporated in the Risk Map. The risk map comprises of Financial Risks, Credit Risks, Operational Risk, Insurance Risk, Strategic Risk, Compliance Risk, Emerging Risk, Liquidity Risk and Regulatory Risk. These risks are further classified (Risk Level 2) in order to map risks with risk scenarios appropriately. The Company risk profile is prepared on the basis of severity and probability of risks. The Company risk profile depicts high, medium and low levels of risks. This helps us set priorities on risk mitigations. 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. ERM has also developed a tool to assess the impact of various risks results on solvency. Liquidity tool is used for monitoring present and projected liquidity. Prior to renewal of reinsurance program, Catastrophic Risks are modeled with help of insurance brokers. Assets and Liability Management is carried out using LOB wise gap analysis. The impact of the stress tests results is assessed. The technical reserve is estimated using CLM (Chain Ladder Method) and considering premium deficiency reserve, outstanding claims, unearned premium and IBNR (Incurred But Not Reported).

• Embedding in Business Processes

- Incorporated limits in IT systems 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 (SOP).
- Risk Champions nominated by business units are trained in Key Risk Indicators and Key Control Indicators monitoring. They participate in various risk management activities.
- Risk and performance assessment of outsourced vendors is carried out.
- Update Business Continuity Management and conduct process test drills periodically.
- Trainings are conducted on risk management, underwriting, products, IT system, selling skills, Fraud Control, insurance domain customer service etc.

- **Risk Reporting**

The Company has formed a Risk Management Sub-committee at management level and Risk Management Committee at the Board level. The Chief Risk Officer presents the risk profile of the Company, ALM status, Risk Assessment results, monitoring status, other risk management activities, etc. to both these committees quarterly. The committees review the risk profile and recommend necessary actions for improvements.

19. 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.

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

A] Directors

Directors retiring by rotation

Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Kishore Biyani and Mr. G.N. Bajpai, Non- Executive Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Appointments:

During the year no new Directors were appointed.

However, the Company had made an application to IRDAI for grant extension of time to comply with the requirement of minimum number of three Independent Directors as per the IRDAI Corporate Governance Guideline, 2016 and the requisite extension up to June 30, 2017 was granted to the Company by the IRDAI.

Re-appointment of Managing Director and Chief Executive Officer:

As on the date of this report, Mr. K. G. Krishnamoorthy Rao was re-appointed as the Managing Director and Chief Executive Officer for a period of three years with effect from September 22, 2017 to September 21, 2020, which was duly approved by the Nomination and Remuneration Committee and Board of Directors.

The said re-appointment is subject to the approval of the members of the Company and the Insurance Regulatory and Development Authority of India.

Due to the incessant efforts by Mr. K. G. Krishnamoorthy Rao, the Managing Director and Chief Executive Officer of your Company, the Nomination & Remuneration Committee & the Board approved the payment of variable performance bonus for the Financial Year 2016-17. The variable performance bonus to be paid to Mr. K. G. Krishnamoorthy Rao shall be subject to the approval of the Members

of the Company and the Insurance Regulatory and Development Authority of India.

Resignation

- **Mr. John Inniss Howell**

During the year, Mr. John Inniss Howell resigned from the Board as Director of your Company with effect from August 31, 2016. The Board placed on record its appreciation for the services rendered by him during his tenure as a Director.

B] Key Managerial Personnel

During the period under review, following Key Managerial Personnel were appointed/ resigned as per Companies Act, 2013 and Corporate Governance Guidelines, 2016:

Appointments:

- **Mr. Krishnan Gopalakrishnan - Principal Compliance Officer and Company Secretary**

During the year, Mr. Krishnan Gopalakrishnan was appointed as the Principal Compliance Officer, Company Secretary and Head – Legal of the Company in place of Mr. Manish Pahwa who has resigned from the services of the Company. Appointment of Mr. Krishnan Gopalakrishnan was intimated to the Insurance Regulatory and Development Authority of India (IRDAI) in accordance with the IRDAI Corporate Governance Guidelines, 2016.

- **Mr. Ashwani Kumar Arora - Appointed Actuary**

During the year, Mr. Ashwani Kumar Arora was appointed as the Head - Actuarial of the Company in place of Mr. Neel Chheda who has resigned from the services of the Company. Appointment of Mr. Ashwani Kumar Arora as the Appointed Actuary was approved by the Insurance Regulatory and Development Authority of India (IRDAI) on April 12, 2017 and was intimated to the Insurance Regulatory and Development Authority of India (IRDAI) in accordance with the IRDAI Corporate Governance Guidelines, 2016.

- **Ms. Ritu Sethi - Head, Internal Audit**

During the year, Ms. Ritu Sethi was appointed as the Head - Internal Audit of the Company in place of Mr. Prashant Chikhal who has resigned from the services of the Company. Appointment of Ms. Ritu Sethi as the Head - Internal Audit was intimated to the Insurance Regulatory and Development Authority of India (IRDAI) in accordance with the IRDAI Corporate Governance Guidelines, 2016.

- **Mr. Ritesh Jiwrajka - Head of Finance and Key Managerial Personal**

Mr. Ritesh Jiwrajka was re-designated as the Head of Finance with effect from March 15, 2017 and appointed as a Key Managerial Personal of the Company on May 12, 2017 and the Company shall take necessary action to intimate the Insurance Regulatory and Development Authority of India (IRDAI) in this regard.

- **Mr. Piyush Patwa – Financial Controller and Key Managerial Personal**

Mr. Piyush Patwa was re-designated as Financial Controller with effect from March 15, 2017 and appointed as a Key Managerial Personal of the Company on May 12, 2017 and the Company shall take necessary action to intimate the Insurance Regulatory and Development Authority of India (IRDAI) in this regard.

Resignation

- **Mr. Neel Chheda – Appointed Actuary**

During the year Mr. Neel Chheda, Appointed Actuary of the Company has resigned from the services with effect from December 14, 2016.

- **Mr. Manish Pahwa – Company Secretary and Compliance Officer**

During the year Mr. Manish Pahwa, Company Secretary and Compliance Officer of the Company has resigned from the services with effect from December 31, 2016.

- **Mr. Srinivasan Venugopalan - Chief Financial Officer**

During the year Mr. Srinivasan Venugopalan, Chief Financial Officer of the Company has resigned from the services with effect from March 14, 2017.

21. Subsidiary Companies, Joint Venture or Associate Companies

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

22. Public Deposits

During the year under review, your 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.

23. Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future

There are no significant orders passed by the regulator or courts or tribunals against the Company impacting its status as a going concern and on its operations.

However, the regulator has passed the following order during the year under review in respect of an onsite inspection carried out by the said regulatory authority in the year 2013.

Sr. No.	Particulars	Details
1	Name of the Authority	Insurance Regulatory and Development Authority of India (IRDAI)
2	Date of Order passed	May 16, 2016
3	Brief Description of Order passed	<ol style="list-style-type: none"> 1. Non reporting of certain payments in the 31B (2) statement though the amount of payments was above ₹5 Lakhs. 2. Solicitation of insurance business after expiry of the agent's license. 3. Solicitation of insurance business through the entities which are not licensed as per Insurance Act. 4. Violation of Regulation 9(a) of IRDA (sharing of Database for distribution of Insurance Products) Regulations, 2010. 5. Deviation from the discount structure approved by the Authority under F&U guidelines. 6. Group Insurance Violations. 7. Claims handling in Group Health Insurance policies including. <p>The Authority had observed above mentioned non-compliances and levied a penalty of ₹35,00,000/- altogether.</p>
4	Impact Details (on going concern status and Company's operations in future) and the current status	<p>Impact: No impact on going concern status and the Company's operations.</p> <p>Status: Corrective actions with respect to observations raised by the Authority were taken by the Company and penalty was remitted to the Authority.</p>

24. Internal Financial Controls with reference to the Financial Statements

Your Company has put adequate Internal Financial Control systems and procedures in place to ensure authenticity with reference to the Financial Statements.

25. Policy on Corporate Social Responsibility

The details of the Report on Corporate Social Responsibility Policy developed and implemented by the Company and CSR initiatives undertaken during the year pursuant to Section 134 and Section 135 of the Companies Act, 2013 and IRDAI Corporate Governance Guideline, 2016 are provided in the Corporate Governance Report which forms part of this report

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

26. 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.

27. Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is attached as "Annexure – V" of this report. Further, no employee

of the Company holds (either himself/herself or together with his/her spouse and dependent children) 2% or more equity shares of the Company and simultaneously draws remuneration in excess of remuneration drawn by the MD & CEO of the Company during the year under review.

28. 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. During the year, the Company identified the key areas of the gap between the current accounting standards and IND AS, namely, Investment classification and related fair value impact, Deferred Tax Assets, lease, etc. The overall impact on the networth of the Company is positive mainly coming from positive mark to market from investments which are considered as available for sale and Recognition of Deferred Tax Asset. The proforma financial statement has been prepared under IND AS and shared with the IRDAI.

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

- **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 whistleblower policy where employees can raise concerns internally about any possible irregularities, governance weakness, financial reporting issues and other matters. Details of the whistleblower policy are given in the Corporate Governance report.

- **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 the intranet.

- **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.

30. 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.

31. Policy on Prevention of Sexual Harassment of Woman Employees at Workplace

Your Company is committed to creating a healthy working environment in which all employees can work together free from sexual harassment. The Company has adopted a Policy on Sexual Harassment in Future Generali India Insurance Company Limited in accordance with the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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 offense and is punishable under law.

Details of sexual harassment complaints reported during the year under review:

No. of complaints received: 1

No. of complaints disposed of: 1

32. 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, Reserve Bank of India, the Registrar of Companies, 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.

Registered Add:

Indiabulls Finance Centre,
Tower 3, 6th Floor, Senapati Bapat Marg,
Elphinstone (w), Mumbai – 400 013

Dated: May 12, 2017

Place: Mumbai

On behalf of the Board of Directors

Future Generali India Insurance Company Limited

Sd/-

G. N. Bajpai

Chairman (Director)

Din: 00946138

ANNEXURE - 1

Report on Corporate Governance

1. INTRODUCTION:

Corporate Governance is about commitment to values and ethical business conduct. It is also about how an organisation is managed vis-à-vis the 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 form part of effective corporate governance.

2. PHILOSOPHY ON CORPORATE GOVERNANCE:

Good governance practices stem from the culture and mindset of the organisation. 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 a 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 the 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 endeavors to strike the right balance with various stakeholders' interests.

3. BOARD OF DIRECTORS

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, 2017, the Board of Directors of your Company consisted of Nine (9) Directors comprising of one (1) Executive Director, two (2) Non – Executive Independent Directors including a Woman Director and six (6) 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 been Chairman of the Corporate Governance Task Force of International Organisation of Securities Commissions, Insurance Institute of India & served on the Governing Boards of Indian Institute of Management, Lucknow and National Insurance Academy. He has also received awards for contribution to business and has authored several books, the latest being 'The Essential Book of Corporate Governance' released in 2016.

Mr. Bajpai 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 the then Prime Minister Dr. Manmohan Singh.

Mr. Bajpai holds a Degree in Law and Masters in Commerce. He was appointed as the Director on March 16, 2007 in the Board of your Company.

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

Lakshmi Pat Singhania - IIM Lucknow Young Business Leader Award by the 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 also possess Post Graduation in Diploma in Marketing. He was appointed as the Director on March 16, 2007.

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 34 years of experience in manufacturing, textiles and retail industry.

Mr. Vijay Biyani holds Bachelor's Degree in Commerce. He was appointed as the Director on March 16, 2007.

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 29 years of professional experience in Corporate Finance, Strategic Business Planning and Investment Advisory. He has worked in organisations 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. He was appointed as the Director on October 30, 2006.

5) Mr. Hayden Seach (DIN: 07409596) Director

Mr. Hayden Seach is a Non-Executive 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. He was appointed as the Director on February 1, 2016.

6) Ms. Jennifer Sparks (DIN: 07111138) Director

Ms. Jennifer Sparks is a Non-Executive 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 31 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. She was appointed as the Director on February 1, 2016.

7) 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 26 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. She was appointed as the Director on March 24, 2015.

8) 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.

Before he was Director of the Indian Institute of Management, Lucknow for more than ten years. Before joining IIML, he was 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 recognised 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 the author of three books in Finance and Management. Has been a consultant to leading Indian and multinational organisations in India.

He has been on several policy level Committees of Government of India, All India Council for Technical Education, Ph.D. 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 by the International Accreditation Advisory Board of Association of MBAs for three years. He will as Member of the Nomination Committee of AACSB for the current year (2014-15)

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). He was appointed as the Director on November 15, 2010.

9) Mr. K. G. Krishnamoorthy Rao (DIN: 02795933) – Managing Director and Chief Executive Officer

Mr. K. G. Krishnamoorthy Rao is the Managing Director and Chief Executive Officer of Future Generali India Insurance Company Limited. Mr. K. G. Krishnamoorthy Rao has over 24 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 Organisation as Scientist.

Mr. K. G. Krishnamoorthy Rao is a Bachelor in Technology, Production Engineering from the University of Calicut and is a Fellow member of the Insurance Institute of India. He was appointed as the Director on September 18, 2009.

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 organisational goals.

Performance evaluation of the Independent Directors is done by the Board of Directors excluding the Director being evaluated. The Board reviews and assesses 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 based on the criteria 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 analyze the areas for improvement.

Performance evaluation of the Board is done by the Independent Directors on a yearly basis. The Independent Directors shall decide on the criteria to assess the performance of the Board and depute one or more among them to conduct the process of performance evaluation. 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 ₹)
Mr. G.N. Bajpai	5,10,000
Dr. Devi Singh	3,00,000
Ms. Bhavna Doshi	2,70,000
Mr. K. K. Rathi	5,10,000
Mr. Kishore Biyani	50,000
Mr. Vijay Biyani	50,000

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

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

6. ATTENDANCE RECORD OF THE DIRECTORS

During the year, five meetings of the Board of Directors were held on April 16, 2016, May 5, 2016, August 11, 2016, November 25, 2016 and February 21, 2017. 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	Non-Executive Director, Chairman	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. Devi Singh	Independent Director	5	4
Ms. Bhavna Doshi	Independent Director	5	4
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO	5	5
Mr. John Inniss Howell*	Non-Executive Director	3	1
Mr. Hayden Seach	Non-Executive Director	5	3
Ms. Jennifer Sparks	Non-Executive Director	5	4

*Resigned with effect from August 31, 2016.

Note: Company had made an application to IRDAI for grant extension for three months to comply with the requirement of minimum number of Independent Directors i.e. 3 as per the Corporate Governance Guideline, 2016 and the requisite extension up to June 30, 2017 was granted to the Company by the IRDAI.

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 other guidelines, rules or regulations 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 system of the Company.

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

- Define the guidelines for the internal control & risk management system of the Company;
- Assess the adequacy and effectiveness of the internal control & risk management system of the Company on a regular basis;
- Assess the reliability of the financial statements and disclosures of the Company;
- Oversee the independence, qualifications and performance of the appointed external auditor and the performance of the internal audit activity;
- Oversee the identification and management of main corporate risks faced by the Company; and
- Make recommendations and proposals for the upgrading and further strengthening of the enterprise risk management, internal control and governance processes of the Company.
- Consider and if thought fit, recommend to the Board of Directors, related party transactions for their approval.

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statements and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

7.1 Composition and Attendance at Meetings:

The Company has constituted an Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and in accordance with the Corporate Governance Guidelines issued by IRDAI.

As on the date of this report, the Audit Committee consists of three (3) members, all of whom are Non-executive Directors, two (2) of them being Independent Directors.

During the year, the Audit Committee met four (4) times during the year on May 04, 2016, August 10, 2016, November 24, 2016, and February 20, 2017 and reviewed operations and accounts of the Company.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Committee Meetings attended
Ms. Bhavna Doshi	Independent Director and Chairperson	4	4
Mr. G.N. Bajpai	Non-Executive Director, Member	4	4
Dr. Devi Singh	Independent Director, Member	4	4

All the members of the Committee have a good experience and strong 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.

Mr. K.K. Rathi is the permanent invitee 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 products;
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 Company has constituted an Investment Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

As on the date of this report, the Investment Committee consists of Seven (7) members. Chairman, two (2) Non-Executive Directors, Managing Director & 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 of India.

During the year, the Investment Committee met four (4) times during the year on May 04, 2016, August 10, 2016, November 24, 2016, and February 20, 2017.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/KMP	Committee Meetings attended
Mr. G.N. Bajpai	Non-Executive Director, Chairman	4	4
Mr. Krishan Kant Rathi	Non-Executive Director, Member	4	4
Mr. Srinivasan Venugopalan ¹	Chief Financial Officer, Member	4	4
Mr. Milan P. Shirodkar	Chief of Investments, Member	4	4
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO, Member	4	4
Mr. John Inniss Howell ²	Non-Executive Director, Member	2	1
Mr. Neel Chheda ³	Appointed Actuary, Member	4	3
Ajay Panchal ⁴	Chief Risk Officer, Member	2	2

¹ Resigned with effect from March 14, 2017 and as on date of this report, your Company has inducted Mr. Ritesh Jiwarajka, Head of Finance as a member of the Committee.

² Resigned with effect from August 31, 2016.

³ Resigned with effect from December 14, 2017 and Mr. Ashwani Kumar Arora has been appointed as an Appointed Actuary of the Company on February 21, 2017 subject to IRDAI approval and inducted him as a member of the committee pursuant to IRDAI approval dated April 12, 2017.

⁴ Inducted as a member of the Committee with effect from August 11, 2016.

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 Policyholder's Protection Committee assists and provides advice to the Board of Directors in relation to the protection of the interests of policyholders. The Policyholder's 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 Policyholder's 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 Policyholder's Protection Committee, inter-alia, includes following:

- 1) Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including misselling by intermediaries.
- 2) Ensure compliance with the statutory requirements as laid down in the regulatory framework.

- 3) Review of the mechanism at periodic intervals.
- 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 Company has constituted a Policyholders Protection Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

As on the date of this report, the Policyholders Protection Committee consists of four (4) members. It consists of the Chairman and three (3) Non-Executive Directors.

During the year, the Policyholders Protection Committee met four (4) times during the year on May 04, 2016, August 10, 2016, November 24, 2016, and February 20, 2017.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Committee Meetings attended
Mr. G.N. Bajpai	Non-Executive Director, Chairman	4	4
Mr. Krishan Kant Rathi	Non-Executive Director, Member	4	4
Mr. Hayden Seach	Non-Executive Director, Member	4	3
Mr. John Inniss Howell ¹	Non-Executive Director, Member	2	1

¹ Resigned with effect from August 31, 2016

10. ETHICS AND COMPLIANCE COMMITTEE

The Ethics & Compliance Committee assist and advises the Board of Directors in relation to ethical and compliance matters and monitors the risk profile of the Company related to compliance with 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 & 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 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 & 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 Company has constituted the Ethics and Compliance Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

As on the date of this report, the Ethics & Compliance Committee consists of three (3) members. It consists of the Chairman and two (2) Non-Executive Directors.

During the year, the Ethics and Compliance Committee met four (4) times during the year on May 04, 2016, August 10, 2016, November 24, 2016, and February 20, 2017.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Committee Meetings attended
Mr. G.N. Bajpai	Non-Executive Director, Chairman	4	4
Mr. Krishan Kant Rathi	Non-Executive Director, Member	4	4
Mr. Hayden Seach	Non-Executive Director, Member	4	3
Mr. John Inniss Howell ¹	Non-Executive Director, Member	2	1

¹ Resigned with effect from August 31, 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 Company has constituted the Risk Management Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

As on the date of this report the Risk Management Committee consists of three (3) members. It consists of the Chairman and two (2) Non-Executive Directors.

During the year, the Risk Management Committee met four (4) times during the year on May 04, 2016, August 10, 2016, November 24, 2016, and February 20, 2017.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Committee Meetings attended
Mr. G.N. Bajpai	Non-Executive Director, Chairman	4	4
Mr. Krishan Kant Rathi	Non-Executive Director, Member	4	4
Mr. Hayden Seach	Non-Executive Director, Member	4	3
Mr. John Inniss Howell ¹	Non-Executive Director, Member	2	1

¹ Resigned with effect from August 31, 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 authorised signatories, due to the increase in business activities.

The terms of reference of the Committee are as follows:

- Exercise oversight of the operations and processes of the Company's banking and finance relationships; and
- Approve the proposals presented by the Management for opening\closure\operations of bank accounts and change in authorised signatories, due to the increase in business activities.; and

- 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 Company has constituted the Banking Affairs Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

As on the date of this report, the Banking Affairs Committee consists of two (2) members, Managing Director & CEO and one (1) Non-Executive Director including Chairman.

During the year, the Banking Affairs Committee met two (2) times during the year on August 11, 2016 and February 21, 2017.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Committee Meetings attended
Mr. Krishan Kant Rathi	Non-Executive Director, Chairman	2	2
Mr. John Inniss Howell ¹	Non-Executive Director, Member	1	0
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO, Member	2	2

¹ Resigned with effect from August 31, 2016

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:

- Approve issuance of duplicate certificates of securities of the Company;
- Approve transfer, transmission of the securities of the Company;
- Approve allotment of the securities of the Company;

The subject, to due compliance with the provisions of the

Companies Act, 2013 and the Insurance Act, 1938 and the Rules and Regulations framed thereunder.

13.1 Composition and Attendance at Meetings:

The Company has constituted the Share Transfer and Allotment Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

As on the date of this report, the Share Transfer and Allotment Committee consist of three members. It consists of Chairman and two (2) Non-Executive Directors.

During the year, the Share Transfer and Allotment Committee met two (2) times during the year on September 21, 2016 and December 31, 2016.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Committee Meetings attended
Mr. G.N. Bajpai	Non-Executive Director, Chairman	2	2
Mr. Krishan Kant Rathi	Non-Executive Director, Member	2	2
Mr. John Inniss Howell ¹	Non-Executive Director, Member	0	0
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO, Member	2	2

¹ Resigned with effect from August 31, 2016

14. PRODUCT UNDERWRITING AND REINSURANCE MANAGEMENT COMMITTEE

The Product Underwriting and Reinsurance Management Committee was constituted by the Company in accordance with the provisions of the Guidelines on Product Filing Procedures for General Insurance Products (File & Use Guidelines) issued by the IRDAI to ensure proper due diligence of product design and thereby protection of the policyholders' interests and also review and recommend all the products that are in existence and new products proposed to be filed with the Authority and carry out a due diligence process and record its concurrence on various products related risks for all products falling under File and Use and Use and File procedures.

14.1 Composition and Attendance at Meetings:

The Company has constituted the Product Underwriting and Reinsurance Management Committee pursuant to the provisions of Guidelines on Product filing issued by IRDAI.

During the year, the Product Underwriting and Reinsurance Management Committee met Seven (7) times during the year on May 19, 2016, June 10, 2016, July 30, 2016, August 5, 2016, November 9, 2016, December 13, 2016 and December 28, 2016.

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 utilised for the purposes of the CSR activities as approved by the Board
- f) CSR expenditure to be audited independently for a better level of transparency.
- g) Evaluating the CSR Activities undertaken by the Company on an annual basis.
- 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 Company has constituted the Corporate Social Responsibility (CSR) Committee pursuant to the provisions of Companies Act, 2013 and Corporate Governance Guidelines issued by IRDAI.

The CSR Committee shall consist of three members; all being Non-Executive Directors and the Chairman of the Committee being an Independent Director.

During the year, the Corporate Social Responsibility (CSR) Committee met two (2) times during the year on August 10, 2016 and February 20, 2017.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Committee Meetings attended
Dr. Devi Singh	Independent Director, Chairman	2	2
Mr. John Inniss Howell ¹	Non-Executive Director, Member	1	0
Mr. Hayden Seach	Non-Executive Director, Member	2	2
Mr. Krishan Kant Rathi	Non-Executive Director, Member	2	2

¹ Resigned with effect from August 31, 2016

16. NOMINATION & REMUNERATION COMMITTEE

The Nomination & 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 in 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 on specific remuneration to the Executive Directors of the Company;
- (b) Approve the Perquisites and pension payments.
- (c) Approve the Variable Bonus and compensation payments.
- (d) Approve the appointment of Director of the Company.

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

16.1 Composition and Attendance at Meetings:

The Company has constituted the Nomination & Remuneration Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

During the year, the Nomination & Remuneration Committee met four (4) times during the year on May 05, 2016, August 11, 2016, November 25, 2016, and February 21, 2017.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Committee Meetings attended
Ms. Bhavna Doshi	Independent Director, Chairperson	4	3
Dr. Devi Singh	Independent Director, Member	4	4
Mr. G.N. Bajpai	Non-Executive Director, Member	4	4
Mr. Krishan Kant Rathi	Non-Executive Director, Member	4	4

17. 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.

17.1 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 of 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.

17.2 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 the market, business performance and practices in comparable Companies, having due regard to the financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

18. 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 offenses, 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.

19. 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	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
2014-15	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
2015-16	10th	3rd day of June 12, 2016 at 04:00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013

19.1 Extraordinary General Meeting

During the year under review, Extra-Ordinary General Meeting of the members of the Company was held on April 18, 2016 and March 17, 2017.

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) Penalty or strictures

During the year, a penalty of ₹35 Lakhs was levied by the Insurance Regulatory and Development Authority of India based on an onsite inspection carried out by the said regulatory authority in the year 2013, the details whereof has been disclosed in the Directors Report (forming part of this Annual Report).

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 the 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, 2017

Particulars	Amount (₹ Lakhs)
Available Assets	293,965
Liabilities	241,829
Available Solvency Margin (ASM)	52,136
Required Solvency Margin (RSM)	30,347
Solvency Ratio	1.72

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

The Company has gross written premium of ₹1,816 Crore against ₹1,555 Crore in the previous year.

During the year under review, additional capital was infused by the issuance of 99,803,705 equity shares at par on rights basis and paid up share capital post allotment as on March 31, 2017 is ₹8,098,037,050.

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, organisational solutions, human resources, etc.

The internal control and risk management system oversees 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 organisational backdrop.

- The first level is the operational one, centered 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 organisational 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 organisational 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	26202
Reported during the year*	219111
Settled during the year	225179
Outstanding at the end of the year	22384

*Includes 2250 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, Krishnan Gopalakrishnan, 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

Date: May 12, 2017
Place: Mumbai

Sd/-
Krishnan Gopalakrishnan
Principal Compliance Officer & Company Secretary

ANNEXURE - 2

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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:

CIN	U66030MH2006PLC165287
Registration Date	October 30, 2006
Name of the Company	Future Generali India Insurance Company Limited
Category/Sub-category of the Company	Public Company having Share capital
Address of the Registered Office & contact details	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai - 4001 013 Tel : +91 22 4097 6666
Whether listed Company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: Link Intime India Pvt Ltd Address: Link Intime India Pvt. Ltd C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Contact Details: 022 - 4918 6270

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 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	181049994	347900006	528950000	74.50	181049994	422203711	603253705	74.49	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):-	181049994	347900006	528950000	74.50	181049994	422203711	603253705	74.49	0

Category of Shareholders	No. of Shares held at the 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	
(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	25.50	0	206550000	206550000	25.51	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	25.50	0	206550000	206550000	25.51	0
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	181049994	528950006	710000000	100.00	181049994	603253711*	809803705	100.00	0
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 ₹1 Lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹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)	181049994	528950006	710000000	100	206549994	603253711	809803705	100	0

*25500000 out of 603253711 shares were under process of dematerialisation as on March 31, 2017

(ii) Share Holding of Promoters

Sl No.	Shareholders Name	Shareholding at the 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	181050000	25.51	0	206550000	25.51	0	0
2	Shendra Advisory Services Private Limited	347900000	49.00	0	396703705	48.99	0	0
3	Participatie Maatschappij Graafsschap Holland NV	181050000	25.50	0	206550000	25.50	0	0
	Total	710000000	100.00	0	809803705	100.00	0	0

* During the year Company had raised capital twice through Right Issue, however the shareholding percentage substantially remained the same throughout the year.

(iii) Change in Promoters' Shareholding (Specify If There Is No Change)

Sl. No.	Name of 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
1.	Future Enterprises Limited				
	At the beginning of the year	181050000	25.50	0	0
	Allotment (dated September 21, 2016 and December 31, 2016) through right issue.	255000000	0	0	0
	At the end of the year	0	0	206550000	25.50
2.	Shendra Advisory Services Private Limited				
	At the beginning of the year	347900000	49.00	0	0
	Allotment (dated September 21, 2016 and December 31, 2016) through right issue.	48803705	0	0	0
	At the end of the year	0	0	396703705	48.99
3.	Participatie Maatschappij Graafsschap Holland NV				
	At the beginning of the year	181050000	25.50	0	0
	Allotment (dated September 21, 2016 and December 31, 2016) through right issue.	255000000	0	0	0
	At the end of the year	0	0	206550000	25.51

(iv) Shareholding Pattern of top ten Shareholders

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

Sl. 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

Sl. 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

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

(₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness 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 (₹)

In accordance with the provisions of Section 34A of the Insurance Act, 1938 and relevant provisions of 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.

Sl. No.	Particulars of Remuneration	Name of the Managing Director & CEO
		Mr. K.G. Krishnamoorthy Rao
1	Gross salary	24,766,091
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	39,600
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0
2	Stock option	0
3	Sweat Equity	0
4	Commission	0
	as % of profit	0
	others (specify)	0
5	Others, please specify	7,538,974
	Total (A)	32,344,665
	Ceiling as per the Act	

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. Rathi	Mr. John Inniss Howell	Mr. Hayden Seach	Ms. Jennifer Sparks	
1	Independent Directors										
	(a) Fee for attending board committee meetings	N.A.	3,00,000	2,70,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	5,70,000
	(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)										5,70,000
2	Other Non-Executive Directors										
	(a) Fee for attending board committee meetings	5,10,000	N.A.	N.A.	50,000	50,000	5,10,000	0	0	0	11,20,000
	(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)										11,20,000
	Total (B)=(1+2)										16,90,000
	Total Managerial Remuneration (A+B)										
	Overall Ceiling as per the Act.	N.A.									

Note:- As 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/ Wholtime Director/ Manager

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		9,027,747
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		162,000
	(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		192,123
	Total		9,381,870

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 - 3
FORM NO. MR. 3
SECRETARIAL AUDIT REPORT
for the financial year ended March 31, 2017
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Future Generali India Insurance Company Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Generali India Insurance Company Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances/ board process and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in "Annexure A", for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder, as may be applicable;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; and
- (iv) Based on the representation made by the Company and its officers, the Company has adequate system and process in place for compliance under the other applicable Laws, Acts, Rules, Regulations, Guidelines and Standards including the following:
 - (i) Insurance Act, 1938 and The Insurance Law (Amendments) Act, 2015; and
 - (ii) Insurance Regulatory and Development Authority Act, 1999 ("IRDA") and the rules, regulations, circulars, guidelines, instructions etc. issued by IRDAI;

Other major Statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards etc., applicable to the Company, as per the details provided by the management of the Company, are given below:

- (i) Maharashtra Shops and Establishments Act, 1948;
- (ii) Maharashtra Labour Welfare Fund Act, 1953;
- (iii) Trade License Act;
- (iv) The Minimum Wages Act, 1948;
- (v) Payment of Wages Act 1936 and Payment of Wages (Amendment) Act, 2017;
- (vi) The Equal Remuneration Act, 1976;
- (vii) The Maternity Benefits Act, 1961;
- (viii) Contract Labour (Regulation and Abolition) Act, (for branches where ever applicable), 1970;
- (ix) Payment of Bonus Act, 1965 ;
- (x) Professional Tax Act, 1975;
- (xi) Payment of Gratuity Act, 1972;
- (xii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013;
- (xiii) The Provident Fund Act, 1952;

Provisions of the following Regulations and Guidelines prescribed are not applicable to the Company, since the Company is not listed on any of the Stock Exchange(s) in India, for the financial year ended March 31, 2017 under report:-

- (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder ;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The Company is an unlisted Company and therefore compliance with listing regulations is not applicable.

The Institute of Company Secretaries of India has prescribed Secretarial Standards on Meeting of Board and Committees (SS-1) and on General Meetings (SS-2) which are mandatory for the financial year 2016-17.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the directors to schedule the Board Meetings and Committee Meetings. The agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through and recorded in the minutes and there were no dissenting members for any decisions in the Board or committee meetings during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are no specific or material corporate events/actions undertaken by the Company which have a major bearing on the Company's affairs in respect of the above referred laws, rules, regulations, guidelines, standards, etc. except as below:-

Note:

1. During the year the Company has issued equity shares on right basis under section 62(1) of the Companies Act, 2013 as below:
 - (a) Allotted 39,921,862 Shares at ₹10/- per shares on September 21, 2016.
 - (b) Allotted 59,881,843 Shares at ₹10/- per shares on December 31, 2016.
2. During the year under review, the IRDA observed certain non-compliances pertaining to an onsite inspection carried out by the Authority in the year 2013 and levied a penalty of ₹ 35,00,000 (Rupees Thirty Five Lakhs). pertaining to financial year 20 13-14 vide an order passed by the Authority on 16th May, 2016. The Company has duly remitted the said payment as per the directions of the Authority.

For Anish Gupta & Associates
Company Secretaries

Anish Gupta
Proprietor

Place: Mumbai,
Date: 12 May, 2017

FCS: 5733, CP No. 4092

Note: This report is to be read with our letter of even date which is annexed as "Annexure B, herewith and forms an integral part of this report.

List of documents verified:

Under Companies Act, 2013:-

1. Memorandum & Articles of Association of the Company.
2. Financial Statements for the financial year ended March 31, 2017.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer and Allotment Committee, and Corporate Social Responsibility Committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year ended March 31, 2017 under report.
5. Statutory Registers as per Companies Act 2013.
6. Agenda papers circulated to all the Directors & Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 149(6) &(7), Section 164 and Section 184 of the Companies Act, 2013.
8. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Various Policy framed by the Company required under the Companies Act, 2013 viz. Nomination and Remuneration Policy, Corporate Social Responsibility Policy, Board Evaluation Policy etc.
10. Other relevant documents as required to be maintained and published on website by the Company.

Under Insurance Act, 1938 and Insurance Regulatory and Development Authority of India Act (IRDAI 1999):-

1. Minutes of Investment Committee, Policyholders Protection Committee, Risk Management Committee and Ethics & Compliance Committee required as per IRDAI Corporate Governance Guidelines along with Attendance Register, held during the financial year under report.
2. Deed of Covenants at the time of appointment.
3. Declaration and undertakings from Directors.
4. Compliance Correspondence with IRDAI i.e. Monthly, Quarterly, Half yearly, Annually etc.
5. Documents pertaining to Appointment, Resignation of Directors and KMP and approvals received from IRDAI.

Under Foreign Exchange Management Act, 1999:-

1. Intimation of FDI foreign remittance and FCGPR forms filed under the FEMA Guidelines
2. Annual Return on Foreign Liabilities and Assets submitted to Reserve Bank of India.

ANNEXURE "B"

To,
The Members,
Future Generali India Insurance Company Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion .
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures and systems on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Anish Gupta & Associates
Company Secretaries

Anish Gupta
Proprietor

FCS: 5733, CP No. 4092

Place: Mumbai,
Date: May 12, 2017

ANNEXURE - 4

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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

Our CSR policy

The CSR policy outlines our area of focus towards the welfare of the people. The policy lays the objectives to be achieved, details regarding monitoring of projects undertaken, the applicability of the policy and defines roles and responsibilities of the CSR committee and the board of directors in monitoring yearly CSR plan.

Please refer to the link given below to access our CSR policy – [http://general.fgparivaar.in/FGGI%20Policies/MARKETING%20 & %20 COMMUNICATIONS/MARKETING%20 & %20 COMMUNICATIONS/CorporateSocialResponsibility.pdf](http://general.fgparivaar.in/FGGI%20Policies/MARKETING%20&%20COMMUNICATIONS/MARKETING%20&%20COMMUNICATIONS/CorporateSocialResponsibility.pdf)

CSR initiatives: an overview

We have initiated our CSR under the aegis of SNEH. SNEH, derived from Sanskrit origin, signifies affection and loving kindness. It reflects our approach of warmth and care towards our surroundings and its people.

SNEH is a response to our commitment towards constructing and supporting sustainable solutions for the key issues related to Education, Health and Environment with a special focus on rural/semi-urban India.

Our CSR initiatives for the period of April 2016 through March 2017 are as followed:

We have extended our support to 'Muktshala'- a Pride India initiative. The initiative is aimed towards restoring the educational rights of 80 tribal children of migrant workers in Raigad district of Maharashtra. Through this intervention, we expect to ensure equitable access to formal education for children between 6 to 16 years, minimise the dropout rate among the students and

ensure their holistic development with a special focus on their health and nutrition.

Additionally, we had conducted certain workshops for social benefits, Computer Donation Camps, and NGO Melas.

Please refer to the below link to access details regarding our CSR activities –

<https://general.futuregenerali.in/general-insurance/corporate-social-responsibility>

2. The Composition of the CSR Committee.
- Dr. Devi Singh, Chairman
 - Krishan Kant Rathi, Member
 - Hayden Seach, Member
3. Average net profit of the Company for last three financial years:-
(₹ in '000)

Financial Year 2015-16 (₹)	Financial Year 2014-15 (₹)	Financial Year 2013-14 (₹)	Average Profit / Losses of Last 3 Financial Year (₹)
(52,549)	6,02,926	3,96,195	3,15,524

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
- Pursuant to section 135(5) of Companies Act, 2013, the CSR obligation of your Company for the Financial Year 2016-2017 is in ₹6,311 thousand.
5. Details of CSR spent during the financial year.
₹1,109 thousand
- Total amount to be spent for the financial year;
₹6,311 thousand
 - Amount unspent, if any;
₹5,202 thousand

(c) The manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. 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.	Muktshala & Other small scale CSR projects like workshops for social benefits, Computer Donation Camps and NGO Melas	Education, health and Social issues	Maharashtra – Near to Mumbai region	₹6,311 thousand	Direct expenditure	₹1,109 thousand	Implementing agency

6. Reasons for not spending the full amount allocated for CSR activities:
The Company increased the spend in CSR activities from ₹19,433/- in Financial Year 2015-16 to ₹11,09,000/- for the current year, however, the Company could not incur CSR expenditure upto the limit prescribed under the Companies Act, 2013, due to lack of project opportunities and CSR Committee is in the process of identification of suitable projects.

Sd/
(Chief Executive Officer or Managing Director or Director)

Sd/
Chairman CSR Committee

ANNEXURE - 5

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE COMPANIES

(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employee Name	Designation	Remuneration (1.02 Crore and More only)	Qualification	Age in years	Date Of Employment	Exp in years	Last employment held
Easwara Narayanan	Chief Operating Officer	1,09,85,950	MBA Finance	56	24 Feb 2012	34	Bajaj Allianz life insurance Company Limited

Notes:

1. Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity paid, Leave Travel Assistance, Medical Benefits, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis.
2. The above employee is not related to any Director of your Company.
3. The above employee is not holding any shares of your Company.
4. Nature of employment of the above mentioned employee is Permanent.

Independent Auditors' Report

Khandelwal Jain & Co.

Chartered Accountants
12-B, Baldota Bhavan, 5th Floor,
117, M.K. Road, Churchgate,
Mumbai – 400020

Chhajed & Doshi

Chartered Accountants
101 Hubtown Solaris,
N.S. Phadke Marg, Andheri,
Mumbai - 400069

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, 2017, the Revenue accounts of fire, marine and miscellaneous insurance (collectively known as the ‘Revenue account’), the Profit and Loss account and the Receipts and Payments account for the year then ended, the schedules annexed there to, a summary of the 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 Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, underwriting results, financial performance and Receipts and Payments of the Company in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, 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 Regulations’) and orders / directions / circulars / guidelines issued by the Insurance Regulatory and Development Authority of India (‘IRDAI’) in this behalf and current practices prevailing within the insurance industry in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

4. We have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the Regulations and orders / directions prescribed by IRDAI in this behalf, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Regulations.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, the Insurance Act, the IRDA Act 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 the case of Balance Sheet, of the state affairs of the Company as at March 31, 2017;
 - b. in the case of Revenue Account, of the operating profit for the year ended on that date;
 - c. in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - d. in case of Receipts and Payments Account, of the Receipts

and Payments for the year ended on that date

Report on Other Legal and Regulatory Requirements

9. As required by the Regulations, we have issued a separate certificate dated May 12, 2017 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.
10. As required by the Regulations, read with Section 143(3) of the Act, in our opinion and according to the information and explanations give to us, we report that:at:
- 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;
 - 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.
 - 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.
 - 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;
 - 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.
 - The aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable, and with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDAI in this regard.
 - 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 Act to the extent applicable and the manner so required.
 - On the basis of the written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - The actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2017 has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Actuarial Society of India in concurrence with the IRDAI.
- (j) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
11. 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 36 to the financial statements;
 - 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 – Refer Note no. 37 to the financial statements;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note no. 38 to the financial statements.
 - The disclosure requirement in respect of Specified Bank Notes, as envisaged in Notification G.S.R 308(E) dated March 30, 2017 is not applicable to the Company–Refer Note no. 33 to the financial statements.
12. 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:
- We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2017 and there are no apparent mistakes or material inconsistencies with the financial statements; and
 - 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 **Khandelwal Jain & Co.**
Chartered Accountants
Firm Reg. No. 105049W

Narendra Jain
Partner
Membership No. 048725

Mumbai
Date : May 12, 2017

For **Chhajed & Doshi**
Chartered Accountants
Firm Reg. No. 101794W

Nitesh Jain
Partner
Membership No. 136169

Mumbai
Date : May 12, 2017

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 IRDAI Financial Statements Regulations") read with Regulation 3 of the IRDAI 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 "IRDAI Act"), the IRDAI Financial Statements Regulations, orders / directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Our responsibility, for the purpose of this certificate, is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the IRDAI 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 and records maintained by Future Generali India Insurance Company Limited ("the Company") for the year ended March 31, 2017, we certify that:

- a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2017 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 the trustee of any trust; and
- e) No part of the assets of the policyholders' fund has been directly or indirectly applied in contravention to the provisions of the Insurance Act relating to the application and investment of the policyholders' funds.

This certificate has been issued to comply with paragraphs 3 and 4 of Schedule C of the IRDAI Financial Statements Regulations, read with Regulation 3 of the IRDAI Financial Statements Regulations and may not be suitable for any other purpose.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No. 105049W

For Chhajed & Doshi
Chartered Accountants
Firm Reg. No. 101794W

Narendra Jain
Partner
Membership No. 048725

Nitesh Jain
Partner
Membership No. 136169

Mumbai
Date : May 12, 2017

Mumbai
Date : May 12, 2017

Annexure I to the Independent Auditor's Report

of even date on the Financial Statements of Future Generali India Insurance Company Limited

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

We have audited the internal financial controls over financial reporting of Future Generali India Insurance Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected

depend on the auditor's 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, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

The Actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2017 has been duly certified by the Appointed Actuary of the Company as per the Regulations and has been relied upon by us as mentioned in para 10(i) of our Audit Report on the financial statements for the year ended March 31, 2017. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the adequacy and operating effectiveness of the internal controls over the valuation and accuracy of the aforesaid actuarial liabilities.

For **Khandelwal Jain & Co.**
Chartered Accountants
Firm Reg. No. 105049W

For **Chhajer & Doshi**
Chartered Accountants
Firm Reg. No. 101794W

Narendra Jain
Partner
Membership No. 048725

Nitesh Jain
Partner
Membership No. 136169

Mumbai
Date : May 12, 2017

Mumbai
Date : May 12, 2017

Management Report

With respect to the operations of Future Generali India Insurance Company Ltd. for the year ended 31 March, 2017 and results thereof, the Management of the Company confirms and declares that:

1. The Company obtained Regulatory approval to undertake General Insurance business on September 4, 2007 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration.
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 (as amended thereafter) 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. We confirm that the required solvency margin 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 and business projection. 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.

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 Risk Management Committee assists the Board of Directors to formulate, monitor and revise strategies to achieve the financial objectives of the Company.
8. The Company does not have insurance operations outside India.
9. In the Financial Year 2016-17 a total of 2,19,111 claims were reported and 2,25,179 were settled with an overall settlement ratio of 91%. 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 with a minimum rating of AA, Commercial Papers, 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;

- 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 (as amended thereafter) 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

Ritesh Jiwrajka
Head of Finance

Krishnan Gopalakrishnan
Company Secretary

Place: Mumbai
Date: 12th May, 2017

Annexure 1

Average Claims Settlement Time during preceding five years

Line of Business	2016-2017		2015-2016		2014-2015		2013-2014		2012-2013	
	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	4,291	105	4,870	104	9,022	91	7,066	64	4,805	68
Engineering	645	198	618	191	759	148	810	100	705	116
Fire	1,600	187	1,173	163	1,235	139	1,601	65	706	131
Health	63,659	28	56,209	23	41,814	25	45,766	27	41,674	36
Liabilities	68	300	48	269	88	165	118	145	86	76
Motor-OD	1,43,036	32	1,40,873	30	1,19,962	30	97,495	30	80,825	35
Motor-TP	2,976	645	3,737	542	4,021	517	4,644	448	2,822	361
Personal Accident	3,513	137	3,385	171	3,644	131	4,696	65	3,310	70
Overseas Medical	848	130	661	103	772	125	546	162	691	156
Workmen Compensation	940	163	825	188	681	189	557	171	466	166
Others	3,603	113	4,299	97	2,974	124	2,493	79	2,613	66
Grand Total	2,25,179	46	2,16,698	44	1,84,972	48	165,792	46	138,703	46

Annexure 2

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

As at 31st March 2017

(₹ in Lakhs)

Line of Business	Aviation		Marine Cargo		Engineering		Fire	
Period	No of Claims	Amount of Claims						
0 - 30 days	0	-	267	284.96	48	134.96	124	1,105.72
30 days – 6 months	0	-	331	721.11	140	636.86	363	5,327.62
6 months – 1 year	0	-	127	788.22	57	360.45	134	8,005.20
1 year – 5 years	1	4.02	88	908.82	656	1,003.92	155	4,031.99
More than 5 years	0	-	12	339.04	4	14.19	3	51.51
Grand Total	1	4.02	825	3,042.15	905	2,150.38	779	18,522.04

As at 31st March 2017

(₹ in Lakhs)

Line of Business	Health		Liabilities		Motor-OD		Motor-TP	
Period	No of Claims	Amount of Claims						
0 - 30 days	2,521	665.78	7	17.57	3,347	2,039.34	282	1,507.96
30 days – 6 months	608	260.57	8	17.83	2,230	3,619.18	945	5,521.58
6 months – 1 year	28	19.79	16	107.07	430	1,151.24	1,071	7,690.27
1 year – 5 years	19	30.57	13	76.01	377	1,354.19	3,688	24,529.56
More than 5 years	7	11.41	-	-	144	796.12	1,191	6,068.58
Grand Total	3183	988.12	44	218.48	6,528	8,960.07	7,177	45,317.95

As at 31st March 2017

(₹ in Lakhs)

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	301	231.78	27	27.64	84	115.66	381	229.54	7,389	6,360.91
30 days – 6 months	283	299.15	67	238.69	230	382.69	351	768.85	5,556	17,794.13
6 months – 1 year	36	79.27	43	101.16	64	273.84	146	481.88	2,152	19,058.39
1 year – 5 years	165	405.40	36	58.36	49	218.82	640	2,135.32	5,887	34,756.98
More than 5 years	25	150.39	2	2.25	3	9.00	9	51.58	1,400	7,494.07
Grand Total	810	1,165.99	175	428.10	430	1,000.01	1,527	3,667.17	22,384	85,464.48

As at 31st March 2016

(₹ in Lakhs)

Line of Business	Aviation		Marine Cargo		Engineering		Fire	
Period	No of Claims	Amount of Claims						
0 - 30 days	0	-	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	0	-	124	567.83	351	499.25	115	2,014.40
1 year – 5 years	0	-	183	1,207.61	372	803.20	141	4,100.50
More than 5 years	0	-	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 at 31st March 2016

(₹ in Lakhs)

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	0	-	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 at 31st March 2016

(₹ in Lakhs)

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	0	-	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 at 31st March 2015

(₹ in Lakhs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
Period	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	0	0	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 at 31st March 2015

(₹ in Lakhs)

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	0	0	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 at 31st March 2015*(₹ in Lakhs)*

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	0	0	2	0	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 at 31st March 2014*(₹ in Lakhs)*

Line of Business	Marine Cargo		Engineering		Fire		Health	
Period	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 at 31st March 2014*(₹ in Lakhs)*

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	4195	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 at 31st March 2014*(₹ in Lakhs)*

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 at 31st March 2013

(₹ in Lakhs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
Period	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 at 31st March 2013

(₹ in Lakhs)

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 at 31st March 2013

(₹ in Lakhs)

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

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. Rathi Devi Singh Bhavna Doshi John Inniss Howell Jennifer Sparks	Director	Insurance Premium Paid : ₹2,849,556 Other transaction: ₹12,500,000
2	Future Enterprises Limited (Joint Venturer)	Kishore Biyani Vijay Biyani	Director	Operating expenses : ₹1,929,974 Deposit paid : ₹300,000
3	Assicurazioni Generali SPA (Parent company of Joint Venturer)	Hayden Seach John Inniss Howell	Director	Reinsurance settlement Paid: ₹159,942,748
4	Dr Devi Singh	Dr Devi Singh	Director	Sitting Fees Paid : ₹3,00,000
5	G.N Bajpai	G.N Bajpai	Director	Sitting Fees Paid : ₹5,10,000
6	Bhavna Doshi	Bhavna Doshi	Director	Sitting Fees Paid : ₹2,70,000
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. Rathi	K.K. Rathi	Director	Sitting Fees Paid : ₹5,10,000
10	M/s Europ Assistance India Pvt. Ltd.	KG Krishnamoorthy Rao	Director	Operating expenses : ₹22,062,671 Insurance claims paid : ₹47,382,380

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 2017

Fire Insurance Business

(₹' 000)

Particulars	Schedule	For the Year ended 31st March 2017	For the Year ended 31st March 2016
1. Premiums earned (Net)	1	4,57,231	4,31,460
2. Profit/(Loss) on sale/redemption of Investments		43,480	28,506
3. Others-Miscellaneous Income		926	521
4. Interest, Dividend & Rent - Gross		1,92,933	1,52,088
Total (A)		6,94,570	6,12,575
1. Claims Incurred (Net)	2	3,29,433	3,46,579
2. Commission	3	(17,700)	(33,251)
3. Operating Expenses related to Insurance Business	4	2,92,058	1,82,754
4. Premium deficiency		-	-
Total (B)		6,03,791	4,96,082
Operating Profit / (Loss) from Fire Business		90,779	1,16,493
Appropriations			
Transfer to Shareholders' Funds		90,779	1,16,493
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		90,779	1,16,493

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

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For and on behalf of

For Khandelwal Jain & Co.
Chartered Accountants
FRN 105049W

For and on behalf of the Board of Directors

G N Bajpai
Chairman

K K Rathi
Director

KG Krishnamoorthy Rao
Managing Director & CEO

Nitesh Jain

Partner
Membership No. 136169

Narendra Jain

Partner
Membership No. 048725

Ritesh Jiwarajka

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2017

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 2017

Marine Insurance Business

(₹' 000)

Particulars	Schedule	For the Year ended 31st March 2017	For the Year ended 31st March 2016
1. Premiums earned (Net)	1	4,69,969	4,86,555
2. Profit/(Loss) on sale/redemption of Investments		11,357	9,248
3. Others-Miscellaneous Income		777	544
4. Interest, Dividend & Rent - Gross		46,114	45,726
Total (A)		5,28,217	5,42,073
1. Claims Incurred (Net)	2	3,05,998	3,67,293
2. Commission	3	61,895	67,049
3. Operating Expenses related to Insurance Business	4	84,202	1,85,679
4. Premium deficiency		-	-
Total (B)		4,52,095	6,20,021
Operating Profit / (Loss) from Marine Business		76,122	(77,948)
Appropriations			
Transfer to Shareholders' Funds		76,122	(77,948)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		76,122	(77,948)

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

For and on behalf of

For and on behalf of the Board of Directors

For Chhajed & Doshi**For Khandelwal Jain & Co.**

Chartered Accountants

Chartered Accountants

FRN 101794W

FRN 105049W

G N Bajpai

Chairman

K K Rathi

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Nitesh Jain

Partner

Membership No. 136169

Narendra Jain

Partner

Membership No. 048725

Ritesh Jiwarajka

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2017

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 2017

Miscellaneous Insurance Business

(₹' 000)

Particulars	Schedule	For the Year ended 31st March 2017	For the Year ended 31st March 2016
1. Premiums earned (Net)	1	99,51,839	98,96,395
2. Profit/(Loss) on sale/redemption of Investments		3,12,552	2,02,513
3. Others-Miscellaneous Income		18,871	10,928
4. Interest, Dividend & Rent - Gross		12,72,692	10,03,826
Total (A)		1,15,55,954	1,11,13,662
1. Claims Incurred (Net)	2	77,75,452	80,75,078
2. Commission	3	(3,69,402)	84,935
3. Operating Expenses related to Insurance Business	4	41,38,979	36,10,954
4. Premium deficiency		-	-
Total (B)		1,15,45,029	1,17,70,967
Operating Profit / (Loss) from Miscellaneous Business		10,925	(6,57,305)
Appropriations			
Transfer to Shareholders' Funds		10,925	(6,57,305)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		10,925	(6,57,305)

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

For Chhajed & Doshi

Chartered Accountants

FRN 101794W

For and on behalf of

For Khandelwal Jain & Co.

Chartered Accountants

FRN 105049W

For and on behalf of the Board of Directors

G N Bajpai

Chairman

K K Rathi

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Nitesh Jain

Partner

Membership No. 136169

Narendra Jain

Partner

Membership No. 048725

Ritesh Jiwarajka

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2017

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 2017

(₹' 000)

Particulars	Schedule	For the Year ended 31st March 2017	For the Year ended 31st March 2016
1. Operating Profit / (Loss)			
(a) Fire Insurance		90,779	1,16,493
(b) Marine Insurance		76,122	(77,948)
(c) Miscellaneous Insurance		10,925	(6,57,305)
2. Income from investments			
(a) Interest, Dividend & Rent - Gross		3,17,198	4,79,124
Add/Less : Amortization on Securities		5,057	12,179
(b) Profit on sale of investments		80,853	1,04,201
Less : Loss on sale of investments		(1,486)	(4,836)
3. Other Income		1,528	-
Total (A)		5,80,976	(28,092)
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		-	-
(b) For Doubtful Debts		3,103	776
(c) Others		-	-
5. Other Expenses			
(a) Expenses other than those related to Insurance Business\$		1,45,329	23,094
(b) Bad Debts written off		3,462	587
(c) Others-CSR*		1,109	-
Total (B)		1,53,003	24,457
Profit/(Loss) before Tax (A-B)		4,27,973	(52,549)
Provision for Taxation (MAT)		(87,918)	-
Minimum Alternate Tax-Credit		87,918	-
Deferred Tax		-	-
Profit / (Loss) after tax		4,27,973	(52,549)
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		(26,03,749)	(25,51,200)
Balance carried forward to Balance Sheet		(21,75,776)	(26,03,749)

*Refer note no. 32 to schedule 16

\$Refer note no. 31 to schedule 16

Significant Accounting Policies and Notes to Financial Statement 16

Earning per Share- Basic & Diluted (₹) (Refer note 22 to schedule 16)

0.57

(0.07)

(Face Value ₹10 per share)

As per our report of even date

For and on behalf of

For and on behalf of

For and on behalf of the Board of Directors

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For Khandelwal Jain & Co.
Chartered Accountants
FRN 105049W

G N Bajpai
Chairman

K K Rathi
Director

KG Krishnamoorthy Rao
Managing Director & CEO

Nitesh Jain
Partner
Membership No. 136169

Narendra Jain
Partner
Membership No. 048725

Ritesh Jiwarajka
Head of Finance

Krishnan Gopalakrishnan
Company Secretary

Place : Mumbai

Dated : 12th May, 2017

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

Balance Sheet as at 31st March 2017

(₹' 000)

Particulars	Schedule	As at 31st March 2017	As at 31st March 2016
Source of Funds			
Share Capital	5	80,98,037	71,00,000
Reserves and Surplus	6	-	-
Fair Value Change Account			
Policy holder		39,812	(16,802)
Shareholder		9,136	(3,686)
Borrowings	7	-	-
Total		81,46,985	70,79,512
Application of Funds			
Investments			
Investments-Policyholders	8	2,01,99,923	1,65,81,863
Investments-Shareholders	8A	46,35,601	36,37,669
Loans	9	-	-
Fixed Assets	10		
Gross Block		7,85,799	6,93,199
Less :- Accumulated Depreciation		6,28,917	5,52,252
Net Block		1,56,882	1,40,947
Capital Work in Process		5,769	33,261
		1,62,651	1,74,208
Deferred Tax Assets		-	-
Current Assets			
(i) Cash and Bank balances	11	8,82,564	6,22,395
(ii) Advances and Other Assets	12	42,73,340	31,27,836
Total (A)		51,55,904	37,50,231
Current Liabilities	13	1,81,88,112	1,42,13,478
Provisions	14	59,94,758	54,54,730
Total (B)		2,41,82,870	1,96,68,208
Net Current Assets (A - B)		(1,90,26,966)	(1,59,17,977)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit and Loss Account		21,75,776	26,03,749
Total		81,46,985	70,79,512

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

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For and on behalf of

For Khandelwal Jain & Co.
Chartered Accountants
FRN 105049W

For and on behalf of the Board of Directors

G N Bajpai
Chairman

K K Rathi
Director

KG Krishnamoorthy Rao
Managing Director & CEO

Nitesh Jain
Partner
Membership No. 136169

Narendra Jain
Partner
Membership No. 048725

Ritesh Jiwarajka
Head of Finance

Krishnan Gopalakrishnan
Company Secretary

Place : Mumbai
Dated : 12th May, 2017

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

Particulars	Fire			Marine			Miscellaneous*			Total
	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	
Premium from direct business written	18,92,212	16,20,030	5,65,934	6,11,354	1,56,96,823	1,33,21,224	1,81,54,969	1,55,52,608		
Add : Premium on reinsurance accepted	2,88,579	2,72,075	3,708	2,494	(20,292)	1,20,781	2,71,995	3,95,350		
Less : Premium on reinsurance ceded	16,52,482	14,13,814	1,26,643	1,14,100	53,28,996	39,43,562	71,08,121	54,71,476		
Net Premium	5,28,309	4,78,291	4,42,999	4,99,748	1,03,47,535	94,98,443	1,13,18,843	1,04,76,482		
Adjustment for change in reserve for unexpired risks	71,078	46,831	(26,970)	13,193	3,95,696	(3,97,952)	4,39,804	(3,37,928)		
Total Premium Earned (Net)	4,57,231	4,31,460	4,69,969	4,86,555	99,51,839	98,96,395	1,08,79,039	1,05,14,410		

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

* Refer Schedule 1(A)

Particulars	Fire			Marine			Miscellaneous*			Total
	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	
Claims Paid										
Direct	15,28,817	9,52,686	4,15,237	3,88,818	84,53,008	88,05,899	1,03,97,062	1,01,47,403		
Add : Reinsurance accepted	(955)	3,45,395	770	121	(90,680)	1,89,833	(90,865)	5,35,349		
Less : Reinsurance ceded	12,72,266	10,45,413	1,07,449	1,20,139	27,46,672	21,76,056	41,26,387	33,41,608		
Net Claims Paid	2,55,596	2,52,668	3,08,558	2,68,800	56,15,656	68,19,676	61,79,810	73,41,144		
Add : Claims outstanding at the end of the year	3,87,142	3,13,305	2,91,765	2,94,325	1,23,48,244	1,01,88,448	1,30,27,151	1,07,96,078		
Less : Claims outstanding at the beginning 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		
Total Claims Incurred	3,29,433	3,46,579	3,05,998	3,67,293	77,75,452	80,75,078	84,10,883	87,88,950		

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 2017 (₹' 000)

Particulars	Fire		Marine		Miscellaneous*		Total	
	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Commission Paid								
Direct	1,31,346	1,13,850	71,832	76,390	6,28,949	6,02,331	8,32,127	7,92,571
Add : Reinsurance accepted	8,255	15,071	618	29	660	1,239	9,533	16,339
Less : Commission on reinsurance Ceded	1,57,301	1,62,172	10,555	9,370	9,99,011	5,18,635	11,66,867	6,90,177
Net Commission	(17,700)	(33,251)	61,895	67,049	(3,69,402)	84,935	(3,25,207)	1,18,733
Break-up of the commission (gross) incurred to procure business								
Agents	17,291	18,122	24,825	25,176	2,69,599	3,23,052	3,11,715	3,66,350
Brokers	88,985	76,651	46,885	51,151	2,86,297	2,31,067	4,22,167	3,58,869
Corporate Agency	24,106	18,045	64	36	72,572	44,529	96,742	62,610
Referral	24	22	-	-	103	355	127	377
Others	940	1,010	58	27	378	3,328	1,376	4,365
Gross Commission	1,31,346	1,13,850	71,832	76,390	6,28,949	6,02,331	8,32,127	7,92,571

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

(₹' 000)

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Premium from direct business written	6,04,783	5,00,999	20,42,906	15,39,461	3,58,079	3,72,061	30,209	2,360	1,68,278	1,54,906
Add : Premium on reinsurance accepted	-	1,905	1,280	1,606	19,024	23,241	-	-	-	139
Less : Premium on reinsurance ceded	88,403	67,213	5,85,105	4,62,855	2,70,138	2,35,157	28,594	1,858	79,970	79,035
Net Premium	5,16,380	4,35,691	14,59,081	10,78,212	1,06,965	1,60,145	1,615	502	88,308	76,010
Adjustment for change in reserve for unexpired risks	30,887	(23,968)	2,01,432	31,622	(20,044)	(6,170)	592	216	4,309	4,534
Total Premium Earned (Net)	4,85,493	4,59,659	12,57,649	10,46,590	1,27,009	1,66,315	1,023	286	83,999	71,476

(₹' 000)

Particulars	Motor						Workmen Compensation		Others		Miscellaneous-Total	
	For the Year ended 31st March 2017		For the Year ended 31st March 2016		For the Year ended 31st March 2016		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 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Premium from direct business written	54,46,401	35,83,563	-	90,29,964	64,20,323	28,58,189	-	92,78,512	2,62,286	2,44,472	12,28,453	1,56,96,823
Add : Premium on reinsurance accepted	-	(40,860)	(40,860)	(40,860)	-	-	93,379	93,379	-	-	264	(20,292)
Less : Premium on reinsurance ceded	19,25,046	1,97,726	-	21,22,772	22,61,344	1,49,040	-	24,10,384	15,058	12,782	21,38,956	53,28,996
Net Premium	35,21,355	33,85,837	(40,860)	68,66,332	41,58,979	27,09,149	93,379	69,61,507	2,47,228	2,31,690	10,61,626	1,03,47,535
Adjustment for change in reserve for unexpired risks	(4,43,056)	2,90,901	-	(1,52,155)	(7,20,177)	2,71,040	-	(4,49,137)	3,412	7,657	3,27,263	3,95,696
Total Premium Earned (Net)	39,64,411	30,94,936	(40,860)	70,18,487	48,79,156	24,38,109	93,379	74,10,644	2,43,816	2,24,033	7,34,363	99,51,839

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

S. No.	Particulars	Fire			Marine			Miscellaneous*			Total	
		For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	
1	Employees' Remuneration & Welfare Benefits	60,808	52,679	29,799	55,044	11,74,059	10,46,188	12,64,666	11,53,911			
2	Travel, Conveyance and Vehicle Running Expenses	3,267	3,202	1,601	3,345	63,079	63,584	67,947	70,131			
3	Training Expenses	7,799	6,240	3,822	6,520	1,50,570	1,23,931	1,62,191	1,36,691			
4	Rents, Rates, and Taxes	9,531	7,669	4,671	8,014	1,84,010	1,52,309	1,98,212	1,67,992			
5	Repairs	7,917	6,555	3,880	6,850	1,52,859	1,30,187	1,64,656	1,43,592			
6	Printing & Stationery	2,210	2,657	1,083	2,776	42,661	52,767	45,954	58,200			
7	Communication	3,161	2,916	1,549	3,047	61,037	57,902	65,747	63,865			
8	Legal & Professional Charges	8,380	5,256	4,107	5,492	1,79,971	1,25,033	1,92,458	1,35,781			
9	Auditors' Fees, Expenses etc.											
	(a) as auditor	169	154	82	161	3,256	3,068	3,507	3,383			
	(b) as adviser or in any other capacity, in respect of											
	(i) Taxation matters	15	14	8	14	295	276	318	304			
	(ii) Insurance Matters	-	-	-	-	-	-	-	-			
	(iii) Management services; and	-	-	-	-	-	-	-	-			
	(c) in any other capacity	-	-	-	-	-	-	-	-			
10	Advertisement and Publicity	14,231	24,775	1,616	25,886	1,18,427	4,92,009	1,34,274	5,42,670			
11	Interest & Bank Charges	840	530	412	553	16,220	10,516	17,472	11,599			
12	Others											
	(i) Outsourcing Expenses	9,374	5,045	4,594	5,271	1,86,998	1,00,190	2,00,966	1,10,506			
	(ii) Business Support	1,50,650	53,776	21,435	56,189	16,44,169	11,27,892	18,16,254	12,37,857			
	(iii) Entertainment	130	123	64	128	2,517	2,436	2,711	2,687			
	(iv) (Gain)/Loss on Foreign Exchange	29	(20)	14	(21)	557	(397)	600	(438)			
	(v) Subscription/Membership	255	459	125	480	4,921	9,120	5,301	10,059			
	(vi) Insurance	57	39	28	40	1,108	768	1,193	847			
	(vii) Pool Expenses	5,509	5,048	-	-	1,893	1,223	7,402	6,271			
	(viii) Miscellaneous-Others	265	163	130	171	5,111	3,244	5,506	3,578			
13	Depreciation	4,378	2,994	3,671	3,128	85,740	59,460	93,789	65,582			
14	Service Tax Expenses	3,083	2,480	1,511	2,591	59,521	49,248	64,115	54,319			
	Total	2,92,058	1,82,754	84,202	1,85,679	41,38,979	36,10,954	45,15,239	39,79,387			

* Refer Schedule 4(A)

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

SCHEDULE - 4(A) Operating Expenses related to Insurance Business For the Year ended 31st March 2017 (₹' 000)												
S. No.	Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability		
		For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	
1	Employees' Remuneration & Welfare Benefits	52,878	47,988	1,74,181	1,18,758	12,312	17,639	186	55	10,164	8,372	
2	Travel, Conveyance and Vehicle Running Expenses	2,841	2,917	9,358	7,218	661	1,072	10	3	546	509	
3	Training Expenses	6,781	5,685	22,338	14,068	1,579	2,089	24	7	1,304	992	
4	Rents, Rates, and Taxes	8,287	6,986	27,299	17,289	1,930	2,568	29	8	1,593	1,219	
5	Repairs	6,884	5,972	22,678	14,778	1,603	2,195	24	7	1,323	1,042	
6	Printing & Stationery	1,922	2,420	6,329	5,990	447	890	7	3	369	422	
7	Communication	2,749	2,656	9,055	6,573	640	976	10	3	528	463	
8	Legal & Professional Charges	7,287	4,788	29,210	12,164	1,697	1,760	26	6	1,401	835	
9	Auditors' Fees, Expenses etc.											
	(a) as auditor	147	141	483	348	34	52	1	-	28	25	
	(b) as adviser or in any other capacity, in respect of											
	(i) Taxation matters	13	13	44	31	3	5	-	-	3	2	
	(ii) Insurance Matters	-	-	-	-	-	-	-	-	-	-	
	(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	
	(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	
10	Advertisement and Publicity	6,700	22,568	23,057	55,850	2,334	8,295	19	26	458	3,937	
11	Interest & Bank Charges	730	482	2,406	1,194	170	177	3	1	140	84	
12	Others											
	(i) Outsourcing Expenses	8,151	4,596	29,023	11,373	1,898	1,689	29	5	1,567	802	
	(ii) Business Support	60,518	48,985	1,49,650	1,65,125	25,698	18,006	49	56	5,923	8,546	
	(iii) Entertainment	113	112	373	277	26	41	-	-	22	19	
	(iv) (Gain)/Loss on Foreign Exchange	25	(16)	83	(45)	6	(7)	-	-	5	(3)	
	(v) Subscription/Membership	222	418	730	1,035	52	154	1	-	43	73	
	(vi) Insurance	50	35	164	87	12	13	-	-	10	6	
	(vii) Pool Expenses	-	-	-	-	916	1,007	-	-	-	-	
	(viii) Miscellaneous-Others	230	149	758	368	54	55	1	-	44	26	
13	Depreciation	4,279	2,727	12,090	6,749	886	1,002	13	3	732	476	
14	Service Tax Expenses	2,681	2,259	8,830	5,590	624	830	9	3	515	394	
	Total	1,73,488	1,61,879	5,28,139	4,44,820	53,582	60,508	441	186	26,718	28,241	

(₹' 000)

S. No.	Particulars	Motor						Workmen Compensation		Others		Miscellaneous - Total		
		For the Year ended 31st March 2017			For the Year ended 31st March 2016			For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	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 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	
1	Employees' Remuneration & Welfare Benefits	3,96,194	3,77,495	-	7,73,689	4,64,311	3,02,451	7,66,762	28,456	25,519	1,22,193	61,095	11,74,059	10,46,188
2	Travel , Conveyance and Vehicle Running Expenses	21,286	20,283	-	41,569	28,219	18,382	46,601	1,529	1,551	6,565	3,713	63,079	63,584
3	Training Expenses	50,811	48,413	-	99,224	55,002	35,828	90,830	3,649	3,023	15,671	7,237	1,50,570	1,23,931
4	Rents, Rates, and Taxes	62,096	59,165	-	1,21,261	67,597	44,032	1,11,629	4,460	3,715	19,151	8,895	1,84,010	1,52,309
5	Repairs	51,584	49,149	-	1,00,733	57,778	37,636	95,414	3,705	3,176	15,909	7,603	1,52,859	1,30,187
6	Printing & Stationery	14,396	13,717	-	28,113	23,419	15,255	38,674	1,034	1,287	4,440	3,081	42,661	52,767
7	Communication	20,598	19,625	-	40,223	25,698	16,740	42,438	1,479	1,412	6,353	3,381	61,037	57,902
8	Legal & Professional Charges	61,435	58,535	-	1,19,970	42,756	53,472	96,228	3,922	2,546	16,458	6,706	1,79,971	1,25,033
9	Auditors' Fees , Expenses etc.													
	(a) as auditor	1,098	1,047	-	2,145	1,361	887	2,248	79	75	339	179	3,256	3,068
	(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	99	95	-	194	122	80	202	7	7	31	16	295	276
	(ii) Insurance Matters	-	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-	-
	(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Advertisement and Publicity	48,816	25,824	-	74,640	2,18,361	1,42,239	3,60,600	809	12,001	10,410	28,732	1,18,427	4,92,009
11	Interest & Bank Charges	5,474	5,216	-	10,690	4,667	3,040	7,707	393	257	1,688	614	16,220	10,516
12	Others													
	(i) Outsourcing Expenses	64,918	58,190	-	1,23,108	44,465	28,965	73,430	4,386	2,444	18,836	5,851	1,86,998	1,00,190
	(ii) Business Support	11,47,719	77,209	-	12,24,928	4,73,951	3,08,732	7,82,683	33,406	26,050	1,43,997	78,441	16,44,169	11,27,892
	(iii) Entertainment	850	810	-	1,660	1,082	704	1,786	61	59	262	142	2,517	2,436
	(iv) (Gain)/Loss on Foreign Exchange	188	179	-	367	(176)	(115)	(291)	13	(10)	58	(23)	557	(397)
	(v) Subscription/Membership	1,660	1,582	-	3,242	4,048	2,637	6,685	119	222	512	533	4,921	9,120
	(vi) Insurance	374	356	-	730	341	222	563	27	19	115	45	1,108	768
	(vii) Pool Expenses	-	-	977	977	-	-	216	-	-	-	-	1,893	1,223
	(viii) Miscellaneous-Others	1,725	1,643	-	3,368	1,440	938	2,378	124	79	532	189	5,111	3,244
13	Depreciation	29,004	27,890	-	56,894	26,391	17,190	43,581	2,049	1,450	8,797	3,472	85,740	59,460
14	Service Tax Expenses	20,085	19,139	-	39,224	21,857	14,238	36,095	1,443	1,201	6,195	2,876	59,521	49,248
	Total	20,00,410	8,65,562	977	28,66,949	15,62,690	10,43,553	26,06,459	91,150	86,083	3,98,512	2,22,778	41,38,979	36,10,954

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

SCHEDULE - 5 Share Capital

(₹' 000)

Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016
1	Authorized Capital 1,000,000,000 (Previous year 1,000,000,000) Equity Shares of ₹10 Each	1,00,00,000	1,00,00,000
2	Issued Capital 809,993,749 (Previous year 710,000,000) Equity Shares of ₹10 Each	80,99,937	71,00,000
3	Subscribed Capital 809,803,705 (Previous year 710,000,000) Equity Shares of ₹10 Each	80,98,037	71,00,000
4	Called Up Capital 809,803,705 (Previous year 710,000,000) Equity Shares of ₹10 Each	80,98,037	71,00,000
	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	80,98,037	71,00,000

SCHEDULE - 5A Share Capital Pattern of Shareholding

(As certified by the Management)

Shareholder	As at 31st March 2017		As at 31st March 2016	
	Number of Shares	% of Holdings	Number of Shares	% of Holdings
Promoters				
Indian				
Future Enterprises Limited	60,32,53,705	74.49	52,89,50,000	74.50
Shendra Advisory Services Pvt Ltd.	20,65,50,000		18,10,50,000	
	39,67,03,705		34,79,00,000	
Foreign				
Participatie Maatschappij Graafschap Holland N.V.	20,65,50,000	25.51	18,10,50,000	25.50
Others	-		-	
Total	80,98,03,705	100.00	71,00,00,000	100.00

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SCHEDULE - 6 Reserves and Surplus

(₹' 000)

Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016
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 2017	As at 31st March 2016
1	Debenture/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	Total	-	-

Future Generali India Insurance Company Limited
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SCHEDULE - 8 Investments-Shareholders

(₹' 000)

Particulars	As at 31st March 2017	As at 31st March 2016
Long Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	17,17,906	13,83,646
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures / Bonds	16,18,601	11,67,739
(d) Investment Property - Real Estate	-	-
(e) Other Securities (Fixed Deposit)	9,239	22,399
4. Investments in Infrastructure & Housing	9,51,747	8,53,842
5. Other than Approved Investments	-	41,753
Sub - Total	42,97,494	34,69,378
Short Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	-	-
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(i) Equity	59,217	40,048
(ii) Preference	-	-
(b) Mutual Funds	82,333	95,335
(c) Debentures / Bonds	85,845	8,995
(d) Investment Property - Real Estate	-	-
(e) Other Securities (incl. fixed deposits)	1,03,764	17,991
4. Investments in Infrastructure & Housing	5,276	3,212
5. Other than Approved Investments	1,672	2,709
Sub - Total	3,38,107	1,68,291
Total	46,35,601	36,37,669

NOTES:

- 1) All the above investments are performing assets.
- 2) Aggregate book value of investments (other than listed equities and derivative instruments) is ₹45,73,180 thousand (previous year ₹35,94,409 thousand).
- 3) Aggregate market value of investments (other than listed equities and derivative instruments) is ₹46,99,915 thousand (previous year ₹36,36,368 thousand).
- 4) Includes investment in equities qualifying for infrastructure and social sector investments of ₹1,532 thousand (previous year ₹3,212 thousand)
- 5) Includes investment in equities of ₹1,672 thousand (previous year ₹ Nil) and in mutual funds of ₹ Nil (previous year ₹2,709 thousand)
- 6) Investment property ₹ Nil (previous year ₹ Nil).
- 7) Value of contracts in relation to investments purchases where deliveries are pending ₹557 thousand (previous year ₹ Nil) and in respect of sale of investments where payments are overdue ₹ Nil (previous year ₹ Nil).

Future Generali India Insurance Company Limited
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SCHEDULE - 8A Investments-Policyholders

(₹' 000)

Particulars	As at 31st March 2017	As at 31st March 2016
Long Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	74,85,886	63,07,176
2. Other Approved Securities	-	
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures / Bonds	70,53,158	53,22,993
(d) Investment Property - Real Estate	-	-
(e) Other Securities (Fixed Deposit)	40,261	1,02,101
4. Investments in Infrastructure & Housing	41,47,295	38,92,133
5. Other than Approved Investments	-	1,90,328
Sub - Total	1,87,26,599	1,58,14,732
Short Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	-	-
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(i) Equity	2,58,041	1,82,553
(ii) Preference	-	-
(b) Mutual Funds	3,58,772	4,34,574
(c) Debentures / Bonds	3,74,073	41,005
(d) Investment Property - Real Estate	-	-
(e) Other Securities (incl. fixed deposits)	4,52,159	82,009
4. Investments in Infrastructure & Housing	22,992	14,642
5. Other than Approved Investments	7,287	12,349
Sub - Total	14,73,324	7,67,131
Total	2,01,99,923	1,65,81,863

NOTES:

- 1) All the above investments are performing assets.
- 2) Aggregate book value of investments (other than listed equities and derivative instruments) is ₹199,27,918 thousand previous year ₹163,84,669 thousand).
- 3) Aggregate market value of investments (other than listed equities and derivative instruments) is ₹204,80,176 thousand (previous year ₹165,75,931 thousand).
- 4) Includes investment in equities qualifying for infrastructure and social sector investments of ₹6,677 thousand (previous year ₹14,642 thousand).
- 5) Includes investment in equities of ₹7,287 thousand (previous year ₹ Nil) and in mutual funds of ₹ Nil (previous year ₹12,349 thousand).
- 6) Investment property ₹ Nil (previous year ₹ Nil).
- 7) Value of contracts in relation to investments purchases where deliveries are pending ₹2,427 thousand (previous year ₹ Nil) and in respect of sale of investments where payments are overdue ₹ Nil (previous year ₹ Nil).

Future Generali India Insurance Company Limited
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Schedules forming part of Financial Statements

SCHEDULE - 9 Loans

(₹' 000)

Particulars	As at 31st March 2017	As at 31st March 2016
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
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Particulars	Cost / Gross Block			Depreciation			Net Block		
	As at 1st April 2016	Additions	Deductions	As at 31st March 2017	As at 1st April 2016	For the Period	On Sales / Adjustments	As at 31st March 2017	As at 31st March 2016
Goodwill	-	-	-	-	-	-	-	-	-
Intangibles - Computer Software	2,47,854	40,172	-	2,88,026	2,13,656	30,518	-	2,44,174	43,852
Land-Freehold	-	-	-	-	-	-	-	-	-
Leasehold Improvements	1,48,368	32,133	5,374	1,75,127	1,07,892	24,674	3,962	1,28,604	40,476
Buildings	-	-	-	-	-	-	-	-	-
Furniture & Fittings	41,300	8,547	1,312	48,535	35,935	5,333	1,249	40,019	8,516
Information & Technology Equipment	1,80,565	18,530	5,510	1,93,585	1,36,296	25,127	5,510	1,55,913	37,672
Vehicles	2,272	4,802	2,272	4,802	2,272	323	2,272	323	4,479
Office Equipment	72,840	7,208	4,324	75,724	56,201	7,814	4,131	59,884	15,840
Others	-	-	-	-	-	-	-	-	-
	6,93,199	1,11,392	18,792	7,85,799	5,52,252	93,789	17,124	6,28,917	1,40,947
Work in progress								5,769	33,261
Grand Total	6,93,199	1,11,392	18,792	7,85,799	5,52,252	93,789	17,124	6,28,917	1,74,208
Previous Year	6,25,947	99,680	32,428	6,93,199	5,19,056	65,582	32,386	5,52,252	1,74,208

(₹' 000)

Future Generali India Insurance Company Limited
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Schedules forming part of Financial Statements

SCHEDULE 11 - Cash and Bank Balances

(₹' 000)

Particulars	As at 31st March 2017	As at 31st March 2016
1. Cash (including cheques, drafts, and stamps)	2,20,259	1,40,091
2. Bank Balances		
(a) Deposit Accounts		
(aa) Short - Term (due within 12 months)	-	-
(bb) Others (Refer note 4 to Schedule 16)	1,885	1,885
(b) Current Accounts	6,60,420	4,80,419
(c) Others	-	-
3. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With Other Institutions	-	-
4. Others	-	-
Total	8,82,564	6,22,395
Balances with non-scheduled banks included in 2 or 3 above	-	-
Cash and Bank Balances		
In India	8,82,564	6,22,395
Outside India	-	-

SCHEDULE - 12 Advances and Other Assets

(₹' 000)

Particulars	As at 31st March 2017	As at 31st March 2016
Advances		
1. Reserve Deposits with ceding Companies	-	-
2. Application Money for Investments	-	-
3. Prepayments	30,899	42,196
4. Advances to Directors/Officers	-	-
5. Advance Tax Paid and Taxes Deducted at Source (Net of provision for taxation)	82,896	1,36,937
6. Others	-	-
(i) Other Deposits	97,032	93,749
(ii) Advances to Employees	1,015	1,644
(iii) Advances recoverable in cash or kind	44,865	34,973
(iv) Unutilized Service Tax	8,960	38,878
(v) Service Tax paid in Advance	15,111	69,925
(vi) MAT Credit Entitlement	1,90,361	1,02,443
Total (A)	4,71,139	5,20,745
Other Assets		
1. Income accrued on Investments	8,52,238	6,98,352
2. Outstanding Premiums*	7,65,070	78,827
3. Agents' Balances	516	881
4. Foreign Agencies' Balances	-	-
5. Due from other entities carrying on insurance business	17,49,674	18,28,558
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	4,34,404	349
(ii) Interest Accrued other than investment	299	124
Total (B)	38,02,201	26,07,091
Total (A + B)	42,73,340	31,27,836

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

Future Generali India Insurance Company Limited
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Schedules forming part of Financial Statements

SCHEDULE - 13 Current Liabilities

(₹' 000)

Particulars	As at 31st March 2017	As at 31st March 2016
1. Agents Balances	90,612	47,479
2. Balances due to other Insurance Companies	28,64,685	16,10,606
3. Deposits held on Reinsurance ceded	-	-
4. Premiums received in advance	1,48,056	97,761
5. Unallocated Premium	8,66,968	6,20,041
6. Sundry Creditors	7,60,398	5,48,415
7. Due to Subsidiaries / Holding Company	-	-
8. Claims Outstanding (net) *	1,30,27,152	1,07,96,078
9. Due to Officers / Directors	-	-
10. Unclaimed amount of Policyholders	51,253	48,012
11. Others -		
(i) Advance Received	2,683	27,492
(ii) Statutory Dues	77,289	82,942
(iii) Book Overdraft	2,99,016	3,34,652
Total	1,81,88,112	1,42,13,478

* Gross Claims Outstanding as at 31st March 2017 ₹17,415,783 thousand (previous year ₹14,039,396 thousand)

SCHEDULE - 14 Provisions

(₹' 000)

Particulars	As at 31st March 2017	As at 31st March 2016
1. Reserve for Unexpired risk	57,56,553	53,16,750
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	2,38,205	1,37,980
Total	59,94,758	54,54,730

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

(₹' 000)

Particulars	As at 31st March 2017	As at 31st March 2016
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 2017

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 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') and hold a valid certificate of registration.

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, to the extent notified 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 (as amended by companies accounting standard amendment rule 2016), 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 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. Dividend income in respect of listed equity shares is recognised on ex-dividend date.

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 viz. commission, policy issue expenses etc. 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 in respect of marine hull business is computed at 100% of Net Written Premium during the preceding twelve months and other segments it is computed on the contract period basis or risk period basis, whichever is appropriate on the unexpired period of respective policies.

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 of General Insurance Business (IRDA/F&I/CIR/F&A/231/10/2012). The expected claim cost is calculated and duly certified by Appointed Actuary.

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 in each business class.

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

(Useful life of assets viz. IT Servers and Network part of Information Technology Equipment, Vehicles, Furniture & Fixtures and Mobile Phones, are lower than useful life prescribed in schedule II to Companies Act, 2013)

Furniture & Fixtures: Management estimates the useful life of the Furniture & Fixtures as 5 years 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, the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 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. Policyholders and Shareholders fund are bifurcated at fund level on notional basis.

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. Further, the same is bifurcated under policyholders fund and shareholders fund. The balance in the account is not available for distribution as dividend.

Investments other than mentioned above are valued at cost.

Impairment of Investments

The company assess at each balance sheet date whether any impairment has occurred in respect of investment in equity and units of mutual fund. The impairment loss, if any, is recognised in the profit & loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit & loss account and the investment is restated to that extent.

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

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-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.

(iv) Long Term Incentive Plan

Long Term Incentive Plan is provided based on actuarial valuation including actuarial gain/losses at balance sheet date and is recognised in the revenue account(s) and profit and loss account.

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'). Amounts collected as terrorism premium are ceded at 100% to the Terrorism Pool.

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 Contributions to other funds

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

2.19 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.

2.20 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.

2.21 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.

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

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.

2.22 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.

2.23 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.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for the basic earnings per share and also weighted average number equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered.

2.24 Receipts and Payments Account

I. Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with para 2.2 of the Master Circular on Preparation of Financial Statements -General Insurance Business dated October 5, 2012, issued by the IRDAI.

II. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.25 Share issue expenses

Share issue expenses are charged to profit and loss account.

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 at 31st March 2017	As at 31st March 2016
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

Note – Show Cause Notices issued by various Government Authorities are not treated as contingent liability unless the demand notices are raised against such show cause notices and are disputed by the Company.

4. All assets of the Company are free from any encumbrances. No Assets of the Company are subject to restructuring. "Bank Balances –Deposit Accounts (others)" under schedule 11 & "Interest accrued other than Investment" under schedule 12 includes a fixed deposit of ₹1,885 thousand (previous year ₹1,885 thousand) and Interest thereon of ₹299 thousand (previous year ₹124 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 ₹15,273 thousand (previous year ₹39,111 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 2017, 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 ₹102,852 thousand (previous year ₹49,511 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) based on actuarial valuation.

Gross Claims outstanding for more than six month are ₹6,130,945 thousand (previous year ₹4,407,115 thousand) out of total outstanding of ₹8,546,445 thousand (previous year ₹78,02,333 thousand).

8. Premium Deficiency

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

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 2017	For the year ended 31st March 2016
Salary, allowances and bonus (including contribution to fund)	24,398	29,961
Perquisites	408	40
Total	24,806	30,001

Note: Expenses towards gratuity leave encashment and long term incentive plan are determined actuarially on an overall company basis annually and have not been considered accordingly. Also excludes provision for bonus which is subject to IRDAI approval.

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

10. Sector wise business (based on GDP)

Percentage of business sector – wise (Based on GDP with considering premium received in advance):

Business Sector	For the year ended 31st March 2017			For the year ended 31st March 2016		
	GDP (₹'000)	No. of Lives	% of GDP	GDP (₹'000)	No. of Lives	% of GDP
Rural	6,290,636	-	34.65	3,820,146	-	24.56
Social	17,636	2,013,272	0.10	11,178	519,339	0.07
Urban	11,846,697	-	65.25	11,721,284	-	75.37
Total	18,154,969	2,013,272	100	15,552,608		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 2017	For the year ended 31 March 2016
	(% age of business written)	(% age of business written)
Risk retained	63	68
Risk reinsured	37	32
Total	100	100

12. Premium, less reinsurance, written from business concluded in India is ₹11,318,843 thousand (previous year ₹10,476,482 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. a) Statement showing the age-wise analysis of the Unclaimed amount of the policyholders as at 31st March 2017 (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 2017						
		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	357	102	131	69	51	1	1	2
Cheques issued but not encashed by the policyholder/ insured	65,584	22,907	12,845	1,779	933	1,461	2,436	23,223

*Note: Of the total ₹22,907 thousand, ₹14,729 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 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.

b) Details of the Unclaimed amount of policyholders as at 31st March 2017 (with reference to IRDAI circular no IRDA/F&A/CIR/CLD/114/05/2015);

(₹' 000)

Particulars	For the year ended 31st March 2017
Opening balance of unclaimed amount	48,012
Add: Amount transferred to unclaimed amount / cheques issued out of the unclaimed amount but not encashed by the policyholders*	16,910
Add: Investment Income	9
Less: Amount paid during the year	13,678
Closing balance of unclaimed amount	51,253

*Net off ₹5,201 thousand, during the year the same has been reclassified from unclaimed amount of policyholders to sundry creditors

The investment has been earmarked for the unclaimed amount of policyholder except for payables relating to Motor Third party claims amounting to ₹21,117 thousand.

15. Employees Benefit Plans

The Company has classified the various benefits provided to employees as under:-

a) Defined Contribution Plan

(₹' 000)

Expenses on defined contribution plan	Year ended 31st March 2017	Year ended 31st March 2016
Contribution to Staff Provident fund	29,677	26,060
Contribution to Superannuation fund	3,608	3,147
Contribution to National Pension Scheme	3,804	2,987
Total	37,089	32,194

b) 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 2017	Year ended 31st March 2016
Discount Rate (per annum)	6.70%	7.90%
Rate of increase in Compensation levels	8.00%	8.00%
Rate of Return on Plan Assets	6.70%	7.90%
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.)	6.80	6.94

(₹' 000)

A. Changes in the Present Value of Obligation	Year ended 31st March 2017	Year ended 31st March 2016
Present Value of Obligation at the beginning of the year	68,735	49,969
Interest Cost	5,072	3,720
Current Service Cost	15,462	12,146
Benefits Paid	(9,073)	(5,994)
Actuarial (gain)/loss on obligations	14,244	8,894
Present Value of Obligation as at March 31	94,440	68,735

(₹' 000)

B. Changes in the Fair Value of Plan Assets	Year ended 31st March 2017	Year ended 31st March 2016
Present Value of Plan Assets at the beginning of the year	66,575	48,830
Adjustments to the opening fund	0	0
Expected Return on Plan Assets	5,512	4,462
Actuarial gains/(loss) on Plan Assets	455	(724)
Contributions	25,000	20,000
Benefits Paid	(9,073)	(5,994)
Fair Value of Plan Assets at March 31	88,468	66,575

(₹' 000)

C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets	Year ended 31st March 2017	Year ended 31st March 2016
Present Value of Obligation as at March 31	94,440	68,735
Fair Value of Plan Assets as at March 31	88,468	66,575
Funded Status	(5,972)	(2,161)
Present Value of unfunded Obligation as at March 31	-	-
Net Asset / (Liability) recognised in Balance Sheet	(5,972)	(2,161)
Included in other provisions under Schedule 14		

(₹' 000)

D. Amount recognised in the Balance Sheet	Year ended 31st March 2017	Year ended 31st March 2016
Present Value of Obligation as at March 31	(94,440)	68,735
Fair Value of Plan Assets as at March 31	88,468	66,575
Net Asset / (Liability) recognised in Balance Sheet	(5,972)	(2,161)
Included in other provisions under Schedule 14		

(₹' 000)

E. Expenses recognised in the Revenue Account	Year ended 31st March 2017	Year ended 31st March 2016
Current Service Cost	15,462	12,146
Past Service Cost	0	0
Interest Cost	5,072	3,721
Expected Return on Plan Assets	(5,512)	(4,462)
Losses/(Gains) on Curtailments and Settlement	0	0
Settlement Cost / (Credit)	0	0
Net actuarial (gain) / loss recognised in the Year	13,789	9,618
Total expenses recognised in the Revenue account	28,811	21,023
(Included in Employees remuneration and welfare benefits in Schedule 4)		

(₹' 000)

F. Experience adjustments of five years	Year Ended 31st March				
	2017	2016	2015	2014	2013
Present Value of Obligation as at March 31	94,440	68,735	49,969	37,144	29,126
Fair Value of Plan Assets as at March 31	88,469	66,575	48,830	39,822	22,082
Surplus/(Deficit)	(5,972)	(2,161)	(1,139)	2,678	(7,044)
Experience adjustments on plan liabilities	7,214	1,246	1,328	1,999	7,560
Experience adjustments on plan assets	(455)	724	(27)	(217)	-

Leave Encashment

Based on actuarial valuation at the end of the year, leave encashment has been provided at ₹48,195 thousand (previous year ₹37,863 thousand).

Long Term Incentive Plan

Based on actuarial valuation at the end of the year, Long Term Incentive Plan has been provided at ₹3,604 thousand (previous year Nil).

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 Enterprises Ltd	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 (upto March 14, 2017)	Chief Financial Officer
Manish Pahwa (upto December 31, 2016)	Company Secretary
Krishnan Gopalkrishnan (w.e.f February 21, 2017)	Company Secretary

18. Lease

Operating lease commitments:

The Company's significant leasing arrangements include agreements for office and residential premises. The future minimum lease payments relating to non-cancellable operating leases are disclosed below:

Particulars	(₹' 000)	
	As at 31st March 2017	As at 31st March 2016
Payable not later than one year	10,767	48,082
Payable later than one year but not later than five years	9,829	8,818
Payable later than five years	Nil	Nil

- Amount charged to revenue accounts for lease is ₹1,88,904 thousand (previous year ₹160,793 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 Terrorism Pool

The company is a participant in and has received the Terrorism Pool (which is managed by General Insurance Corporation of India) 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 2016, 30th June 2016, 30th September 2016 and 31st December 2016, the accounts of which were received till the end of the financial year.

20. Contribution to Environment Fund

The Company has collected an amount of ₹2,635 thousand (previous year ₹2,767 thousand) towards Environment Fund from public liability policies. The Company has paid all the funds collected towards Environment Fund up to February 28, 2017 and the balance payable ₹170 thousand (previous year ₹80 thousand) has been disclosed under the head current liabilities in schedule 13.

21. 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.

22. Earning Per Share ('EPS')

The following table reconciles the numerator and denominator used to calculate basic/diluted EPS:

Particulars	(₹' 000)	
	As at 31st March 2017	As at 31st March 2016
Profit/(Loss) after Tax		
Basic earnings before extra-ordinary items [A]	427,973	(52,549)
Basic earnings after extra-ordinary items [B]	427,973	(52,549)
Weighted average no. of equity shares (par value of ₹10 each) [C]	745,929,439	710,000,000
Basic & Diluted earnings per share (₹) [A/C]	0.57	(0.07)

23. 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. Accordingly provision for taxation has been made in the accounts. Further as a matter of prudence, the company deems it proper not to recognize deferred tax assets.

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 major components of the Company's deferred tax liabilities and assets (not recognised) are as below.

(₹' 000)

Particulars	As at 31st March 2017	As at 31st March 2016
Deferred Tax Assets (A)		
Section 43B Disallowance	19,149	28,677
Rule 6 E Disallowance (Reserve for Unexpired risk)	84,191	68,248
Carried Forward Loss / Unabsorbed Depreciation	606,077	797,115
Depreciation	47,824	47,010
Total	757,241	941,050
Deferred Tax Liabilities (B)	-	-
Net Deferred Tax Assets (A-B)	757,241	941,050

24. 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 2017 as follows:

(₹' 000)

Sr. No.	Particulars	Year ended 31st March 2017	Year ended 31st March 2016
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

25. Details of Penal actions taken by various Government Authorities during FY 2016-17

(₹' 000)

Sr. No.	Authority	Non-Compliance/ Violation	Year ended 31st March 2017		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	3,500 (Nil)	3,500 (Nil)	3,500 (Nil)	Nil (Nil)
2	Service Tax Authorities	NA (NA)	*714 (Nil)	78 (Nil)	233 (Nil)
3	Income Tax Authorities	NA (NA)	Nil (Nil)	Nil (Nil)	Nil (Nil)
4	Any other Tax Authorities	NA (NA)	Nil (Nil)	Nil (Nil)	Nil (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	504 (Nil)	504 (Nil)	Nil (Nil)	Nil (Nil)

Figures in brackets represent previous year figures.

*Note: Of the total ₹714 thousand, ₹78 thousand paid under protest with Service Tax Department.

26. During the year foreign exchange gain/ (loss) incurred by the Company is ₹(618) thousand (previous year ₹438 thousand).

27. 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 2017
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.

28. 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.

29. 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 ₹186 thousand (previous year ₹12 thousand). The provision for Free Look period is duly certified by the Appointed Actuary.

30. Pursuant to the circular 067/IRDA/F&A/CIR/Mar-08, the additional disclosure is given under:-

(₹' 000)

	Year ended 31st March 2017	Year ended 31st March 2016
Under expenses "Others" schedule 4		
Outsourcing expenses	200,966	110,506
Business Support	1,816,254	1,237,852

31. Expenses of Management

Pursuant to the notification on Expenses of Management Regulations, 2016 (IRDAI/Reg./12/124/2016), the company has transferred ₹115,174 thousands for certain segments from Policy holder account (Revenue account) to shareholders account (Profit & loss account). The limit has been complied on an overall basis.

32. During the year ended March 31, 2017 the Company has incurred expenditure towards CSR activities which are as below :

- (a) Gross amount required to be spent by the company during the year was ₹6,311 thousand (Previous year : ₹5,348 thousand)
 (b) Amount spent during the year is ₹1,109 thousand (Previous year: NIL).

(₹' 000)

Sr. No.	Particulars	In Cash	Yet to be paid in cash	Total
1.	Construction/acquisition of any asset	NIL (NIL)	NIL (NIL)	NIL (NIL)
2.	On purposes other than (1) above	729 (NIL)	379 (NIL)	1,109 (NIL)

Figures in brackets represent previous year figures.

33. The disclosure requirement related to Specified Bank Notes as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company.

34. Share Capital

During the year, the Company has allotted 99,803,705 equity shares of ₹10/- each to the existing shareholders for amount aggregating to ₹998,037 thousand by way of right issue.

35. Impact of change in regulation for the year ended March 31, 2017. Hitherto, the Company used to follow 1/365 method for recognising the Unearned Premium Reserve (UPR) subject to minimum requirement of UPR at 50% of NWP. During the year, based on IRDAI circular no IRDA/F&A/CIR/056/03/2016 dated April 4, 2016, the company opted for 1/365 method for recognising the UPR. Had the company followed earlier method, additional UPR based would have been ₹39,529 as at March 31, 2017.

36. The company's pending litigation comprise of claims against the Company and proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position (refer note 3 for details on contingent liabilities).

37. a) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/ accounting standard.

b) As at March 31, 2017 the Company did not have any outstanding long term derivative contracts.

38. For the year ended March 31, 2017, the company is not required to transfer any amount into the Investor Education & Protection Fund.

39. Previous year figures have been regrouped where possible and wherever necessary to make them comparable with those of the current years'.

(₹' 000)

Particulars	Amount	Reasons
Within Schedule 13, Sundry Creditor to Book Overdraft	334,652	As earlier, it was part of Sundry Creditors now shown separately
From Schedule 12 Other Deposits to Schedule 11 Bank Balance Others	1,885	Fixed Deposit held as a security deposit for registration as per Rule 27 of Jammu & Kashmir Value Added Tax Act, 2005, now shown as part of Cash & Bank Balance.
Within schedule 12, Other Deposits to Interest Accrued other than investment	124	As earlier, it was part of Other Deposits now shown separately. The interest pertains to Fixed Deposit held as mentioned in above.
Within schedule 12, Advances recoverable in cash or kind to Service Tax paid in Advance	69,925	As earlier, it was part of Advances recoverable in cash or kind now shown separately.
Within schedule 12, MAT credit entitlement shown under 'Advance'	102,443	As earlier, it was shown under the head 'Other Assets' now reclassified to 'Advances'.

As per our report of even date

For and on behalf of

For Chhajed & Doshi

Chartered Accountants

FRN 101794W

For and on behalf of

For Khandelwal Jain & Co.

Chartered Accountants

FRN 105049W

For and on behalf of the Board of Directors

G N Bajpai

Chairman

K K Rathi

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Nitesh Jain

Partner

Membership No. 136169

Narendra Jain

Partner

Membership No. 048725

Ritesh Jiwarajka

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2017

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 2017
(Refer Note no. 16)

Segmental Break up of the Balance Sheet item as at 31st Mar 2017

The Company's primary reportable segments are business segments which have been identified in accordance with AS-17 - Segment Reporting read with the Regulations.

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.

(₹' 000)					
Particulars	Fire	Marine	Misc	Unallocated	Total
Net Claims Outstanding	3,87,142	2,91,765	1,23,48,245	-	1,30,27,152
	(3,13,305)	(2,94,325)	(1,01,88,448)	-	(1,07,96,078)
Reserve for Unexpired Risk	5,07,426	1,15,615	51,33,512	-	57,56,553
	(4,36,348)	(1,42,585)	(47,37,817)	-	(53,16,750)
Outstanding Premiums	-	-	7,65,070	-	7,65,070
	-	-	(78,827)	-	(78,827)
Investments	23,90,617	6,24,450	1,71,84,856	46,35,601	2,48,35,524
	(19,67,313)	(6,38,247)	(1,39,76,303)	(36,37,669)	(2,02,19,532)

Figures in bracket represents last year figures 31st March 2016 & figures in Bold represents figure of 31st March 2017.

Annexure I to Schedule 16 - Notes to accounts and forming part of the financial statements for the Year ended 31st March 2017 (Refer Note no. 16)

Particulars	Segmental Reporting for the period ended 31st March 2017											Total	
	Fire	Marine	Personal Accident	Health Insurance	Engineering	Aviation	Liability	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Workmen Compensation		Others
1. Premiums earned (Net) (refer Sch 1)	4,57,231	4,69,969	4,85,493	12,57,649	1,27,009	1,023	83,999	39,64,411	30,94,936	(40,860)	2,43,816	7,34,363	1,08,79,039
2. Profit/(Loss) on sale/redemption of Investments	43,480	11,357	12,058	40,756	7,519	602	3,355	1,08,588	70,633	-	5,229	63,812	3,67,389
3. Others-Miscellaneous Income	926	777	905	2,559	187	3	155	6,832	5,936	-	433	1,861	20,574
4. Interest, Dividend & Rent - Gross	1,92,933	46,114	48,959	1,65,482	34,164	2,445	13,623	4,40,900	2,86,791	-	21,233	2,59,095	15,11,739
Total Segment Revenue	6,94,570	5,28,217	5,47,415	14,66,446	1,68,879	4,073	1,01,132	45,20,731	34,58,296	(40,860)	2,70,711	10,59,131	1,27,78,741
1. Claims Incurred (Net) (refer Sch 2)	3,29,433	3,05,998	2,98,206	10,77,737	43,311	968	10,850	26,98,752	31,36,581	(95,985)	1,36,173	4,68,859	84,10,883
2. Commission Claims Incurred (Net) (refer Sch 3)	(17,700)	61,895	57,158	8,761	(16,411)	(231)	16,292	(3,31,619)	(8,975)	-	18,201	(1,12,578)	(3,25,207)
3. Operating Expenses related to Insurance Business Claims Incurred (Net) (refer Sch 4)	2,92,058	84,202	1,73,488	5,28,139	53,582	441	26,718	20,00,410	8,65,562	977	91,150	3,98,512	45,15,239
4. Premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	6,03,791	4,52,095	5,28,652	16,14,637	80,482	1,178	53,860	43,67,543	39,93,168	(95,008)	2,45,524	7,54,793	1,26,00,915
Segment Profit/Loss	90,779	76,122	18,563	(1,48,191)	88,397	2,895	47,272	1,53,188	(5,34,872)	54,148	25,187	3,04,338	1,77,826

(₹' 000)

Segmental Reporting for the Year ended 31st March 2016

(₹' 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)	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
Claims Incurred (Net) (refer Sch 1)													
2. Profit/(Loss) on sale/redemption of investments	28,506	9,248	7,577	23,217	5,955	36	2,336	96,727	44,467	-	3,683	18,515	2,40,267
3. Others-Miscellaneous Income	521	544	474	1,174	174	-	83	5,217	2,950	-	252	604	11,993
4. Interest, Dividend & Rent - Gross	1,52,088	45,726	37,462	1,14,795	31,969	176	11,549	4,78,254	2,19,864	-	18,211	91,546	12,01,640
Total Segment Revenue	6,12,575	5,42,073	5,05,172	11,85,776	2,04,413	498	85,444	54,59,354	27,05,390	93,379	2,46,179	6,28,057	1,22,68,310
1. Claims Incurred (Net)	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
Claims Incurred (Net) (refer Sch 2)													
2. Commission Claims Incurred (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 Claims Incurred (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	216	86,083	2,22,778	39,79,387
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	1,78,647	2,05,253	10,07,836	1,28,87,070
Segment Profit/Loss	1,16,493	(77,948)	16,756	(2,13,837)	1,22,007	(3,306)	38,516	4,07,604	(6,00,924)	(85,268)	40,926	(3,79,779)	(6,18,760)

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 2017

Related Party Disclosures under AS 18 (For the Year Ended 31st March 2017)

Sr. No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	For the year ended 31st March 2017		For the year ended 31st March 2016	
				Amount (₹'000)	Outstanding amounts carried to balance sheet. payable (receivable) (₹'000)	Amount (₹'000)	Outstanding amounts carried to balance sheet. payable (receivable) (₹'000)
1	Future Enterprises Limited	Joint Venturer	Rent & Maintenance for premises hired Operating expenses Insurance Premium Insurance Claims paid Deposit Received Deposit Paid Unallocated Premium received/(paid) Equity Shares Issued	1,224 829 1,863 - 300 300 289 2,55,000	- - - - - - 289 -	3,600 1,266 1,955 166 - 200 - -	- - - - - - 343 -
2	Assicurazioni Generali SPA	Promoter Group Co.	Reinsurance premium ceded Commission on reinsurance ceded Claims recovery on reinsurance Recovery towards Expenses Incurred Equity Shares Issued	7,03,914 92,856 3,85,677 1,517 2,55,000	1,52,230 - - 106 -	6,79,440 1,06,291 6,11,554 506 -	-50,857 - - 438 -
3	Participatie Maatschappij Graafschap Holland N.V.	Joint Venturer	Equity Shares Issued	4,88,037	-	-	-
4	Shendra Advisory Services Private Limited	Joint Venturer	Equity Shares Issued	34,188	-	41,393	-
5	Key Managerial Personnel	MD & CEO,CFO and Company Secretary	Remuneration for the period Insurance Premium received	88	-	92	-
6	Future Generali India Life Insurance Co. Ltd.	Enterprise owned by Major Shareholders	Operating expenses incurred on our behalf Operating expenses incurred by our company on their behalf Rent/Elect. Deposits on our behalf Rent/Elect. Deposits by our company on their behalf Other transactions Settlement paid/ (received) Insurance Premium Unallocated Premium received/(paid) Insurance Claims Paid Insurance Premium Paid	33,483 23,626 9,670 8,810 0 12,500 330 14 0 2,750	8,983 - - - - - - 14 - (108) - - 14 - (127)	37,748 23,766 55 2,106 (108) 10,000 206 - 436 2,530	10,765 - - - - - - 92 - (94)

Summary of Financial Statements Upto the Year ended 31st Mar 2017

Annexure III to Schedule 16 - Notes to accounts and forming part of the financial statements for the year ended 31st March 2017
(Refer Note no. 28)

(₹ Lakhs except per share data)

No.	Particulars	March,17	March,16	March,15	March,14	March,13
	Operating Results					
1	Gross Written Premium	1,84,270	1,59,480	1,48,025	1,30,297	1,15,129
2	Net Premium #	1,13,188	1,04,765	1,12,297	97,399	84,131
3	Income from Investments (net) @	18,791	14,419	12,956	9,502	7,357
4	Other Income	206	120	285	52	16
5	Total Income	1,32,185	1,19,304	1,25,538	1,06,952	91,504
6	Commissions (Net) (Including Brokerage)	(3,252)	1,187	1,836	1,788	1,652
7	Operating Expenses	45,152	39,794	34,729	28,373	25,427
8	Net Incurred Claim	84,109	87,890	83,428	68,293	59,254
9	Change in Unexpired Risk Reserve	4,398	(3,379)	4,384	8,507	10,221
10	Operating Profit/Loss	1,778	(6,188)	1,160	(8)	(5,050)
	Non Operating Results	-	-	-	-	-
11	Total income under Shareholder's Account	2,502	5,662	4,869	3,970	3,080
12	Profit/ (Loss) before Tax	4,280	(525)	6,029	3,962	(1,970)
13	Provision for Tax	-	-	-	-	-
14	Profit/ (Loss) after Tax	4,280	(525)	6,029	3,962	(1,970)
	Miscellaneous					
15	Policyholder's Account					
	Total Funds	2,01,999	1,46,701	1,41,144	1,05,920	88,737
	Total Investments	2,01,999	1,46,701	1,41,144	1,05,920	88,737
	Yield on Investments	9.90%	10.14%	9.69%	9.25%	9.33%
16	Shareholder's Account					
	Total Funds	59,712	44,758	45,640	39,477	35,498
	Total Investments	46,356	55,494	56,339	43,447	40,779
	Yield on Investments	9.90%	10.14%	9.69%	9.25%	9.33%
17	Paid up Equity Capital	80,980	71,000	71,000	71,000	71,000
18	Net Worth	59,712	44,758	45,640	39,477	35,498
19	Total Assets	3,01,541	2,41,440	2,21,546	1,81,010	1,61,593
20	Yield on Total Investments	9.90%	10.14%	9.69%	9.25%	9.33%
21	Earning Per Share	0.57	(0.07)	0.85	0.56	(0.36)
22	Book Value Per Share	7.37	6.30	6.43	5.56	5.00
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 2017

(₹' 000)

Sr. No.	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A. Cash Flow from Operating Activities			
1	Premium received from Policyholders, including advance receipts and service tax	2,06,25,015	1,88,37,402
2	Others Receipts	791	911
3	Payment to Reinsurers, net of commissions and claims	(13,38,490)	(9,73,487)
4	Payment to Coinsurers, net of claims recovery	1,12,720	(1,13,097)
5	Payment of Claims	(1,01,81,217)	(1,26,33,847)
6	Payment of Commission and Brokerage	(7,62,897)	(6,73,289)
7	Payment of other Operating Expenses	(48,76,497)	(44,59,053)
8	Preliminary and pre-operative expenses	-	-
9	Deposits, Advances and staff loans	144	(11,193)
10	Income tax paid (Net)	(33,877)	(67,694)
11	Service Tax Paid	(13,26,605)	(13,33,507)
12	Other Payments	-	-
	Cash Flow before Extraordinary items	22,19,088	(14,26,854)
	Cash Flow from Extraordinary operations	-	-
	Net Cash Flow From Operating Activities	22,19,088	(14,26,854)
B. Cash Flow from Investment Activities			
1	Purchase of Fixed Assets	(83,899)	(1,19,878)
2	Proceeds from Sale of Fixed Assets	800	452
3	Purchase of Investments	(1,84,84,542)	(1,38,80,076)
4	Loans disbursed	-	-
5	Sale of Investments	1,41,47,732	1,40,13,405
6	Repayments received	-	-
7	Rent/Interests/Dividends Received	16,62,798	16,53,600
8	Investment in money market instruments and in liquid mutual fund (Net)*	(1,97,016)	(87,464)
9	Expenses related to investments	(2,829)	(3,395)
	Net Cash Flow from Investment Activities	(29,56,956)	15,76,644
C. Cash Flow from Financing Activities			
1	Proceeds from Issuance of Share Capital	9,98,037	-
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
	Net Cash Flow from Financing Activities	9,98,037	-
D	Effect of foreign exchange rates on cash and cash equivalents, net	-	-
E	Net Increase/(Decrease) in Cash and Cash Equivalents during the period	2,60,169	1,49,790
1	Cash and Cash Equivalent at the beginning of the year	6,22,395	4,72,605
2	Cash and Cash Equivalent at the end of the year	8,82,564	6,22,395

*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

For Chhajed & Doshi

Chartered Accountants
FRN 101794W

For and on behalf of

For Khandelwal Jain & Co.

Chartered Accountants
FRN 105049W

For and on behalf of the Board of Directors

G N Bajpai
Chairman

K K Rathi
Director

KG Krishnamoorthy Rao
Managing Director & CEO

Nitesh Jain

Partner
Membership No. 136169

Narendra Jain

Partner
Membership No. 048725

Ritesh Jiwarajka

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2017

Annexure III to schedule 16 Notes to Accounts (refer note no 28) and forming part of Financial Statements for the year ended 31st March 2017

Ratios for the year ended 31st March 2017

Sr. No.	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
1	Gross Direct Premium Growth Rate	17%	8%
	Fire	17%	22%
	Marine	-7%	6%
	Accident	21%	13%
	Health	33%	6%
	Engineering	-4%	-2%
	Aviation	1180%	273%
	Liability	9%	-5%
	Motor (OD)	-15%	10%
	Motor (TP)	25%	18%
	Motor (Total)	-3%	12%
	Workmen Compensation	7%	10%
	Others	161%	-20%
	Miscellaneous (Total)	18%	7%
2	Gross Direct Premium to Net Worth	3.04	3.47
3	Growth rate of Net Worth	33%	-2%
4	Net Retention Ratio	61%	66%
	Fire	24%	25%
	Marine	78%	81%
	Accident	85%	87%
	Health	71%	70%
	Engineering	28%	41%
	Aviation	5%	21%
	Liability	52%	49%
	Motor (OD)	65%	65%
	Motor (TP)	94%	95%
	Motor (Total)	76%	74%
	Workmen Compensation	94%	95%
	Others	33%	45%
	Miscellaneous (Total)	66%	71%
5	Net Commission Ratio	-3%	1%
	Fire	-3%	-7%
	Marine	14%	13%
	Accident	11%	10%
	Health	1%	1%
	Engineering	-15%	-10%
	Aviation	-14%	-13%
	Liability	18%	20%
	Motor (OD)	-9%	2%
	Motor (TP)	0%	0%
	Motor (Total)	-5%	1%
	Workmen Compensation	7%	8%
	Others	-11%	-8%
	Miscellaneous (Total)	-4%	1%
6	Expense of Management to Gross Direct Premium	29%	31%
7	Expense of Management to Net Written Premium	47%	46%
8	Net Incurred Claims to Net Earned Premium	77%	81%
9	Combined Ratio	114%	120%

Sr. No.	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
10	Technical Reserves to Net Premium Ratio	1.66	1.54
11	Underwriting Balance Ratio	(0.16)	(0.19)
12	Operating Profit Ratio	2%	-6%
13	Liquid Assets to Liabilities Ratio	0.14	0.10
14	Net Earning Ratio	4%	-1%
15	Return on Net Worth Ratio	7%	-1%
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio	1.72	1.54
17	NPA Ratio		
	Gross NPA Ratio	NA	NA
	Net NPA Ratio	NA	NA
	Equity Holding Pattern		
1	(a) No. of shares	80,98,03,705	71,00,00,000
2	(b) Percentage of shareholding (Indian / Foreign)	74.49% ; 25.51%	74.50% ; 25.50%
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)	0.57	-0.07
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the period (not to be annualized)	0.57	-0.07
6	(iv) Book value per share (₹)	7.37	6.30

The ratios have been calculated as per 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.

Future Generali India Insurance Company Ltd.

(IRDAI Regn. No. 132) (CIN: U66030MH2006PLC165287)

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