

REDEFINE TODAY.
REIMAGINE TOMORROW.



Future Generali India Insurance Company Limited
Annual Report FY 2017-18

general.futuregenerali.in



CORPORATE INFORMATION

BOARD OF DIRECTORS

G. N. Bajpai - Chairman
Non-Executive Director

Kishore Biyani
Non-Executive Director

Vijay Biyani
Non-Executive Director

Krishan Kant Rathi
Non-Executive Director

Hayden Seach
Non-Executive Director

Jennifer Sparks
Non-Executive Director

Bhavna Doshi
Independent Director

Devi Singh
Independent Director

Abhinandan K. Jain¹
Independent Director

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

¹ Appointed as an Independent Director on June 07, 2017

KEY MANAGEMENT PERSONS

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

Easwara Narayanan
Chief Operating Officer

Ritesh Jiwarajka¹
Head of Finance (CFO)

Ashwani Kumar Arora²
Appointed Actuary

Deepak Prasad
SVP Corporate Sales

Raghavendra Rao
Head - Retail Sales

Ritu Sethi
Head - Internal Audit

Anurag Sinha
SVP Bancassurance

Ajay Panchal
Chief Risk Officer

Krishnan Gopalakrishnan
*Company Secretary and Principal
Compliance Officer*

Milan P. Shirodkar
Chief Investment Officer

Piyush Patwa^{3&4}
Finance Controller

¹ Appointed as a KMP & Head of Finance (CFO) on May 12, 2017

² Appointed as an Appointed Actuary on April 12, 2017

³ Appointed as a KMP & Finance Controller on May 12, 2017

⁴ Resigned as a KMP & Finance Controller on November 24, 2017

INVESTMENT COMMITTEE

G. N. Bajpai - Chairman

Krishan Kant Rathi - Member

K. G. Krishnamoorthy Rao - Member

Ritesh Jiwarajka¹ - Member

Ajay Panchal - Member

Ashwani Kumar Arora² - Member

Milan P. Shirodkar - Member

¹ Inducted as a member on May 12, 2017

² Inducted as a member on May 12, 2017

POLICYHOLDERS' PROTECTION COMMITTEE

G. N. Bajpai - Chairman

Krishan Kant Rathi - Member

Hayden Seach - Member

Sandip Tarkas¹ - Expert Representative of Customer

¹ Inducted as a member on November 24, 2016

RISK MANAGEMENT COMMITTEE

G. N. Bajpai - Chairman

Krishan Kant Rathi - Member

Hayden Seach - Member

ETHICS AND COMPLIANCE COMMITTEE

G. N. Bajpai - Chairman

Krishan Kant Rathi - Member

Hayden Seach - Member

NOMINATION AND REMUNERATION COMMITTEE

Bhavna Doshi - Chairperson

G. N. Bajpai - Member

Devi Singh - Member

Krishan Kant Rathi - Member

Abhinandan K. Jain¹ - Member

¹ Inducted as a member on August 11, 2017

AUDIT COMMITTEE

Bhavna Doshi - Chairperson

G. N. Bajpai - Member

Devi Singh - Member

Abhinandan K. Jain¹ - Member

¹ Inducted as a member on August 11, 2017

CSR COMMITTEE

Devi Singh - Chairman

Hayden Seach - Member

Krishan Kant Rathi - Member

BANKING AFFAIRS COMMITTEE

Krishan Kant Rathi - Chairman

K. G. Krishnamoorthy Rao - Member

SHARE TRANSFER AND ALLOTMENT COMMITTEE

G. N. Bajpai - Chairman

K. G. Krishnamoorthy Rao - Member

Krishan Kant Rathi - Member

REGISTRAR & TRANSFER AGENTS

Link Intime Private Limited

CORPORATE IDENTIFICATION NUMBER

U66030MH2006PLC165287

IRDAI REGISTRATION NUMBER

132

REGISTERED OFFICE

Indiabulls Finance Centre

Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013

Telephone : 022 – 4097 6666

Fax : 022 – 4097 6900

Email : fgcare@futuregenerali.in

Website : <https://general.futuregenerali.in>

STATUTORY AUDITORS

M/s. Khandelwal Jain & Co.
Chartered Accountants

M.M. Nissim & Co.,
Chartered Accountants

SECRETARIAL AUDITORS

M/s. Anish Gupta & Associates,
Practising Company Secretaries

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REDEFINING TODAY TO REIMAGINE A BETTER AND SUSTAINABLE TOMORROW - VITAL TO AN ORGANISATION'S EXISTENCE.

This is exactly what we did at Future Generali India Insurance Company Limited.

We understood that in the general insurance business, where the products are similar and the competition underlined with price-wars is intense, services will be the differentiator and technology the game-changer.

We encouraged people to think and act like customer experience officers to address customer pain areas. We undertook regular customer feedbacks to understand lags and build an ecosystem that simplifies processes right from customer acquisition to claim settlement. We invested in pioneering digital initiatives and set up a dedicated digital team. We exited unviable geographies and business segments to redirect our resources in core areas.

While we did these, we ensured that every decision and action, product and process was redirected towards one overarching objective – **continuously improving customer experience.**



We are,
**Redefining today.
Reimagining
tomorrow.**

A PARTNER OF TRUST, EMBRACING A CUSTOMER-LED TRANSFORMATION

We are Future Generali India Insurance Company Limited, India's one of the most respected Non-Life insurance Company. We root our lineage to the joint venture between India's leading organised retailer Future Group and the 187-year global insurance group Generali.

We have achieved a record of consistently exceeding customer service expectations through our people, process and technology, evident in our low grievance ratio of 0.06%* and one of the highest claim settlement ratios at 81%*.

*in FY 2017-18



All numbers are as on March 31, 2018



Vision

To actively protect and enhance people's lives.



Mission

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



Reputed institutional partnerships

Corporate Customers

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

Reinsurance Partners

GIC Re, Munich Re, Swiss Re, Scor Re, Berkshire Hathaway, Gen Re, Hannover Re, CCR Paris, Generali (Italy) etc.

Bancassurance Partners

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

Diversified business offerings



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



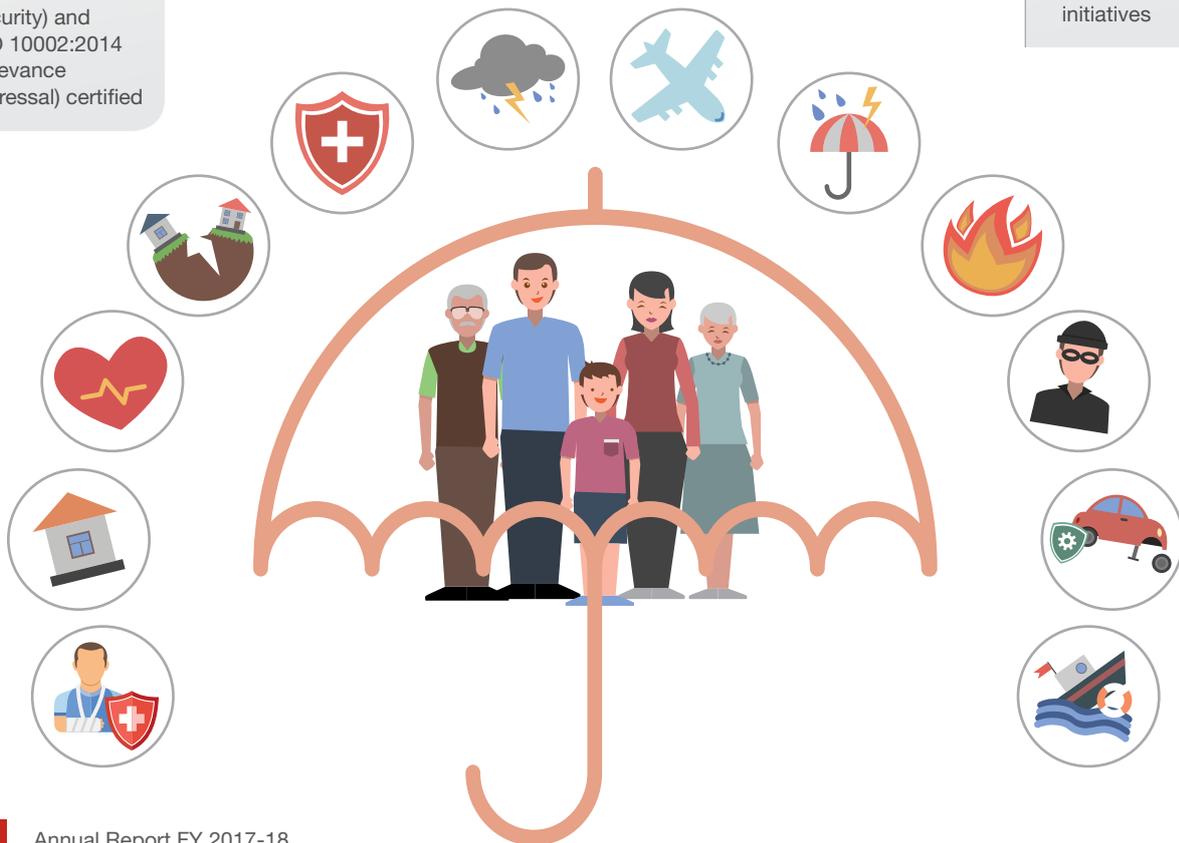
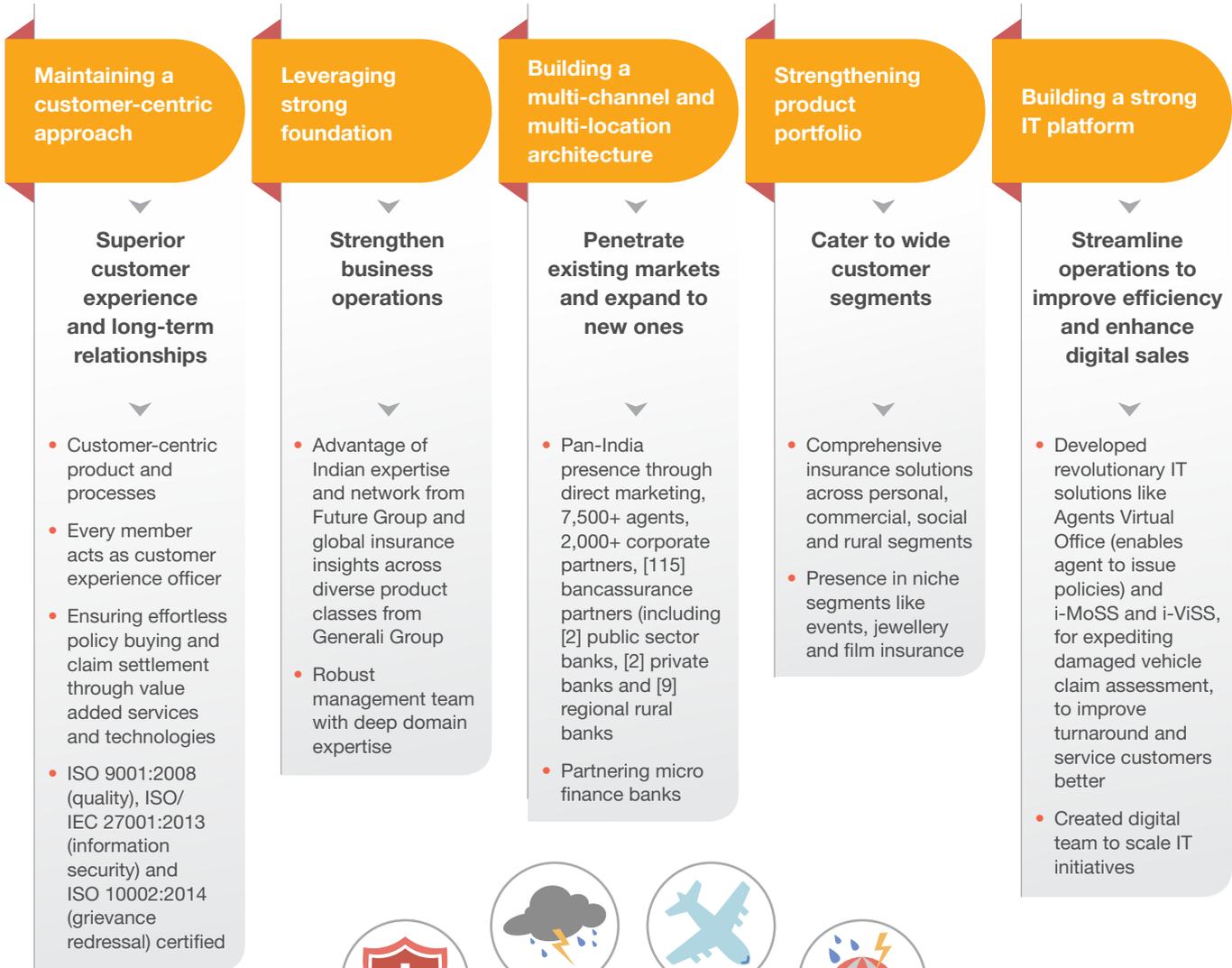
Social & Rural

- Farmers' Package
- Cattle and Livestock
- Janata Personal Accident

Key achievements

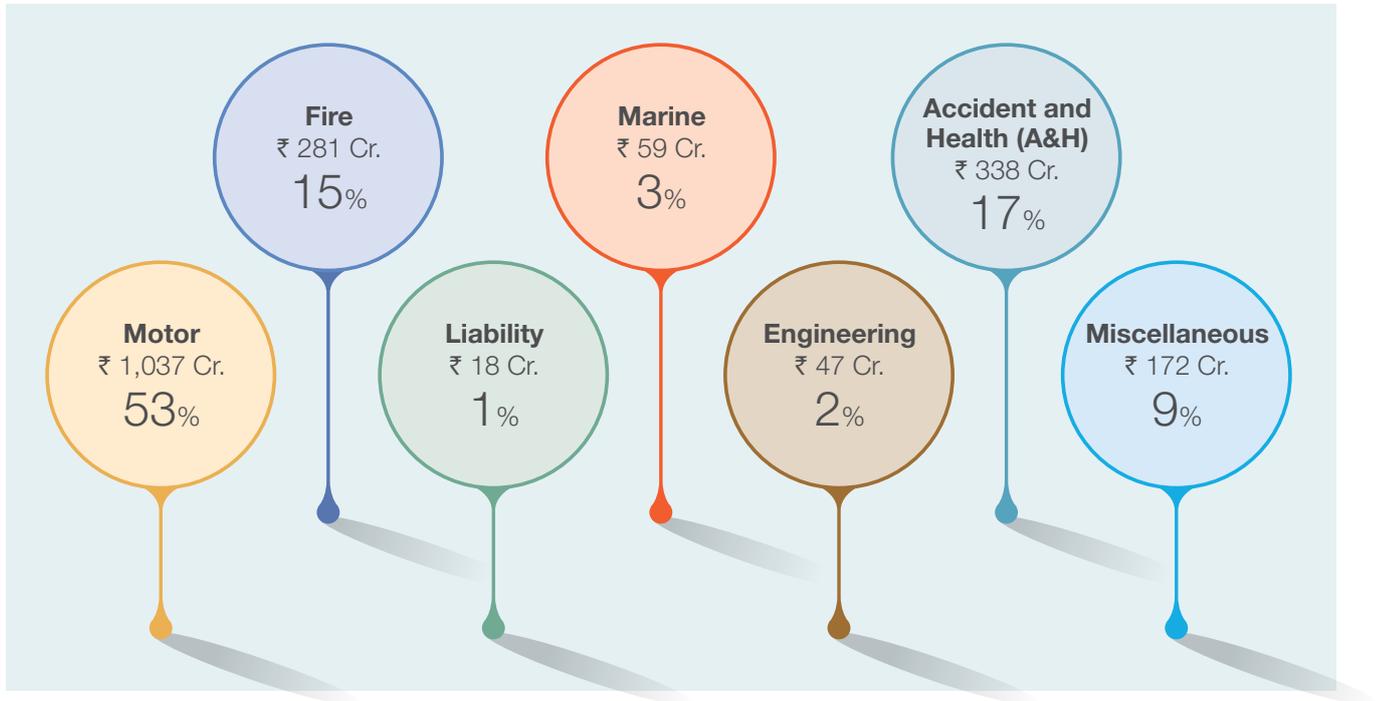
- Impresa Award 2017 under the category Fair Business by Indo Italian Chambers of Commerce and Industries.
- Genius HR Excellence Awards 2017 under both individual (CEO with HR Orientation Award to K.G. Krishnamoorthy Rao - MD & CEO and HR Professional of the Year Award to Akshaya Kashyap - General Manager Human Resources) and organisational categories.
- Winners of Great Managers Award 2017, BW Businessworld HR Excellence Awards 2017, Employee Engagement Achievers Awards 2017 and Stevie Awards.
- Featured in the Insurance Institute of India's journal as the General Insurer with the best statistics for customer satisfaction post grievance redressal (with < 1% complainants choosing to go to the ombudsman).
- Featured as the insurer with the best Health-Claim Settlement Ratio at 97% in Business Standard (Bangalore edition dated 20th Sept), based on IBAI study.
- Featured in ASSOCHAM publication on 'Women Friendly initiatives by companies' for our commitment to build an inclusive workplace environment.

STRATEGIES THAT ENABLE US DELIVER



DELIVERING ON OUR STRATEGIES

Business-wise GWP break-up, FY 2017-18



Financial performance highlights, FY 2017-18

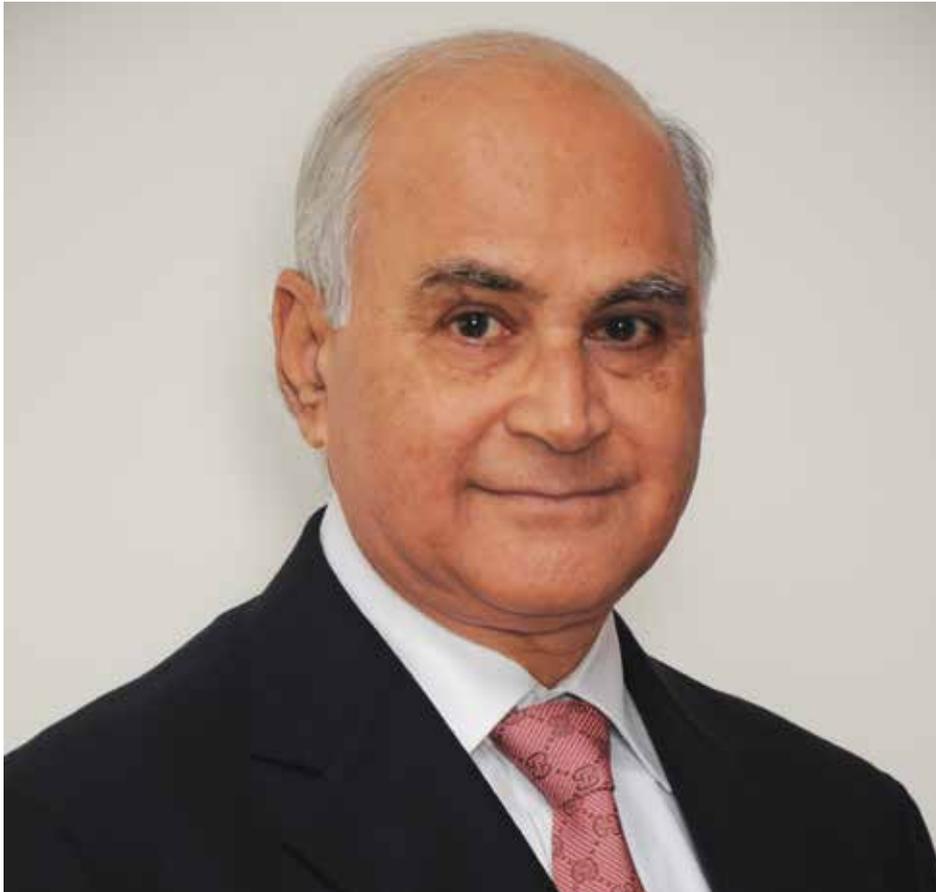
₹ 1,951 Cr.	₹ 919 Cr.	₹ 2,992 Cr.	112%	169%
Gross written premium	Claims paid	Asset Under Management	Combined ratio	Solvency

Operational performance highlights, FY 2017-18

20.13 Lakhs	29 Lakhs	90.40%	2,17,065	40.5
No. of policies issued	No. of transactions managed	Transactions managed and policies issued within TAT	Total no. of claims settled (FY 2017-18)	Net Promoter Score

growth over FY 2016-17

FROM THE CHAIRMAN'S DESK



Our customer-centric approach has won us the trust of millions; evidenced by the quality of business and new acquisitions. We are now taking this philosophy one step ahead with digital initiatives to create new benchmarks of customer experience.

Dear Shareholders,

Economic Overview

The FY 2018 was indeed an eventful year for Indian markets and can be characterised as 'Year of Reforms' with the implementation of measures such as GST, RERA, Insolvency and Bankruptcy Code (IBC). These reforms have been initiated by the Government to resolve some of the key issues plaguing the Indian economy. These reforms have led to some transient costs of temporary (minor) blip in growth. However, these reforms are bound to speed up the wheels of growth leading to an accelerated trajectory going forward. Strong domestic economy, positive global market cues, Moody's first upgrade in over a decade and robust domestic fund flows have supported Indian equity markets. Domestic investors invested more than ₹1 Lakh Crore, nearly five times more than their overseas counterparts, driving the Indian Equity Market to new record high, posting double-digit gains and outperforming several global indices.

There have been divergent reactions from the debt and equity markets. While the Indian equity markets remained nonchalant, there has been a sharp surge in bond yields, on concerns of potential higher inflation stemming out of rising crude prices, likely higher fiscal deficit and greater Government borrowings emanating from sluggish GST revenues. However, the recent rating upgrade of India's sovereign rating to Baa2 from Baa3 by Moody's is indeed reflective of the underlying strength of the economy. Domestic liquidity still remains robust, as monthly SIP in mutual funds remains very strong.

Union Budget 2018 was a balanced Budget with agriculture and rural spending being focal points, along with spending boost on key sectors such as infrastructure, healthcare and education while managing to deliver on multiple objectives of fiscal prudence, widening of tax base

and reviving economic growth. Going forward, the Indian economy is expected to exhibit positive trends of resolving long-pending issues of twin balance sheet challenge, credit growth, resumption of the private investment cycle and higher GDP growth. We believe India's growth will be driven by strong infra-related spend, urban consumption, rising rural incomes and growing aggregate demand, which is likely to augur well for investment in Indian markets. Nonetheless, the headwinds of macro factors - of possible fiscal slippages, bigger current account deficit and potential higher inflation may continue in the near term. However, the corporate profitability and earnings growth are showing signs of improvement.

Overview of the General Insurance Industry

FY 2017-18 has been an enthralling year for India's general insurance industry. The industry maintained its growth momentum with gross direct premium rising by 16.87% to ₹ 1,333.5 bn fuelled mainly by the health and motor segments. There were some positive developments as well; the announcement of Ayushman Bharat - National Health Protection Scheme (NHPS) in the Union Budget FY 2019 being the most notable. Through this flagship health scheme, the Government intends to provide health coverage to 10 million poor and vulnerable families. Though the specifics of the scheme are still unclear, the initiative has huge potential and will be a catalyst in pushing health insurance awareness and penetration. In the motor segment, the regulator undertook a revision in Motor Third-Party premium rates with a modest hike in average rates. Besides, new Motor Insurance Service Providers (MISP) guidelines were introduced focussed on bringing in more uniformity in operations and enabling the direct appointment of MISP by insurers and intermediaries. This is expected to open-up an opportunity for more tie-ups.

Overall development bodes well for the industry in the low insurance penetrated India and will hopefully improve underwriting discipline amidst strong growth momentum. As per the Economic Survey of India 2018, the general insurance penetration in the country in FY 2016-17 was a mere 0.77%, which is significantly low compared to the global average of 2.81%. This speaks volumes about the vast untapped market. GLI intends to play a vital role in helping citizens have access to general insurance and benefit from derisking.

Performance review FY 2017-18

We registered a 6% growth Gross Written Premium (GWP) of ₹ 19,508 million but with an 84% growth in net profit to ₹ 786 million. This modest positive momentum in our business is a result of our disciplined underwriting, informed call to exit unviable geographies and businesses and focus on leveraging technologies to optimise operations.

Differentiating with services

Customer service and experience is an area where we are aiming to create the maximum impact. This is necessary because general insurance industry operates on thin margins and the race to the bottom on pricing continues unabated, just to boost up the top line. Our approach to growth in business achieved may not look fascinating in the short run, it is economically sustainable in the long run. With near similar products line and rampant pricing war, we have decided to attract customers with superior service. With this belief, we have decided to redefine and spruce up our services. We encourage every employee to think and act like customer advocates. We also moved on to creating awareness, helping customers understand our products and processes better and adopt the right technologies to smoothen operations. We are also focussed on improving the claim settlement process. While we have always maintained a high settlement ratio, improving the smoothness and speed of the entire process has been fulcrum.

Our efforts to improve Net Promoter Score (NPS), a customer feedback mechanism that indicates their satisfaction levels, has been an important factor that has enabled us in setting new benchmarks of customer service. Every department, every function and every person within the organisation passionately works towards increasing this score. We have seen this score consistently rising to new high of 40.5 as on March 31, 2018, from just 27.0, in the last financial year.

Corporate Social Responsibility

We also take great pride in our community development efforts. Our activities are focussed on supporting the education of disadvantaged children, undertaking the holistic development of communities and sensitising employees to contribute and be a part of our CSR initiatives.

I take this opportunity to thank each member of Future Generali India Insurance Company Limited, whose efforts have not only sustained growth and restored profitability but have enabled the Company to establish itself as a brand of trust and choice.

I thank all our stakeholders for their support and encouragement. We are also grateful to the regulator for their direction. We are working to strengthen our market share and position the Company as a leader in the industry.

Warm regards,

G.N. Bajpai

Chairman

PERFORMANCE REVIEW BY MANAGING DIRECTOR



Our net profit increased 84% to ₹ 79 Crore from ₹ 43 Crore in the previous year and combined ratio improved 400 basis points to 112%.

Dear Shareholders,

The future of general insurance in India is encouraging. More and more people are beginning to appreciate its importance in protecting personal balance sheet from financial shocks. As they work towards fulfilling aspirational needs, its demand is set to grow. As a proactive organisation, we are taking every possible measure to ensure that we derive maximum benefit from this.

For Future Generali India Insurance Company Limited, the FY 2017-18 has been a good year, both in terms of financial and operational performance. Our Gross Written Premium increased by 6% to ₹ 1,951 Crore compared to ₹ 1,843 Crore written in FY 2016-17, this despite not underwriting any crop insurance. The growth registered in the non-crop insurance segment was 20%. This only goes on to show the strong performance we registered in the remaining segments. On the profitability front, our net profit increased 84% to ₹ 79

Crore from ₹ 43 Crore in the previous year and combined ratio improved 400 basis points to 112%. This improvement was driven by our judicious underwriting of new policies and rationalisation of business from geographies where the combined ratio was above an acceptable level. Resultantly, our claim ratio also declined by 100 basis points to 76%.

We remained true to our customer service standards, honouring 2,43,133 claims during the year. But what stands apart is continuous improvement in our service levels. This was reflected in the continuous improvement that we are seeing in our Net Promoter Scores (NPS).

Redefining today

Understanding that services are the single most important differentiator in this industry, we remained greatly focussed on its improvement. We regularly monitor customer

“FY 2017-18 CAN BE SUMMED AS A YEAR OF COMPETENCY BUILDING WHERE WE CAME UP WITH SEVERAL ENABLERS TO OPTIMISE OPERATIONS, IMPROVE DISTRIBUTION EFFICIENCIES AND EMPOWER CUSTOMERS. AS WE AIM TO MAKE OUR BUSINESS MORE TRANSPARENT AND DELIVER SUPERIOR CUSTOMER SERVICES, NEW TECHNOLOGIES WILL PLAY AN IMPORTANT ROLE.”

satisfaction levels, take feedbacks, work on areas that need improvement and undertake initiatives to make processes simpler and seamless. NPS has been one parameter that we have closely monitored towards ensuring that we are moving in the right direction. We improved this score to 40.5 as on March 31, 2018, compared to 27.0 in last year.

We have proliferated the use of digital technologies to improve processes, especially the policy buying and claim settlement process. We improved the adoption of the Agent's Virtual Office platform attracting nearly 1,64,822 motor policies through it, accounting for 22% of the overall motor policies written in FY 2017-18. The platform enables our agents to directly issue motor policy and thus expedite the process. Our team continues to analyse and improve the platform to make it more effective. We intend to include health insurance within its ambit in the coming years.

We launched the revolutionary i-ViSS platform during the year to improve motor claim settlement process. The platform, facilitating real-time communication and exchange of information, will contribute to dramatically reducing turnaround time for both the customers and the Company. The initiative encompasses our customer-centric focus as we attempt to empower customers with better knowledge

and information by making them a part of the entire claim assessment and settlement process.

We continued to make the organisation more sustainable and reduce unwanted risks by optimising the portfolio mix and geographic presence and moving out of unhealthy price competition. We contemplated centralising non-motor policies issuance to reduce costs, better channelise our resources and improve turnaround time.

Reimagining tomorrow

As we take gradual steps to redefine today, we are envisioning a better and sustainable future. The very first step towards this is to overhaul the organisational culture, built around trust, transparency and customers. We are encouraging employees to become Customer Experience Officers (CEOs) and work towards the betterment of customer experiences and reducing their pain areas.

We intend to double our role as awareness creators and educators to help people understand and appreciate the need for general insurance. Towards this, we are undertaking various insurance awareness and consumer education activities, which will also enable us to gain customer trust.

We believe technology will be paramount in driving customer-centricity, transparency and attaining higher operational efficiency. And hence, we have formed a dedicated digital team and are making incremental investments to develop state-of-the-art IT infrastructure.

Outlook

Going forward, retail channels and rural penetration will be a key driver of business growth. While we have already strengthened retail channel by appointing more agents and empowering them with pioneering digital platforms, for rural penetration we are joining hands with Regional Rural Banks and Microfinance Institutions. Retail health insurance will be an important business area, where we remain most aggressive owing to its short-term nature which facilitates better assessment and management of risks. Our dedicated health vertical and sales team will enable us to strengthen this business.

I thank all our stakeholders for their continued support. We are a young and dynamic organisation. We seek to achieve sustainable growth by delivering superior value to our customers at all times.

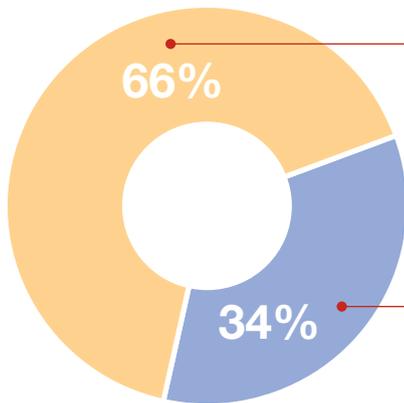
Warm regards,

K.G. Krishnamoorthy Rao

Managing Director and Chief Executive Officer

BUSINESS SEGMENT REVIEW

Business segments at a glance



Personal Insurance

₹ 1,283.92 Cr.

Motor | Health | Travel | Home | Lifestyle

Commercial Insurance

₹ 666.87 Cr.

Property | Engineering | Liability | Marine | Employee Benefits | Events Insurance

Our business is organised around personal insurance, commercial insurance and social/rural insurance. As motor and health insurance segments constitute the largest pie of business, they have been covered in detail.

Health insurance

₹ 338 Cr.*

GWP, 27% growth over FY 2016-17

17 %*

Contribution to the overall GWP

87 %*

Net Loss ratio

₹ 224 Cr.*

Total Claims settled

5,158 #

Empanelled hospitals

* In FY 2017-18

As on March 31, 2018

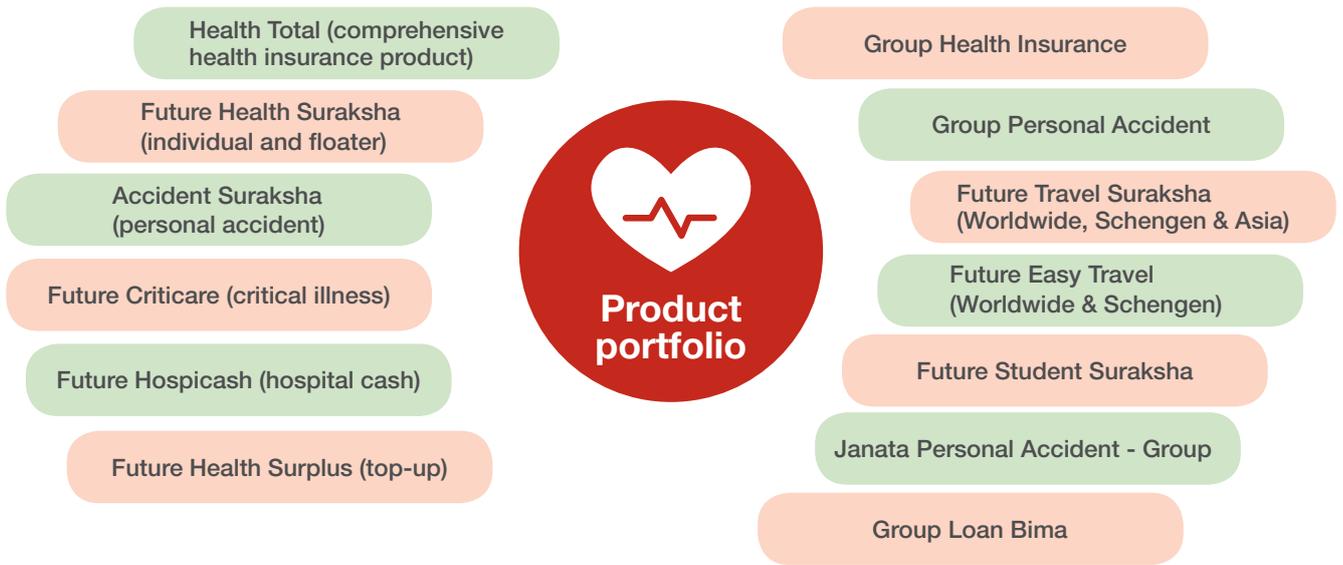
The Company's health insurance business group offers a wide range of products for retail customers and corporates of all sizes and profiles. Our ability to provide efficient customer services to ensure claim settlement of fewer than seven days provides us with a competitive edge. We strongly focus on aligning retail, health and personal accident portfolio with the changing customer needs and increasing proportion of retail business.

The segment has an exclusive in-house unit, Future Generali Health (FGH), that undertakes all health insurance underwriting and claims services and directly interacts with customers and hospitals without third-party intervention to offer hassle-free experience. The unit is ISO 9001:2015 certified for quality and

ISO 27001:2013 certified for information security management. Its services to enhance customer experience include:

- Risk evaluation and processing of individual and group health insurance underwriting proposals
- 24x7 operations to answer customer queries relating to claims and membership
- Member data management and issuance of health ID cards
- Process cash claims and provide pre-authorisation for all cashless treatment at network hospitals
- Undertake empanelment of quality hospitals across the country
- Leverage advanced analytics for the customer and internal business requirements

THE SEGMENT HAS AN EXCLUSIVE IN-HOUSE UNIT, FUTURE GENERALI HEALTH (FGH), THAT UNDERTAKES ALL HEALTH INSURANCE UNDERWRITING AND CLAIMS SERVICES AND DIRECTLY INTERACTS WITH CUSTOMERS AND HOSPITALS WITHOUT THIRD-PARTY INTERVENTION TO OFFER HASSLE-FREE EXPERIENCE.



Business segment highlights, FY 2017-18

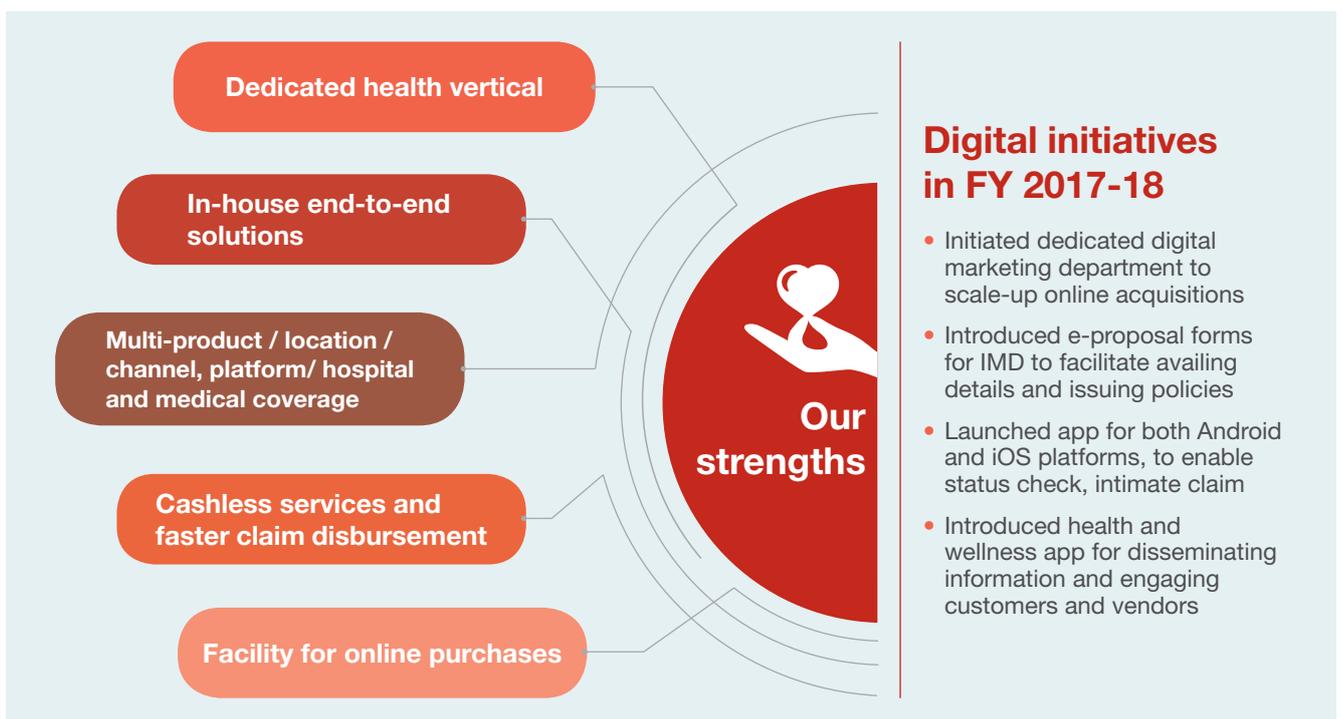
- Achieved holistic growth across all segments including individual and group health, personal and group personal accident and travel insurance
- Initiated exclusive health sales vertical and started recruiting agents to ensure undiluted and dedicated focus on growing health insurance business
- Introduced the flagship 'Sukshma Hospi-cash' product to the microfinance sector
- Witnessed traction in the flagship Health Total product with 16,115 policies sold
- Filed for revision in the Health Suraksha product



Processing time for cashless requests post receiving a request from the provider



Processing time for reimbursing claims post receipt of complete documents





Growth Strategies

- Focused on growing retail business
- Maintain business in metro cities and expand operations in Tier II and III cities for which 30 key locations have been identified and team building has been initiated
- Focus on customer servicing, quality and retention
- Expand the scope of Agent's Virtual Office, currently servicing motor and marine segments, to all other segments including health
- With web-based e-Commerce platform receiving a good response, the focus will be on establishing a mobile platform
- Focus on becoming paperless by issuing policies digitally
- Focus on targeting small and medium enterprise (SME) segments in the corporate health business and introduce SME-specific products by tying up with NBFCs, micro health insurers and MFI
- Undertake due evaluation of opportunities in the Government's newly announced Pradhan Mantri Rashtriya Swasthya Suraksha Mission

“OUR HEALTH INSURANCE BUSINESS IS ON THE CUSP OF ACHIEVING STRONG GROWTH. WHILE ON ONE HAND, THE AWARENESS AMONG CITIZENS FOR HEALTH INSURANCE IS GROWING; ON THE OTHER, WE HAVE DEVISED A COMPREHENSIVE STRATEGY BY SETTING-UP DEDICATED HEALTH SALES VERTICAL AND IDENTIFYING KEY TARGET LOCATIONS. WE ARE OPTIMISTIC ABOUT THE RECENTLY ANNOUNCED PRADHAN MANTRI RASHTRIYA SWASTHYA SURAKSHA MISSION AND BELIEVE IT WILL UNFOLD SIGNIFICANT OPPORTUNITIES. WITH SEVERAL NEW PRODUCTS IN PIPELINE AND INTENT TO LAUNCH PRODUCTS FOR SPECIFIC DISEASE COVERS, WE WILL BE IN A SWEET SPOT.”



Shreeraj Deshpande
Head, Health Insurance



Motor insurance

₹ 1,037 Cr.*

GWP, 15% growth over FY 2016-17

53%*

Contribution to the overall GWP

77%*

Net Loss ratio

₹ 627 Cr.*

Total Claims settled

2,500+

Future Convenient Workshops Partnered

*In FY 2017-18 #As on March 31, 2018

The Company offers a comprehensive motor insurance product portfolio catering to Indian Motor Vehicles Act, 1988, Section 146 mandate of every vehicle requiring to be insured for third-party risk. The industry in the recent years

has witnessed positive developments with the Insurance Regulatory and Development Authority of India (IRDAI) hiking the premium rates considerably to enable players to cover risks with rising instances of road accidents.



Our comprehensive motor insurance product portfolio offers the following benefits:

- **Car damage:** Wide coverage from broken windows to theft or destruction in the event of ordinary losses/damages to the car, regardless of who is at fault and where the accident took place
- **Personal accident cover:** A compulsory personal accident cover of ₹ 1 Lakh is available for individual car owners while driving with an option of covering for passengers up to a maximum amount of ₹ 2 Lakhs 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



Growth Strategies

- We observe an increasing number of recruitments in the channel of motor car dealers. Hence, it is imperative to provide enhanced services to customers
- Capitalise on the new regulatory norm that allows the direct appointment of Motor Insurance Service Providers by insurers and intermediaries by exploring more tie-up opportunities and penetrate new vehicle markets
- Undertake more cross-selling propositions

“ FOR AN OTHERWISE HIGHLY REGULATED INDUSTRY, CUSTOMER SERVICE IS A MAJOR DIFFERENTIATOR AND THIS WE ARE ACHIEVING WITH OUR TECHNOLOGY ORIENTATION. THE LAUNCH OF REVOLUTIONARY PLATFORMS LIKE AGENT’S VIRTUAL OFFICE, I-MOSS AND I-VISS AND THE DETERMINATION TO IMPROVE NET PROMOTER SCORE HAS MADE A REMARKABLE DIFFERENCE IN RATIONALISING AND STREAMLINING OF PROCESSES. WE ARE CONFIDENT OF CREATING A NICHE IN THE INDUSTRY WITH OUR SERVICE EXCELLENCE.”

Easwara Narayanan
Chief Operating Officer

CUSTOMERS FIRST, CUSTOMERS FOREVER

Customer service proposition is deeply embedded in our organisation’s culture, which we deliver through our passionate team. For us, customer service is all about how fast we serve customers, how efficiently we serve them and how we can improve to keep pace with their requirements.

Building a customer service philosophy



We ensure every employee in the organisation becomes a CEO (Customer Experience Officer) by ingraining in them service-skills and customer-centric attitude. Our team undertakes a service pledge to deliver every commitment on time, educate and empower customers, and to provide an experience that can be cherished. We initiated JOSH (Joys of Service Heroes) Awards to recognise and reward employees who have been appreciated by customers for their exemplary service.



2,100 testimonials

of customer appreciation have been received in the last three years

Our service pledge



Deliver on time



Educate



Empower



Earn trust



Establish relationship (long term)

Net Promoter Score (NPS) programme

The NPS programme, through direct customer and partner feedback, enables us to understand their experience real-time. Our efforts are to consistently improve this score by reaching out to customers where our trained team understands and resolves their areas of concern and undertakes structural improvement initiatives. In this way, we reinforce our unwavering commitment towards consistently improving customer satisfaction and building confidence in our brand.

400+

Close-looper team to contact customers and address their concern

50%

Growth in NPS over the last year

<48 hours

Time within which we contact a detractor customer

Grievance redressal

We have set up a healthy grievance redressal mechanism (ISO 10002:2014 certified) through which our grievance redressal officers, act as customers' advocate, facilitate faster resolution of customer complaints. The mechanism ensures identification of the root cause of each grievance and addresses the same as quickly and as effectively as possible.

46%

Decline in customer complaints in FY 2017-18

4.1 days

Average customer complaint resolution age in FY 2017-18

Streamlining claim settlement process

We have developed a strong claim settlement infrastructure that enables us to settle claims in a quick and hassle-free manner. We have established service desks, call centres and digital platforms to ensure that customers can easily reach out to us and get the necessary information through their preferred channel.

Customer testimonials

“

I really appreciate the professionalism, courtesy, dedication, sincerity, speed and cooperation extended to me by Future Generali. I really thank you all for your timely help whenever I have written to you as well as called you in the process of settlement of the claim.

I have used many insurance policies for my car, but I found Future Generali to be the best amongst all companies. Service was really very fast and a large number of garages worked towards a perfect recovery. I can gladly say that your claims team has a very effective process and knowledgeable associates who understand the process, interact effectively with customers and value customers.

Thank you once again. I am confident you will continue providing such services in future to all. I again express my sincere gratitude and wish Future Generali all the best.”

Ganpat R Mali
Ahmedabad
June 19, 2017



“

We have received full and final payment for our Insurance Claim and would like to thank Future Generali for an amazing customer service. You were always there to answer our calls and patiently sort out all our queries; always extremely professional and polite.

While obtaining Insurance payment is a process, dealing with employees from Future Generali made it extremely painless and smooth. Please accept our sincere gratitude for all your help.

If more people worked with your professionalism, our country would be far far ahead.”

Mohit Rao
Mumbai
October 30, 2017

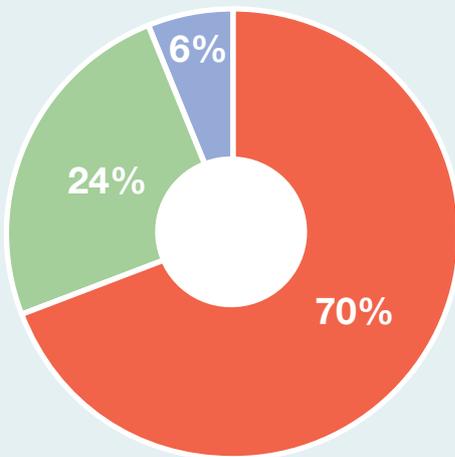
BUILDING A FUTURE-READY ORGANISATION

Strengthening multi-channel architecture to maximise customer efficiency



We maintain a balanced mix of multi-channel distribution network and continue to evaluate their strategies and performance to maximise effectiveness in customer retention and acquisition. Our multi-channel network includes corporate sales, retail, bancassurance and direct sales.

Well-balanced distribution mix



- **Retail**
- **Bancassurance**
- **Corporate sales**

Retail

Retail is our primary segment accounting for 70% of total business in FY 2017-18. It includes agencies/agents, motor dealerships, insurance brokerages and direct marketing channels. We are leveraging advanced technologies like Agent's Virtual Office, i-MoSS and i-ViSS to empower our agents, applications for health and wellness programme to better engage with customers and adding more agents and motor dealers to grow the business. In FY 2017-18, we added [1,256] agents and [670] motor dealers, taking our total network to [5,630] agents and [1,986] motor dealers. Our retail policies sold increased [68]% to [70]%, of which [30]% were from the agency network and [25]% from the motor dealers.

“ WE SEE THE RETAIL CHANNEL'S CONTRIBUTION TO THE OVERALL PORTFOLIO ENCOURAGING. WE INTEND TO IMPROVE THE PRODUCTIVITY OF AGENTS, LEVERAGING THE ADVANTAGE OF POSITIVE REGULATORY DEVELOPMENT TO TIE-UP WITH MORE MOTOR DEALERS. WE ENVISAGE HEALTHY GROWTH FROM DIRECT MARKETING AS WELL. OUR FOCUS WILL NOW BE ON FURTHER ESCALATING SERVICE STANDARDS TO OFFER EFFECTIVE AND EFFICIENT SERVICES TO OUR CUSTOMERS AND INTERMEDIARIES. ”

M. Raghavendra Rao, Head, Retail Sales

Bancassurance

We expanded the total partnership to 115 banks as on March 31, 2018, of which two each are public and private sector banks and nine are regional rural banks (RRBs), facilitating strong presence in both the urban and rural areas. During FY 2017-18, we added 5 new partners including Nainital Bank, 99% owned by Bank of Baroda and catering to Uttarakhand market, Paschim Banga RRB and Baroda Rajasthan Gramin Bank. We are in the process of adding one more RRB, namely, Maharashtra Gramin Bank.

Going forward, with significant opportunities in the form of financial inclusion and unprotected savings account holders of bank, we intend to leverage our network and technology to grow the business. While we continue to focus on adding more partners, our goal will be to enhance contribution from the channel from 6% in FY 2017-18 to 16% in the next three years.

Corporate sales

This channel witnessed strong growth of 25% in premium collection to ₹ 491 Crore in FY 2017-18 driven by our constant efforts to build relationships with customers and brokers, which is evident in our high renewal ratio of 94%. During the year, we witnessed growth in fire and accidental insurance businesses and added over 150 mid-sized and large clients. Better services and high claim settlement has been the key differentiator for this segment, enabling us to maintain long-term relationships. We maintain a relatively conservative approach to ensure profitable growth by undertaking initiatives to reduce expenses and ensuring that we do not venture into high-risk accounts.

Going forward, we would focus on tapping business from Indian MNCs by insuring their international operations with support and assistance of our parent company, Generali, which has a strong presence in international markets. Besides, owing to the nature of corporate business which involves large ticket business and small volumes, our focus would be on leveraging upon our existing resources to grow business. We will explore opportunities in the employee vehicle insurance area by offering corporates our advantage of a large number of tie-ups with garages.

“ BANCASSURANCE DISTRIBUTION IS A VERY SCALABLE MODEL AS IT ENABLES US TO WIDEN OUR REACH IN A NON-CAPITAL INTENSIVE MANNER. OUR ADVANTAGE OF HAVING SEVERAL PUBLIC SECTOR BANKS, REGIONAL RURAL BANKS AND MICRO FINANCE INSTITUTIONS AS PARTNERS, PROVIDES IMMENSE EXPOSURE TO INDIA’S RURAL POPULATION. OUR FOCUS WILL REMAIN ON ADDING MORE PARTNERS AND TOUCHING LIVES OF MORE INDIVIDUALS, THEREBY DOING OUR BIT FOR INSURANCE INCLUSION. ”

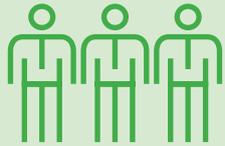
Anurag Sinha, Head, Bancassurance

“ WE WILL CONTINUE TO LEVERAGE STRONG RELATIONSHIPS TO RETAIN EXISTING CUSTOMERS WHILE BEING CAUTIOUS TO ACQUIRE NEW BUSINESS. A HEALTHY MIX OF BUSINESS AND PROFITABLE GROWTH WILL BE OUR MANTRA. AND THIS CAN BE ONLY ACHIEVED BY RETAINING MORE CUSTOMERS, ENHANCING BUSINESS FROM EACH CUSTOMER AND WRITING NEW BUSINESSES JUDICIOUSLY, ENCOURAGING EMPLOYEES TO BETTER KNOW THE CLIENT AND THEIR BUSINESS. ”

Deepak Prasad, Head, Corporate Sales

Investing in Technologies for Profitable Growth

At Future Generali India Insurance Company Limited, technology plays a crucial role in optimising operations, improving productivity and achieving cost efficiencies. Some of our pioneering initiatives include:



Agents' Virtual Office

An online platform facilitating agents to have access to all relevant information and data, thereby empowering them to issue a new policy or renew existing ones online. The process facilitates in significantly reducing turnaround time eliminating the need for agents to visit office to procure policies.



i-ViSS (Intelligent Video Streaming and Survey)

The platform, launched in FY 2017-18, is an advanced version of i-MoSS allowing eligible customers to do live video chat with claims adjudicator officer and upload policy documents with pictures. During the video chat, the claims officer instantly validates the documents, inspects the vehicle, assesses the damage and offers repair cost, which can be mutually negotiated during the conversation. Once the repair cost is mutually agreed, it is sent for processing and transferred to the customer's bank account. The platform also facilitates recording and saving of all video, verbal and chat conversations for future reference. The entire process significantly reduces turnaround time and makes the platform more engaging for customers.



i-MoSS (Instant Mobile Settlement and Survey)

The platform facilitates in expediting loss assessment process by automating mundane jobs. It enables surveyors to undertake all processes online from contacting the customer, viewing policy details and assessing vehicle damage with the help of uploaded pictures. It enables the surveyor to estimate liabilities with an optical character reader, contact the garage for repairs and transfer funds directly to the customer's account.

1,78,032

Number of policies issued via Digital Channel in FY 2017-18

70,944

Motor claims settled via i-MoSS in FY 2017-18

BUILDING PEOPLE POWER

1,769-strong employee force at Future Generali India Insurance Company Limited are encouraged and motivated to consistently improve performance and serve customers better.



Training and competence building

We provide employees training on both behavioural and technical domains to nurture their skills. Our comprehensive in-house training architecture includes competency-based learning for all managers and a combination of e-learning modules and gamification apps for middle and junior management. We have structured engagement programmes towards ensuring overall alignment through top-down (Manthan) and bottom-up (Reach-HR) communication platforms.

Culture of continuous improvement

We have imbibed a culture of continuous improvement to encourage our employees to never be satisfied with status quo. We regularly take feedback from customers to understand areas where we lag behind and improve on it to provide exceptional customer services.

Encouraging great customer experiences

We encourage every employee to become Customer Experience Officer as we invest in deeply ingraining in them service-skills and customer-centric attitude. To encourage higher levels of customer experiences, we institutionalised the JOSH (Joys of Service Heroes) awards to recognise and reward employees who win appreciation from their customers for exemplary service.

Objectives of our HR strategy

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

30%
Employees have been with the Company for over five years

7.5 years
Average FGI experience of our senior management team

Ranked among the top 50 companies in India in the People Capital Index survey for enabling professional development of our employees

Winner of The Great Indian Workplace Award (GIWA) 2017 at the Workplace Summit Culture

CORPORATE SOCIAL RESPONSIBILITY

We undertake our CSR programmes for the welfare of the community and environment under the aegis of SNEH. Some of the key CSR initiatives undertaken by us in FY 2017-18 include:

Village adoption for integrated and holistic development

We adopted four tribal hamlets in Palghar district with a vision to facilitate integrated and holistic development through health and hygiene, education and infrastructural developments. In association with Lokanayak Jayaprakash Narayan Leprosy Eradication Trust, we provided 132 households with 591 members access to sanitation, clean water, electricity, adult education and vocational training.

Through our well-structured need-based interventions, over the span of one year, we constructed 123 toilets, a well, borewell, 16 solar street lights and distributed 190 solar lanterns to the beneficiaries.

Additionally, we worked towards increasing literacy among elders by providing them an adult education. In order to strengthen the women SHG groups in the village, we provided skills training in making agarbatti to community women.

Besides, we undertook measures to fulfil infrastructural needs of the local school by repairing school toilets. The Company donated books and shelf to the school library and toys to the village balwadi.

Twice during the year, we conducted the Employee Giving initiative whereby clothes, towels, blankets, bed sheets, kids' toys and toiletries were donated to the villagers. Further, our employees also delivered sessions on 'Financial literacy' and 'Health & Hygiene' to the villagers.

During the year, in the spirit of International Women's Day, a session was conducted on anti-superstition to increase awareness on the dangers of trusting fake godmen.

Other social schemes



Supporting education and environment programmes

We have associated with NGO partner Indian Development Foundation (IDF) to support the education of disadvantaged children and promote environmental protection by donating old newspapers. Through this initiative, IDF is fulfilling the needs of 190 Bal Gurukuls across India catering to 15,000 students by providing them education free of cost.



Awareness workshop for at-risk youth on World No Tobacco Day

On 'World No-Tobacco Day', we conducted an awareness session for at-risk youth in association with Pratham and CPAA in Chembur, Mumbai. Through this session, 40 at-risk youth were addressed. During the session, our employees too shared their personal experience of combating tobacco addiction and its harmful impact on the individual and family

Art competition to raise awareness on autism on World Autism Day

In order to connect our employees on the challenges of autism, we held an art competition for autistic children in association with SOPAN in Jogeshwari, Mumbai.

Through this activity, our employees participated and engaged with 30 beneficiaries. The initiative encouraged our employee volunteers to understand the challenges of children with special needs.

Employee giving programme

From time to time, we encourage employees to donate items of daily needs, including books, blankets, towels, bedsheets, toys and toiletries among others.

This pan India initiative brought together spirited employees from Mumbai, Ahmedabad, Kolkata, Bengaluru, Delhi, Chennai and Hyderabad to support the needs of around 1,000 beneficiaries across the country.

Desktop donation

Another useful initiative was donation of 50 desktops to five NGOs (Akshara Centre, IDF, Pratham, Smile Foundation and Vidya) in Mumbai to facilitate education of underprivileged children and skill development training to community women. Through this initiative about 2,000 underprivileged women and children benefited.



INSURANCE REPORT

Indian economy overview

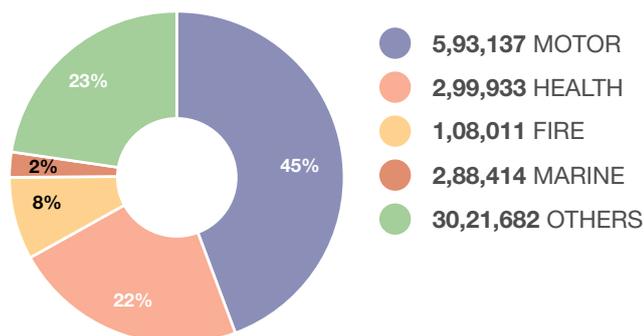
Economic activities in FY 2017-18 witnessed a temporary slowdown with GDP growing by 6.7% compared to 7.1% in FY 2016-17. This is driven by tailwind impact of demonetisation in November, 2016 and implementation of Goods and Services Tax (GST) in July, 2017 which led to trade bodies becoming cautious and slowing down activities. Besides, GST also had some initial implementation challenges and impacted activities of small and medium enterprises who struggled with regulatory issues. Nevertheless, GST is a game-changing initiative that will bring in more efficiency within the system, encourage formalisation and eliminate issues of multiple taxations and tax evasion. The year also witnessed another important development in the form of Government infusing ₹ 2.11 Lakh Crore as a part of a recapitalisation plan to enable stressed public banks resume lending activities. With several reformative initiatives undertaken in recent years, boost in infrastructure development and strengthening private consumption, the Indian economy is likely to regain its strong growth momentum. IMF forecasts the Indian economy to grow by 7.4% in FY 2018-19 and then by 7.8% in FY 2019-20.

General insurance overview

As per IRDAI, the gross direct premium of general insurance companies in FY 2017-18 grew by nearly 16.8% to ₹ 1,332.09 bn compared to 32% growth achieved in FY 2016-17 fiscal. The gross direct premium of public general insurance companies grew much slower at 12.8% compared to 24.46% in FY 2016-17. Motor insurance, driven by regulatory mandate continues to dominate, accounting for 45% of the total gross direct premium collection, followed by health at 22%. The share of private players continue to witness rising trend and accounts for 49% of the total gross direct premium collections at ₹ 654.24 bn.

(Source: General Insurance Council)

Segment-wise gross direct premium for general insurance companies (₹ in Crores)



Industry developments

The year has witnessed several positive developments for the general insurance industry. The biggest is in the area of health, with the Government in its Union Budget FY 2018-19 announcing one of its leading health coverage initiatives – National Health Protection Scheme. Through the scheme, it intends to provide health insurance coverage up to ₹ 5 Lakhs to 10 Crores for poor and vulnerable families. During the year, IRDAI announced a moderate average rate hike in third-party motor insurance and has allowed for the direct appointment of Motor Insurance Service Provider by insurers and intermediaries which will open opportunities for more tie-ups.

Sectoral analysis

Health insurance

India remained as a deep under-penetrated market for healthcare insurance industry, with only 1.5%-2% of the total healthcare expenditure covered by insurance. The entire health insurance schemes cover only 18% and 14.1% of urban and rural population respectively. At the same time, the cost of treatment has been rising in India; these factors are resulting in inequity in access to quality healthcare services.

As per National Health Profile 2018, per capita public expenditure on health in nominal terms has increased from ₹ 621 in FY 2009-10 to ₹ 1,112 in FY 2015-16. To reduce the gap and expand the penetration, the Government is taking robust steps in the form of schemes and initiatives, with a target to cover 380 million people under health insurance coverage by 2020.

Under the supervision of Ministry of Health and Family Welfare, Rashtriya Swasthya Bima Yojana (RSBY) has witnessed significant improvement in expanding the scheme and implementation. As on 31st March 2017, over 36 million cards have been issued across 29 states and Union Territories and over 14 million hospitalisation cases have been registered under the scheme.

Source: IBEF, National Health Profile 2018 report, www.rsby.gov.in

Motor insurance

Motor Insurance is the largest segment of non-life insurance industry with a share of 39.4% in FY 2018. In the segment, private players have grown rapidly to acquire almost 48% share in terms of Gross Domestic Premium, balance 52% still remains with public sector companies.

The automobile sales in India have grown at a CAGR of 7.01% between the periods FY 2013-18, to reach 24.97 million units in FY 2018. As the country is witnessing strong growth in sales of motor vehicles, motor insurance sector is bound to grow rapidly.

The proposed motor vehicles amendment bill, will limit the third-party claim period of up to six months after the incident. This amendment will rationalise the number of claims, provide efficiencies in insurer's provisions and reserve management, and ultimately would reduce the premium costs.

For FY 2018-19, IRDA has reduced the premium by 11.35% for cars in less than 1000cc and reduced the premium by almost 25% for two-wheelers with less than 75cc engine capacity. Although to tax premium segment, premium cost has been increased to ₹ 2,323 from ₹ 1,019 for two-wheelers with more than 350cc engine capacity.

To enhance the coverage under third-party motor insurance cover, IRDA has advised insurance companies to design long term covers viz. 5 years for two-wheelers and 3 years for four-wheelers. This will reduce the hassles of vehicle owners to buy insurance every year and would facilitate in penetration of insurance coverage.

Source: IBEF, <https://economictimes.indiatimes.com/markets/stocks/news/motor-claims-may-fall-if-bill-is-passed/articleshow/64743380.cms>
<https://www.financialexpress.com/money/motor-insurance-long-term-third-party-cover-for-new-private-cars-and-two-wheelers/1192199/>

Micro insurance

Micro insurance segment has great potential in India, the continued Government's thrust on financial inclusion, under-penetration in rural areas and technology evolution would enable micro insurance market to penetrate. In the past few years, owing to growth momentum in micro financing business and regulations for insurers to take rural and social sectors under the insurance coverage, the micro insurance market is gaining momentum.

Currently, Indian micro insurance market is constrained to only low income population, however, as per the global practice, the market could expand into extended products viz. Time-based coverage, Event-based coverage, Need-based coverage etc. The key advantage of micro insurance is the cost advantage, due to the efficient delivery model, innovation, limited coverage etc.

Going forward, Micro insurers would evolve micro plans as per the requirement and capitalise on new insurance models. As India accounts for nearly 65% of Asia's Micro insurance market, it will be a major growth driver for the insurance industry.

Source: IRDA, <http://www.dqindia.com/micro-insurance-next-big-innovation-india/>

Demand drivers

Large youth and working population

India has a large population of 1.35 billion people with a median age of 27 years, of which nearly 600 million people are under the age of 25 years. The country will add nearly 280 million more people to its working populace by 2050. With this rise in working population, coupled with urbanisation, lifestyle changes and rising trend of nuclear families, there will be a greater demand for financial security.

(Source: United Nations)

Rising incidences of lifestyle diseases

Lifestyle-related diseases are on a rise in India, with non-communicable diseases accounting for 61% of deaths in the country. It is estimated that nearly 123 million people in India in 2040 will be diabetic. Sedentary lifestyle diseases such as obesity, heart disorders, high blood pressure will impact many individuals. It is estimated that cancer itself will affect 1.75 million by 2020. This will contribute to rising health insurance.

(Source: International Diabetes Federation)

Motor vehicles demand to grow

Driven by the rising population and growing disposable income, India is expected to lead the way in terms of vehicle addition with 157 million cars being added to its fleet during 2016 to 2040. The commercial vehicle fleet is also likely to grow by more than 4 times to 59 million during this time. This addition will contribute to significant growth in motor vehicle premiums.

(Source: Statista)

Healthcare costs

As per the former IRDAI chairman Mr. T. S. Vijayan, out-of-pocket medical expenses in India account for 62% of all healthcare costs compared to 20% in countries like the US and the UK. Due to this, nearly 3.5% of the country's population is pushed into indebtedness and poverty every year, making health insurance extremely vital in the Indian context.

Insurance underpenetration

General insurance penetration in India at 0.77% is relatively less compared to 2.81% globally indicating significant scope for growth.

(Source: Economic Survey 2018)

Outlook

The Indian insurance sector is undergoing an interesting transformation. Government's drive for financial inclusion, digitisation and bringing more citizens within the purview of insurance will enable the industry to achieve strong growth. Additionally, factors like favourable demographics, rising financial literacy and increasing allocation of domestic savings to productive financial assets will be an important growth driver.

MANAGING RISKS

Strategic risks

Owing to intense competition in the industry, any strategic error may negatively impact our business.

Mitigation

We have robust control systems that regulate all our processes. Our focus is on maintaining a double level of scrutiny, whereby each business portfolio is managed by dedicated teams with supervisory control. The entire portfolio and business are monitored centrally by the senior management, facilitating a vigorous control mechanism. Besides, we ensure that any risk assumption, which goes beyond our defined threshold risk is vetoed centrally.

Actuarial/underwriting/pricing risks

The actuarial function is critical in quantifying probable future risk/uncertainty and estimating their financial implication. Their modelling of past data, current information and future trends to generate technical price is combined with interventions from underwriting and sales to estimate chargeable premium. Any wrong assumptions may lead to losses.

We use advanced software (Freeware, Clickview, R Software, EMBLEM and VBA modelling, among others) to analyse emerging scenarios, develop predictive modelling and view developments in real-time, which enables us to achieve high-level of accuracy and reinforce our actuarial function. It further facilitates us to competitively price products and ensure that with a comfortable portfolio we can meet claims. Besides, we follow a policy-driven and regulatory compliant underwriting practice to reduce probable losses arising out of an unpredictable event.

Solvency risks

A lower than mandated solvency ratio by regulator may put stress on the Company's balance sheet in case of significant unforeseen exigencies.

We adhere to all regulatory requirements under the supervision of our Risk Management Committee and undertake rigorous risk management practices to ensure improving balance sheet health over the years. Our solvency ratio at 169% in FY 2017-18 (172% in FY 2016-17) stood well above the regulatory mandate. We have also created ample systemic liquidity to meet our short-term obligations by investing funds in liquid debt instruments.

Regulatory risks

The Indian insurance industry is highly regulated, any non-compliance may lead to censure or closure.

We are inspired by the legacy of our parent companies, which are reputed corporate houses with decades of industry-leadership and highest standards of governance. This parentage motivates us to maintain high ethical and governance principles and adhere to regulatory compliance, focussed on securing interests of all stakeholders. We ensure that our management is regularly updated on various regulatory developments and that necessary process changes are promptly brought into action to keep us well-equipped to mitigate any type of regulatory risks.

Investment risks

Inability to address prospective liabilities/obligations or generate reasonable risk-adjusted returns can lead to business interruption and income loss.

We have an experienced team of investment managers who undertake necessary due diligence to make investments in portfolio that are relatively safe and can generate superior risk adjusted returns. The team continuously monitors the portfolio to keep in check various risks inherent to our investment operations. We have in place an excellent control structure including investment mid-office, risk management team, risk management sub-committee (a management oversight committee) and risk management committee of the Board.

As a result of this, that there has been no default in any of the fixed income exposures since inception. Our Assets under Management as on March 31, 2018 stood at ₹ 2,992 Crore.

Catastrophe risks

Any occurrence of unpredictable events may expose the Company to risk.

We regularly monitor catastrophic risk accumulation according to Cresta Zone classification to ensure the catastrophic exposure remains within the XOL (Excess of Loss) treaty limit. Catastrophic Reinsurance programme protects company from unforeseen catastrophic events.



Directors' Report

Your Directors are pleased to present the Twelfth Annual Report of your Company along with the audited statement of accounts for the financial year ended March 31, 2018.

1. FINANCIAL HIGHLIGHTS

The highlights of financial results of the Company for the financial years 2017-18 and 2016-17 are as under:

(Amount in ₹ '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Gross Direct Premium	19,063,750	18,154,969
Gross Written Premium	19,507,884	18,426,964
Net Written Premium	15,110,829	11,318,843
Net Earned Premium	12,801,833	10,879,039
Net Incurred Claims	9,693,520	8,410,883
Net Commissions ¹	48,221	(325,207)
Management Expenses	4,650,523	4,646,140
Income from Investment	2,376,712	2,280,750
Profit /Loss Before Tax	786,281	427,973
Profit /Loss After Tax	786,281	427,973
Number of Policies Issued	2,012,574	1,373,056
Number of Employees	1,769	1,702

2. OPERATIONAL REVIEW:

2.1. Industry Overview

The Gross Direct Premium of the industry for the period April 1, 2017 to March 31, 2018 grew from ₹128,213 Crore to ₹150,572 Crore on a year-on-year basis, a growth of about 17%.

2.2. Company Overview

Your Company has completed its tenth full year of operations. During the year under review, your Company achieved a Gross Direct Written Premium of ₹ 1,906 Crore against ₹ 1,815 Crore in the previous year, registering a growth of 5% over

the previous year. The Company earned a net profit of ₹ 78.63 Crore against net profit of ₹ 42.80 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 not opened any new Branch office however the Company had consolidated some of its branch offices to ensure that the

productivity is increased. Your Company has a network of 127 branch offices, spread through the length and breadth of the country. 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 2017-18, the Learning and Development department put in very focused efforts towards development of domain, technical & behavioral competencies of employees, agents & intermediaries. The company's goals & objectives formed the basis of Learning & Development initiatives during the year. Besides trainings in branches, Employees were also deputed for programs conducted by Insurance Institute of India/other external agencies and institutions. Employees were incentivised to pursue professional development & skills enhancement through qualifying exams of Insurance Institute of India. Anti-Money Laundering & Know Your Customer (AML/KYC) Programs were 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, 2018 at 1.69, which is above the requirement of 1.50 prescribed by the Insurance Regulatory 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 ₹ 2998.10 Crore, the market value of the investments as on March 31, 2018 was ₹ 3004.29 Crore. The weighted average return on Investments for the period ended March 31, 2018 was at 8.31% p.a. The Company has earned total Investment income of ₹ 234.95 Crore during the year ended March 31, 2018.

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 2018-2019.

2.7. Human Capital

Your company appreciates the importance of human resources and had taken continual efforts to strengthen its people processes and practices with an intent to improve efficiency and accountability within the organisation. Structured approaches to create a robust talent pipeline for future readiness have been initiated.



Net Profit after Tax (PAT) is

₹ 786,281

thousand in FY 2018

Your company, to understand employee engagement levels and expectations, continues to conduct regular Engagement Surveys to assess the gaps. Based on the findings employees' strategies were built and various engagement programs were implemented to align Company's objectives, vision and values, and create alignment and collaboration across the organisation.

To impact and empower a larger population of employees, learning is going digital in your company. Modern delivery vehicles like mobile gamification, e-learning modules and byte size learning are being used for larger reach and better learning retention. Talent Mapping was done across the organisation to identify and nurture HiPos for focused development for the future.

During the year your company has won awards for different initiatives for "Best Use of Voice of The Employees" and "Best Use of HR Practices" from B2B Kamikaze Media, and, "Best Emerging HR Strategy" and "Excellence in Employee Experience" from Business World. Your company is recognised for being "Company with Great Managers", "Best 50 Companies to Work for" and "Impress Awards 2017 for Fair Business" on various platforms like People Business, People Capital Index and Italian Chamber of Commerce and Industry respectively. Your MD & CEO was also accoladed for being the "CEO with HR Orientation" by a leading consulting firm.

People initiatives are driven with passion and persistence, and the acceptance and participation of the same have been overwhelming during the years.

As on March 31, 2018, your Company had a workforce of 1,769 to meet the growing needs due to entering new business lines and to strengthen the existing channels.

2.8. Operations

During the Financial Year 2017-18, your Company has taken various initiatives to accelerate the policy issuance system. The major initiatives inter-alia are as under –

- "Centralised Policy Processing HUB" has been started at Mumbai which caters to policy issuance of all non-motor products. This has brought in uniformity and better control over the processes and improvements in the TATs and quality of documentation.

- “FG Swift”, a system application has been introduced to replace the dependency of physical document transfers with scanned images & has ultimately facilitated in the reduction & improvement of overall processing TAT.
- “Health buzz” has been launched as the policy admin system for Group Accident and Health products. This has enabled identification of premium and claims at member level.
- “Quick Renewal Module” has been introduced to renew the Motor policies in just two steps enabling more accuracy, speed and further reduction in the TAT and manual errors.
- Successfully implemented the regulator introduced “ETASS Module” through which uploading and reconciliation of incoming & outgoing coinsurance transactions between various co-insurers is made possible.
- Premium payment options have been expanded for customers with the introduction of Paytm whereby customers can make payments for their policies and also renew Motor policies.
- New Products have been introduced in the Policy admin system facilitating policy issuance and accounting - Cyber Risk, POS – I, Trade Credit, Brokers PI, Media liability.

2.9. Claims

During the financial year 2017-18, Our Company witnessed 2,45,083 claims being reported of which motor and health insurance claims accounted for 78% of the claim reported. There was a increase of 24,022 claims in comparison to the previous financial year 2016-17 wherein motor and health insurance claims contributed to 93% of the claims reported. In terms of claimed amount, the figures were ₹ 1,204 Crore in financial year 2017-18 as compared to ₹ 1,115 Crore in financial year 2016-17. Of the 2,45,083 claims reported, 2,17,065 claims were settled by Our Company resulting in a 81% settlement ratio.

In response to the industry need for quicker resolution to claims appraisal, during the said financial year ended March 31, 2018, your Company introduced the revolutionary “i-Viss” the live video streaming application for claims survey and settlement was introduced as a pilot during the last quarter of FY 17-18. The i-Viss application is designed for two different modules; one for the customer and the other for the workshop. The Key benefits of the application are

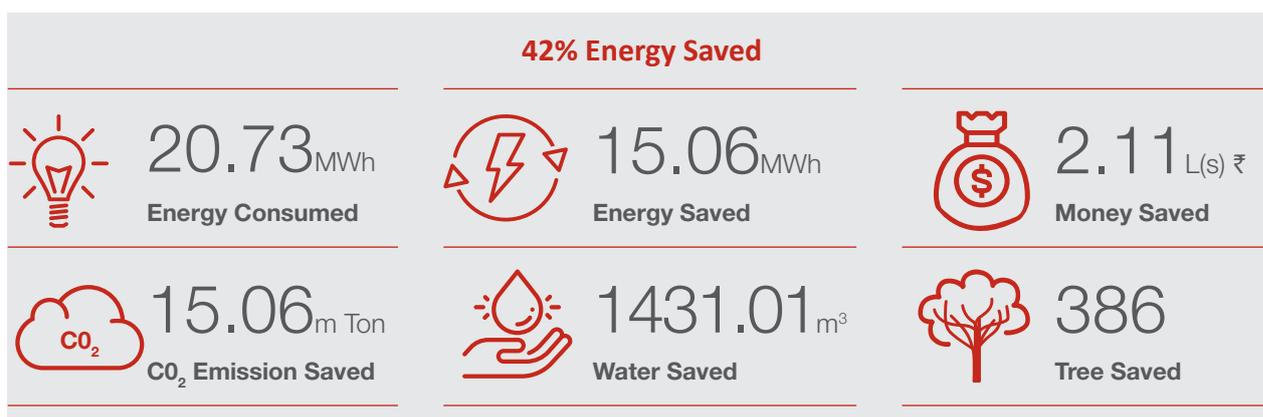
- Quick Survey of the vehicle and at the customer convenient time through appointment
- Saving on cost of surveyor visit
- Instant Offer of insurance liability and claim settlement within 24 hours through customer module
- Immediate Survey and approval on repairs reducing the lead time of claim survey for workshop module

2.10. Information Technology

The Company has deployed intelligent power management solution (IPM+) with the intention to reduce power consumption and CO₂ emissions from Desktops & IT Infrastructure in line with the green computing initiative.

Dashboard of Power Management Solution

The Company has implemented hyper converged infrastructure at data center to replace conventional server and storage systems. Due to its use of commodity servers, optimal organization and efficiency, hyperconverged data centers consume far less power than traditional data centers. Because the system automatically maintains optimal utilization levels, it can support running unused resources in low power consumption mode. It also helps with reduction of data center foot print.



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 ₹ 561.26 Crore premium against the required obligation of ₹ 135.09 Crore. In the social sector, your Company has provided coverage of 6.54 lac people as against the regulatory coverage of 0.49 lac. Your Company has generated ₹ 4.95 Crore this year against 1.15 Crore premium 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.

The Insurance Regulatory and Development Authority of India (“IRDAI” or “the Authority”) had notified the Obligations of Insurers to Rural and Social Sectors Regulations, 2015 on August 24, 2015, which was 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 said 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 Authority has opened up an 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 lacs persons in financial year 2017-18 under the said Product.

2.13. Share Capital

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

The shareholding pattern of the Company as on March 31, 2018 is as below:

Sr. No.	New Promoters / Shareholders	Percentage of Shareholding	No. of shares
1.	Future Enterprises Limited	25.50%	206,550,000
2.	Participatie Maatschappij Graafschap Holland NV	25.51%	206,550,000
3.	Shendra Advisory Services Private Limited	48.99%	396,703,705
TOTAL		100%	809,803,705

The Issued and Paid up equity share capital of your Company as on March 31, 2018 is ₹ 8,09,80,37,050 crore. The existing Shareholders continue to remain committed to support the business operations of the Company.

2.14. 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 as “**Annexure - I**” along with a Certificate from the Company Secretary & Principal Compliance Officer.

2.15. 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 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 four (4) times during the financial year 2017-18. 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) 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) 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, 2018 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) 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, Mrs. Bhavna Doshi and Mr. Abhinandan Kumar Jain, 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 management 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 CEO & Managing Director 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 and Guidelines on Remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Whole-time Directors of Insurers issued by IRDAI, the 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) and appointed M.M. Nissim & Co., Chartered Accountants (Firm Registration No. 107122W) as the joint statutory auditors of the Company in the last Annual General Meeting. They hold the office for five years from the date of their appointment/reappointment.

The Company has received a confirmation from M/s. Khandelwal Jain & Co., Chartered Accountants and M.M. Nissim & Co., Chartered Accountants to the effect that their appointment is in terms of Sections 139 and 141 of the Companies Act, 2013 and rules made thereunder and that they are not disqualified under the Act and Guidelines issued by the IRDAI.

The Auditors Report to the Shareholders for the year under review does not contain any qualifications, reservations or adverse remarks or disclaimer.

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 2017-18.

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 2018-19.

12. Particulars of Loans, Guarantees or Investments

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

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, 2018.

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 2017-18 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 2018 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 have 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 2018-19. The debt markets stayed buoyant in the financial year 2017-18 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 2018-19.

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 minimize energy consumption, only after looking at Cost Benefit Analysis.

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

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

(iii) The capital investment on energy conservation equipment;

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

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

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

Earnings in foreign currency	-	₹ 194,083/-
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 defense. 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, Anti-Money Laundering policy, Whistle Blowing 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 Delegation of Authority document 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. Prior to renewal of reinsurance program, catastrophic risk are modeled after taking into account proposed strategic plan. 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.
- 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 assessment of outsourced vendors is carried out according to IRDAI outsourcing guidelines.

- 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 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. Hayden Seach and Ms. Jennifer Sparks, Non - Executive Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Appointments:

Pursuant to Section 149(4) and 152 of the Companies Act, 2013 and applicable rules and provisions made thereunder and Guidelines for Corporate Governance for insurance companies, Mr. Abhinandan Kumar Jain (DIN: 00351580) was appointed as an Additional Independent Director of the Company by passing a circular resolution on June 07, 2017.

The Company received a notice under section 160 in writing from a shareholder proposing his appointment as a Director and accordingly in the forthcoming Annual General Meeting held on August 11, 2017, the Shareholders approved his appointment as an Independent Director of the Company for a term of five consecutive years with effect from June 07, 2017 to June 06, 2022.

Mr. Abhinandan K. Jain has done Mechanical Engineering from Jodhpur University, a Post Graduate Programme in Management (IIMA), and Fellow Programme in Management (IIMA). He is an Adjunct Professor since 2011 after retiring in 2010 and has completed 40 years of service at Indian Institute of Management, Ahmedabad (IIMA). He has also taught as a Visiting Faculty, at IIM Udaipur; IIM Shillong, IPMI Jakarta, Indonesia; Multi-Media University, Malaysia; and Pokhara and Tribhuvan; Nepal. He has served as a member on the Board of Governors (IIMA) and the Board of Directors of two public limited Companies. He has also served as a member on several high level committees set up by professional and government institutions.

Resignation

None of the Directors have resigned from the Board of Directors of the Company.

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. 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 had 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.
- **Mr. Ritesh Jiwrajka - Head of Finance and Key Managerial Personnel**
Mr. Ritesh Jiwrajka was appointed as the Head of Finance and Key Managerial Personnel of the Company on May 12, 2017 and his appointment was intimated to the Insurance Regulatory and Development Authority of India (IRDAI) in this regard.
- **Mr. Piyush Patwa – Financial Controller and Key Managerial Personnel**
Mr. Piyush Patwa was appointed as a Key Managerial Personnel 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. Piyush Patwa – Financial Controller and Key Managerial Personnel

During the year Piyush Patwa – Financial Controller and Key Managerial Personnel of the Company has resigned from the services with effect from November 24, 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 were no significant and material orders passed by the regulators or courts or tribunals against the Company impacting the going concern status and operations.

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 is annexed to the Report as “Annexure - IV”.

26. Related Party Transactions

As per Section 177 read with Section 188 of the Act, the Audit Committee of the Board of Directors approves the estimated related party transactions of the Company at the beginning of every Financial Year. Related party transactions entered during the year under review were in the ordinary course of business and on an arm's length basis, thus not requiring Board/Shareholders' approval.

During the year under review, there were no material contracts or arrangements or transactions which were not in the ordinary course of business and not on arm's length basis that needs to be disclosed in Form AOC-2 as required under the Act.

As per Accounting Standard 18 on 'Related Party Disclosures', the details of related party transactions entered into by the Company are included in the Notes to Accounts.

27. Particulars of Employees

In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn are set out in the Annexure to this report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the rule, the Directors' Report is being sent to all shareholders of the Company excluding the said annexure. Any shareholder interested in obtaining a copy of the annexure may write to the Company.

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

The Ministry of Corporate Affairs (MCA), Government of India had notified the Companies (Indian Accounting Standards) Rules, 2015 on 16 February, 2015. Accordingly, your company was required to prepare IND AS based Financial Statements for Accounting periods beginning from 1 April, 2018 onwards with comparatives for the period ending 31 March, 2018. IRDAI also issued a circular dated 1 March, 2016, to guide and facilitate insurance companies towards IND AS implementation.

In accordance with the above circular dated 1 March, 2016, the Insurers were required to submit quarterly pro-forma IND AS Financial Statements to IRDAI from 31 December, 2016 onwards. However, IRDAI vide its Circular No. IRDAI/F&A/CIR/ACTS/146/06/2017 dated 28 June, 2017, deferred the implementation of IND-AS for Insurance companies to FY2021 except for the provision to submit the pro-forma IND AS Financial Statements to 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: 0

No. of complaints disposed of: 0

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.

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

G. N. Bajpai
Chairman
DIN: 00946138

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

Dated: May 12, 2018

Place: Mumbai

Report on Corporate Governance

1. INTRODUCTION

The 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 regulatory authorities 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 a transparent and 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 accurate and 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 robust 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 activity 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, 2018, the Board of Directors of your Company consisted of Ten (10) Directors comprising of one (1) Executive Director, three (3) 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 numerous fields including marketing, management & finance etc.

3.2 Information on Directors

- **Mr. G.N. Bajpai (DIN: 00946138) - Chairman**
Mr. Ghyanendra Nath Bajpai is a Non-Executive Director and Chairman 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 on the Board of your Company.

- **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.

- **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 35 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.

- **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 30 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.

- **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.

- **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 32 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.

- **Ms. Bhavna Doshi (DIN: 00400508) – Independent Woman 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 27 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.

- **Dr. Devi Singh (DIN: 00015681) - Independent Director** Dr. Devi Singh is an Independent Director on the Board of the Company. He 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.

Dr. Devi Singh was a 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 to 12).

Dr. Singh has served as Member on the RBI'S Appointments Board for two years (2011 to 2012). 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 was a Member of the Nomination Committee of AACSB for the 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.

- **Mr. Abhinandan K. Jain (DIN: 00351580) - Independent Director**

Mr. Abhinandan K. Jain is an Independent Director on the Board of the Company. He holds BE (Mechanical Engineering, Jodhpur University), Post Graduate Programme in Management (IIMA), and Fellow Programme in Management (IIMA). He has over four decades of experience in the teaching field.

He is an Adjunct Professor since 2011 after retiring as Professor in 2010 and have completed 40 years of service at Indian Institute of Management, Ahmedabad (IIMA). Also, as Visiting Faculty, taught at IIM Udaipur; IIM Shillong, IPMI Jakarta, Indonesia; Multi- Media University, Malaysia; and Pokhara and Tribhuvan; Nepal.

He was felicitated for life time contribution in the area of management education and research by the International Conference on Research in Marketing (2013) (Organised by IIT Delhi, XLRI Jamshedpur, and Curtin University, Australia) and to their learning by participants at IIMA. Judged best teacher by participants of several bates of IIM Ahmedabad. School awarded a Gold medal for being first at Higher Secondary Examination.

Mr. Jain served as member on Board of Governors (IIMA) and on Board of Directors of two public limited Companies. Also, served as a member on several high level committees set up by professional and government institutions. Served as chair and member of all key committees of IIMA.

He has Published three books including (Co-author) Marketing Management: Cases and Concepts; several articles/papers in national and international journals and conferences on media planning, advertising and case method; and large number of cases in books and journals. Published/ presented several papers in national and international journals/ conferences and written more than one hundred learning materials (cases and technical notes) on marketing and general management.

Mr. A. K. Jain has also provided consulting in the areas of marketing and management to a large number of public, private, and government organisations in varied sectors: FMCG, engineering, auto, chemicals, fertilisers, IT, and services. The organisations were of both domestic and international origin. He was appointed as the Director on June 07, 2017.

- **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 the Company. 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 analyse the areas for improvement.

Performance evaluation of the Board is carried out 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	4,40,000
Dr. Devi Singh	3,00,000
Ms. Bhavna Doshi	2,80,000
Mr. Abhinandan K. Jain	1,80,000
Mr. K. K. Rathi	4,20,000
Mr. Kishore Biyani	50,000
Mr. Vijay Biyani	50,000

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

Besides payment of sitting fees to the Independent Directors, 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, Four meetings of the Board of Directors were held on May 12, 2017, August 11, 2017, November 24, 2017 and February 02, 2018. The maximum time gap between any two consecutive meetings during this period did not exceed an interval of one hundred and twenty (120) days at any point of time.

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

Name of Director	Category	Meetings held during tenure of Director	
		Meetings held during tenure of Director	Board Meetings attended
Mr. G. N. Bajpai	Non-Executive Director, Chairman	4	4
Mr. Kishore Biyani	Non-Executive Director	4	1
Mr. Vijay Biyani	Non-Executive Director	4	1
Mr. Krishan Kant Rathi	Non-Executive Director	4	4
Dr. Devi Singh	Independent Director	4	4
Ms. Bhavna Doshi	Independent Director	4	4
Mr. Abhinandan K Jain*	Independent Director	3	3
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO	4	4
Mr. Hayden Seach	Non-Executive Director	4	4
Ms. Jennifer Sparks	Non-Executive Director	4	4

*Appointed as an Independent Director with effect from June 07, 2017.

The Appointed Actuary and the mentor to 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 the provisions of the IRDAI (Corporate Governance Guidelines, 2016) 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 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 four (4) members, all being Non-executive Directors, three (3) of them being Independent Directors.

During the year, the Audit Committee met four (4) times during the year on May 11, 2017, August 10, 2017, November 23, 2017, and February 01, 2018 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
Mr. Abhinandan K. Jain*	Independent Director, Member	2	1

*Inducted as a member in the committee with effect from August 11, 2017.

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, one (1) Non-Executive Director, Managing Director & CEO, Chief of Finance, Chief Risk Officer, 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 11, 2017, August 10, 2017, November 23, 2017, and February 01, 2018.

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. Ritesh Jiwarajka ¹	Head of Finance, Member	3	3
Mr. Milan P. Shirodkar	Chief of Investments, Member	4	4
Mr. K. G. Krishnamoorthy Rao	Managing Director & CEO, Member	4	4
Mr. Ashwani Kumar Arora ²	Appointed Actuary, Member	3	3
Ajay Panchal	Chief Risk Officer, Member	4	4

Note: 1 & 2 during the year, Mr. Ritesh Jiwarajka and Mr. Ashwani Kumar Arora were designated as a Key Managerial Personal (KMP) pursuant to the applicable provisions of the Companies Act, 2013 and IRDAI (Corporate Governance Guidelines, 2016) and also inducted both of them as a member of the Committee with effect from August 10, 2017.

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

shall, for the present, comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals.

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

- 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 three (3) members. It consists of the Chairman and two (2) Non-Executive Directors.

Mr. Sandip Tarkas, Expert Representative of Customer is the permanent invitee to the Committee. The Committee has duly invited Mr. Tarkas to attend all the meeting of the Committee and out of Four (4) meetings Mr. Tarkas has attended Three (3).

During the year, the Policyholders Protection Committee met four (4) times during the year on May 11, 2017, August 10, 2017, November 23, 2017, and February 01, 2018.

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	4

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 11, 2017, August 10, 2017, November 23, 2017, and February 01, 2018.

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	4

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 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	4

12. 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

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 11, 2017, August 10, 2017, November 23, 2017, and February 01, 2018.

- 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.

12.1 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 consist of three (3) 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 once on November 23, 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	1	1
Mr. Hayden Seach	Non-Executive Director, Member	1	1
Mr. Krishan Kant Rathi	Non-Executive Director, Member	1	1

13. NOMINATION AND 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:

- Approve the Company's Policy on specific remuneration to the Executive Directors of the Company;
- Approve the Perquisites and pension payments.
- Approve the Variable Bonus and compensation payments.
- Approve the appointment of Director of the Company.

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

As on the date of this report, the Nomination and Remuneration Committee consists of five (5) members, all being Non-Executive Directors, three (3) of them being Independent Directors.

During the year, the Nomination & Remuneration Committee met four (4) times during the year on May 12, 2017, August 11, 2017, November 24, 2017 and February 02, 2018.

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	4
Dr. Devi Singh	Independent Director, Member	4	4
Mr. Abhinandan K. Jain*	Independent Director, Member	2	2
Mr. G.N. Bajpai	Non-Executive Director, Member	4	4
Mr. Krishan Kant Rathi	Non-Executive Director, Member	4	4

*Inducted as a member in the committee with effect from August 11, 2017.

14. 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.

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.

14.1 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

14.2 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.

- c) 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.

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

15. 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:

- (a) Exercise oversight of the operations and processes of the Company's banking and finance relationships; and

15.1 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 who shall act as the Chairman.

During the year, the Banking Affairs Committee met once during the year on May 11, 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	1	1
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO, Member	1	1

16. SHARE TRANSFER AND ALLOTMENT COMMITTEE

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

The terms of reference of the Committee are as follows:

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

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

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	-	-
Mr. Krishan Kant Rathi	Non-Executive Director, Member	-	-
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO, Member	-	-

16.1 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, Managing Director & CEO and one (1) Non-Executive Director.

During the year there were no occasion of calling and conducting the meeting of the Share Transfer and Allotment Committee.

17. OTHER COMMITTEE CONSTITUTED UNDER THE IRDAI REGULATIONS

17.1 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.

During the year, the Product Underwriting and Reinsurance Management Committee met Ten (10) times during the year on May 02, 2017, June 14, 2017, July 17, 2017, September 4, 2017, October 06, 2017, October 30, 2017, November 3, 2017, December 08, 2017, February 09, 2018 and March 23, 2018.

17.2 OUTSOURCING COMMITTEE

The Outsourcing Committee was constituted by the Company in accordance with the provisions of Outsourcing of Activities by Indian Insurers Regulation, 2017 issued by the Insurance Regulatory and Development Authority of India (IRDAI) to ensure the prudent practices are followed by the Company on the management of risks arising out of outsourcing with a view to preventing complete negative impact and to protect the interests of the policyholders.

During the year, the Outsourcing Committee met four (4) times during the year on May 26, 2017, September 12, 2017, December 21, 2017 and March 29, 2018.

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:

- i) Fraud;
- ii) Criminal offenses, non-compliance with legal obligations or miscarriage of justice;
- iii) 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.);
- iv) 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.);
- v) 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.);
- vi) Conflicts of interest and issues that could harm the reputation of the Company; and
- vii) 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
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, 2016 at 04:00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013
2016-17	11th	11th day of August, 2017 at 05:00 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, one Extra-Ordinary General Meeting of the members of the Company was held on July 07, 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

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

iii) Onsite Inspection

During the year under review, an onsite inspection was carried out by the Authority pertaining to the financial year 2014 - 15, 2015 - 16 and 2016 - 17.

iv) 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.

v) 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.

vi) **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.

vii) **Re-appointment of Directors**

As per the requirements of Section 152, the Independent Directors of the Company have been excluded from the total number of Directors for the purpose of determining the number of Directors whose period of office will be liable to retirement by rotation.

Based on the above, at the ensuing Annual General Meeting, Mr. Hayden Seach and Ms. Jennifer Sparks, Non-Executive Directors of your Company, retire by rotation and are eligible for re-appointment. Necessary resolutions are being placed at the ensuing AGM for the approval of the members.

viii) **Actual solvency margin details vis-à-vis the required margin as on March 31, 2018**

Particulars	Amount (₹ lacs)
Available Assets	3,45,882
Liabilities	2,87,105
Available Solvency Margin (ASM)	58,777
Required Solvency Margin (RSM)	34,764
Solvency Ratio	1.69

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

The Company has gross written premium of ₹ 1,951 Crore against ₹ 1,843 Crore in the previous year.

During the year under review, the Company has not made any allotment of equity shares during the year. The paid-up share capital of the Company remains at 810 Crore as at the end of the Financial Year.

x) **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.

xi) **Details of number of claims intimated, disposed of and pending:**

Particulars	Total no. of Claims
Outstanding at the beginning of year	22,384
Reported during the year*	2,45,083
Settled during the year	2,17,065
Outstanding at the end of the year	50,402

*Includes 1,950 cases which were reopened during the year

xii) **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 them.

Annexure - II

Extract of Annual Return

MGT -9

Financial year ended on 31.03.2018

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, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083. Contact Details: 022 - 4918 6000

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

SI 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 AND ASSOCIATE COMPANIES

SI No	Name & Address	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
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	206549994	396703711	603253705	74.49	206549994	396703711	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):-	206549994	396703711	603253705	74.49	206549994	396703711	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	206550000	206550000	25.51	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	206550000	206550000	25.51	0	206550000	206550000	25.51	0
Total shareholding of Promoter (A)=(A) (1)+(A)(2)	206549994	603253711	809803705	100.00	206549994	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)	206549994	603253711	809803705	100	206549994	603253711	809803705	100	0

ii) Share Holding of Promoters

Sl No.	Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Future Enterprises Limited	206550000	25.50	0	206550000	25.50	0	0
2	Shendra Advisory Services Pvt. Ltd.	396703705	48.99	0	396703705	48.99	0	0
3	Participatie Maatschappij Graafsschap Holland NV	206550000	25.51	0	206550000	25.51	0	0
	Total	809803705	100.00	0	809803705	100.00	0	0

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	206550000	25.50	206550000	25.50
	Allotment during the year	0	0	0	0
	At the end of the year	206550000	25.50	206550000	25.50
2	Shendra Advisory Services Private Limited				
	At the beginning of the year	396703705	48.99	396703705	48.99
	Allotment during the year	0	0	0	0
	At the end of the year	396703705	48.99	396703705	48.99
3	Participatie Maatschappij Graafsschap Holland NV				
	At the beginning of the year	206550000	25.51	206550000	25.51
	Allotment during the year	0	0	0	0
	At the end of the year	206550000	25.51	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 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

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

SI No.	For Each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in 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 (INR)

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 sum section (1) of Section 34A 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.

SI. No.	Particulars of Remuneration	Name of the Managing Director & CEO
		Mr. K.G. Krishnamoorthy Rao
1	Gross salary	
(a)	Salary (as per provisions contained in section 17(1) of the Income Tax. 1961.)	2,69,73,000
(b)	Value of perquisites (u/s 17(2) of the Income-tax Act, 1961)	39,600
(c)	Profits in lieu of salary (u/s 17(3) of the Income Tax Act, 1961)	-
2	Stock option or Sweat Equity	-
3	Commission as % of profit	-
	others (specify)	-
5	Others, please specify	99,90,000
	Total (A)	370,02,600

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. Abhinandan K. Jain	Mr. Kishore Biyani	Mr. Vijay Biyani	Mr. K.K. Rathi	Mr. Hayden Seach	Ms. Jennifer Sparks	
1	Independent Directors										
	(a) Fee for attending board committee meetings	N.A	3,00,000	2,80,000	1,80,000	N.A	N.A	N.A	N.A	N.A	7,60,000
	(b) Commission	N.A	0	0	0	N.A	N.A	N.A	N.A	N.A	0
	(c) Others, please specify	N.A	0	0	0	N.A	N.A	N.A	N.A	N.A	0
	Total (1)										7,60,000
2	Other Non-Executive Directors										
	(a) Fee for attending board committee meetings	4,40,000	N.A	N.A	N.A	50,000	50,000	4,20,000	0	0	9,60,000
	(b) Commission	0	N.A	N.A	N.A	0	0	0	0	0	0
	(c) Others, please specify.	0	N.A	N.A	N.A	0	0	0	0	0	0
	Total (2)										9,60,000
	Total (B)=(1+2)										17,20,000
	Total Managerial Remuneration (A+B)										
	Overall Ceiling as per the Act.	N.A									

Note: - 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/ Whole time 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.		3,11,33,336
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		39,600
	(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		1,06,22,310
	Total		4,17,95,246

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure - III

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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 Future Generali India Insurance Company Limited (hereinafter called the "Company") to review the compliance of applicable statutory provisions and the adherence to good corporate practices. 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, 2018, 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, 2018 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

We have also examined the books, papers and records on other specific laws applicable to the company and 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 specific applicable Laws, Acts, Rules, Regulations, Guidelines and Standards application to the company including the compliance of provisions of:

- (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; and Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017.

- (ii) Maharashtra Labour Welfare Fund Act, 1953;

- (iii) The Minimum Wages Act, 1948;

- (iv) Payment of Wages Act 1936 and Payment of Wages (Amendment) Act, 2017;

- (v) The Equal Remuneration Act, 1976;

- (vi) The Maternity Benefits Act, 1961 and The Maternity Benefit (Amendment) Act 2017

- (vii) Contract Labour (Regulation and Abolition) Act, (for branches where ever applicable), 1970;

- (viii) Payment of Bonus Act, 1965 ;

- (ix) Professional Tax Act, 1975;

- (x) Maharashtra State Tax on Profession, Trade, Callings and Employments Act 1975

- (xi) Payment of Gratuity Act, 1972; The Payment of Gratuity (Amendment) Act, 2018

- (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, 2018 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 2017-18.

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.

For Anish Gupta & Associates
Company Secretaries

Anish Gupta

Proprietor

FCS: 5733, CP No. 4092

Place: Mumbai,

Date:

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.

Annexure “A”

List of documents verified:

Under Companies Act, 2013:-

1. Memorandum & Articles of Association of the Company.
2. Financial Statements for the financial year ended 31st March, 2018.
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, 2018 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. 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:

Annexure - IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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 –

<https://general.futuregenerali.in/general-insurance/pdf/CorporateSocialResponsibility/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 2017 through March 2018 are as follow:

In our endeavor to bring about a holistic development within the community, we have adopted four tribal hamlets (padas) viz., Kadav Pada, Bhonge Pada, Gawari Pada and Kamat Pada in Palghar district of Maharashtra in association with local NGO - Lokanayak Jayaprakash Narayan Leprosy Eradication Trust.

Our contribution there has been:

- To provide access to basic sanitation facilities 123 toilets for individual households were constructed
- 16 solar street lights were built and 160 solar lanterns were distributed to families to counter the issue of lack of electricity
- To ensure literacy among women, adult literacy classes were conducted.
- Vocational training was imparted to ensure financial independence among women
- School toilets and infrastructure repair
- Book shelf and books for school library
- Toys for village balwadi

We have also undertaken a WASH project in Zilla Parishad (ZP) School, Thane, Maharashtra in association with Habitat for Humanity. Our interventions there helped improve access to adequate sanitation and safe water facility in the Government school to help increase enrolment and reduce dropout rate.

Additionally, we had conducted certain workshops for social benefits such as Anti-tobacco workshop, Desktop Donation Drives, Art competition for children with autism, Pan India Employee Giving drive and Anti-superstition workshop celebrating Women's Day.

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

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

2. The Composition of the CSR Committee.

- | | | | |
|-----|--------------------|---|----------|
| (a) | Dr. Devi Singh | - | Chairman |
| (b) | Krishan Kant Rathi | - | Member |
| (c) | Hayden Seach | - | Member |

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

(₹ in '000)

FY 2016-17 (₹)	FY 2015-16 (₹)	FY 2014-15 (₹)	Average Profit / Losses of Last 3 Financial Year (₹)
4,27,972	(52,549)	6,02,926	3,26,118

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 FY 2017-2018 is in INR 65,22,360/-.

5. Details of CSR spent during the financial year: INR 21,04,468/-

- (a) Total amount to be spent for the financial year: INR 65,22,360/-
 (b) Amount unspent: INR 44,17,892/-
 (c) The manner in which the amount spent during the financial year is detailed below:

Sr. 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	Education and holistic development of tribal children	Maharashtra – Near to Mumbai region	INR 15,17,985	Direct expenditure	INR 4,32,221	Implementing agency
2.	Village adoption	Holistic development of adopted tribal hamlets	Palghar district, Maharashtra	INR 36,11,000	Direct expenditure + overheads	INR 16,56,212	Implementing agency
3.	Workshops and other projects for social benefits	Education, health and social welfare	PAN India		Direct expenditure + overheads	INR 16,035	Implementing agency

6. Reasons for not spending the full amount allocated for CSR activities:

During the year, the spending on CSR activities increased from ₹ 11,09,000 in Financial Year 2016-17 to ₹ 21,04,468 in the current Financial Year, however, the overall expenditure of the Company was less than the allocated budgeted amount for the CSR projects, as prescribed under the provisions of the Companies Act, 2013, due to lack of project opportunities and the CSR Committee is in the process of identification of suitable projects.

Going forward the Company will endeavour to spend the complete allocated amount on CSR activities in accordance with the statutory requirements.

7. Responsibility statement of the CSR Committee:

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

Mr. K.G. Krishnamoorthy Rao

Managing Director & Chief Executive Officer

Dr. Devi Singh

Chairman CSR Committee

Independent Auditor's Report

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, 2018, 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.

Auditor's 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, 2018;
 - 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, 2018 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:

- (a) investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and/or orders/directions issued by the IRDAI in this regard;
- (b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (c) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (d) as the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company;
- (e) The Balance sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account dealt with by this report are in agreement with the books of account.
- (f) The 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.
- (g) the Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are prepared in accordance with the requirements of the Insurance Act, the IRDAI Act and the Act to the extent applicable and the manner so required.
- (h) On the basis of the written representations received from the Directors as on March 31, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (i) The actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2018 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:
- (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 34 to the financial statements;
- (b) 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. 35 to the financial statements;
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note no. 36 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:
- (a) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2018 and there are no apparent mistakes or material inconsistencies with the financial statements; and
- (b) Based on the information and explanations received during the course of our audit and management representation by officers of the Company charged with compliance, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of the registration as stipulated by the IRDAI.

For Khandelwal Jain & Co.

Chartered Accountants
(Firm Registration No. 105049W)

(Narendra Jain)

Partner
Membership No. 048725

Place : Mumbai
Dated : 12th May, 2018

For M. M. Nissim & Co.

Chartered Accountants
(Firm Registration No. 107122W)

(Sanjay Khemani)

Partner
Membership No. 044577

Annexure 'A' 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, 2018 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.

Auditor's 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.

For Khandelwal Jain & Co.

Chartered Accountants
(Firm Registration No. 105049W)

(Narendra Jain)

Partner
Membership No. 048725

Place : Mumbai
Dated : 12th May, 2018

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, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matter

The Actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2018 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, 2018. 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 M. M. Nissim & Co.

Chartered Accountants
(Firm Registration No. 107122W)

(Sanjay Khemani)

Partner
Membership No. 044577

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, 2018, we certify that:

For Khandelwal Jain & Co.

Chartered Accountants
(Firm Registration No. 105049W)

(Narendra Jain)

Partner
Membership No. 048725

Place : Mumbai
Dated : 12th May, 2018

- a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2018 and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements.
- 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 M. M. Nissim & Co.

Chartered Accountants
(Firm Registration No. 107122W)

(Sanjay Khemani)

Partner
Membership No. 044577

Management Report

With respect to the operations of Future Generali India Insurance Company Ltd. for the year ended 31st March, 2018 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 2017-18 a total of 2,43,133 claims were reported and 2,17,065 were settled with an overall settlement ratio of 81%. 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 profit 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.

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, 2018

Annexure 1

Average Claims Settlement Time during preceding five years

Line of Business	2017-2018		2016-17		2015-16		2014-15		2013-14	
	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)
Aviation	2	528								
Marine Cargo	4,525	128	4,291	105	4,870	104	9,022	91	4,805	68
Engineering	597	218	645	198	618	191	759	148	705	116
Fire	1,352	229	1,600	187	1,173	163	1,235	139	706	131
Health	75,587	24	63,659	28	56,209	23	41,184	25	41,674	36
Liabilities	54	359	68	300	48	269	88	165	86	76
Motor-OD	109,219	36	1,43,036	32	1,40,873	30	1,19,962	30	80,825	35
Motor-TP	2,032	880	2,976	645	3,737	542	4,021	517	2,822	361
Personal Accident	3,645	146	3,513	137	3,385	171	3,644	131	3,310	70
Overseas Medical	712	158	848	130	661	103	772	125	691	156
Workmen Compensation	1,081	178	940	163	825	188	681	189	466	166
Others	18,259	83	3,603	113	4,299	97	2,974	124	2,613	66
Grand Total	2,17,065	50	2,25,179	46	2,16,698	44	1,84,972	48	1,38,703	46

Annexure 2

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

As at 31st March 2018

(₹ in lakhs)

Line of Business	Aviation		Marine Cargo		Engineering		Fire	
	No of Claims	Amount of Claims						
0 - 30 days	0	-	218	349.64	47	191.94	101	1,827.79
30 days – 6 months	0	-	486	903.29	419	932.67	260	4,489.76
6 months – 1 year	0	-	550	660.06	68	445.46	158	8,064.74
1 year – 5 years	0	-	148	916.72	663	1,066.29	249	5,946.92
More than 5 years	0	-	25	344.58	8	17.73	6	65.33
Grand Total	0	-	1,427	3,174.29	935	2,654.09	774	20,394.54

As at 31st March 2018

(₹ in lakhs)

Line of Business	Health		Liabilities		Motor-OD		Motor-TP	
	No of Claims	Amount of Claims						
0 - 30 days	6,698	1,255.72	3	1.05	2,674	1,677.40	393	3,342.74
30 days – 6 months	885	376.38	17	27.81	1,810	3,044.36	1,225	10,258.94
6 months – 1 year	181	64.36	4	10.70	294	917.50	1,013	7,447.01
1 year – 5 years	95	62.73	19	64.56	305	1,060.90	4,031	30,998.93
More than 5 years	6	7.58	0	-	198	1,025.41	1,744	9,559.62
Grand Total	7,865	1,766.77	43	104.12	5,281	7,725.57	8,406	61,607.24

As at 31st March 2018

(₹ in lakhs)

Line of Business	Personal Accident		Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
	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	178	432.56	31	21.35	77	57.74	458	339.63	10,878	9,497.56
30 days – 6 months	442	1,420.27	99	57.69	187	229.36	22,530	1,188.25	28,090	22,928.78
6 months – 1 year	192	577.83	38	83.97	85	194.46	451	835.21	3,034	19,301.30
1 year – 5 years	127	348.26	25	164.81	55	277.33	493	1,946.80	6,210	42,854.25
More than 5 years	41	194.68	3	9.79	7	24.45	33	199.57	2,071	11,448.74
Grand Total	980	2,973.60	196	337.61	411	783.34	23,965	4,509.46	50,283	1,06,030.63

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	
	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	
	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
	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	405.4	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	9	51.58	1,400	7,494.07
Grand Total	810	1,165.99	175	428.1	430	1,000.01	1,527	3,667.17	22,384	85,464.48

Annexure 2

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

As at 31st March 2016

(₹ in lakhs)

Line of Business	Aviation		Marine Cargo		Engineering		Fire	
	No of Claims	Amount of Claims						
0 - 30 days	0	-	228	380.9	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	803.2	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	
	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	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	0	-	91	430.7	664	2,736.05
Grand Total	4,591	1,150.63	46	155.1	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
	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	216.3	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

Annexure 2

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

As at 31st March 2015

(₹ in lakhs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
	No of Claims	Amount of Claims						
0 - 30 days	360	497.18	94	131.8	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	600.1	130	5,250.66	13	3.8
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	0.6
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	
	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	12.6	2,656	1,603.21	203	867.31	288	164.95
30 days – 6 months	8	4.5	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
	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

Annexure 2

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

As at 31st March 2014

(₹ in lakhs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
	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	4.6	-	-	-	-
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	
	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	6.5	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	21.5	395	1,262.09	4195	15,080.00	106	180.55
More than 5 years	-	-	14	25.8	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
	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	42	19.9	61	40.03	113	181.08	3,825	5,847.73
30 days – 6 months	63	113.26	122	163.7	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	25.5	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

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 A K Jain Jennifer Sparks	Director	Insurance Premium Paid : ₹ 3,142,780 Other transaction: ₹ 17,500,000
2	Future Enterprises Limited (Joint Venturer)	Kishore Biyani Vijay Biyani	Director	Deposit paid : ₹ 100,000
3	Future Retail Ltd	Kishore Biyani	Director	Operating expenses: ₹ 4,610,174
4	M/s Europ Assistance India Pvt. Ltd.	KG Krishnamoorthy Rao*	Director	Operating expenses : ₹ 10,326,664 Insurance claims paid : ₹ 37,787,220

* Mr. KG Krishnamoorthy Rao resigned as director from M/s Europ Assistance India Pvt. Ltd. with effect from 20th September 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 Mar 2018

Fire Insurance Business

(₹' 000)

Particulars	Schedule	For the year ended 31st March 2018	For the year ended 31st March 2017
1. Premiums earned (Net)	1	535,634	457,231
2. Profit/(Loss) on sale/redemption of Investments		16,630	43,480
3. Others-Miscellaneous Income		970	926
4. Interest, Dividend & Rent - Gross		281,806	192,933
Total (A)		835,040	694,570
1. Claims Incurred (Net)	2	306,055	329,433
2. Commission	3	(24,995)	(17,700)
3. Operating Expenses related to Insurance Business	4	407,127	292,058
4. Premium deficiency		-	-
Total (B)		688,187	603,791
Operating Profit / (Loss) from Fire Business		146,853	90,779
Appropriations			
Transfer to Shareholders' Funds		146,853	90,779
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		146,853	90,779

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

M. M. Nissim & Co.
Chartered Accountants
FRN 107122W

For Khandelwal Jain & Co.
Chartered Accountants
FRN 105049W

G N Bajpai
Chairman

K K Rathi
Director

KG Krishnamoorthy Rao
Managing Director & CEO

Sanjay Khemani
Partner
Membership No. 044577

Narendra Jain
Partner
Membership No. 048725

Ritesh Jiwarajka
Head of Finance

Krishnan Gopalakrishnan
Company Secretary

Place : Mumbai

Dated : 12th May, 2018

Form B - RA

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

Marine Insurance Business

(₹' 000)

Particulars	Schedule	For the year ended 31st March 2018	For the year ended 31st March 2017
1. Premiums earned (Net)	1	438,930	469,969
2. Profit/(Loss) on sale/redemption of Investments		3,497	11,357
3. Others-Miscellaneous Income		579	777
4. Interest, Dividend & Rent - Gross		53,887	46,114
Total (A)		496,893	528,217
1. Claims Incurred (Net)	2	244,765	305,998
2. Commission	3	62,820	61,895
3. Operating Expenses related to Insurance Business	4	84,264	84,202
4. Premium deficiency		-	-
Total (B)		391,849	452,095
Operating Profit / (Loss) from Fire Business		105,044	76,122
Appropriations			
Transfer to Shareholders' Funds		105,044	76,122
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		105,044	76,122

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

M. M. Nissim & Co.
Chartered Accountants
FRN 107122W

For Khandelwal Jain & Co.
Chartered Accountants
FRN 105049W

G N Bajpai
Chairman

K K Rathi
Director

KG Krishnamoorthy Rao
Managing Director & CEO

Sanjay Khemani
Partner
Membership No. 044577

Narendra Jain
Partner
Membership No. 048725

Ritesh Jiwarajka
Head of Finance

Krishnan Gopalakrishnan
Company Secretary

Place : Mumbai

Dated : 12th May, 2018

Form B - RA

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

Miscellaneous Insurance Business

(₹' 000)

Particulars	Schedule	For the year ended 31st March 2018	For the year ended 31st March 2017
1. Premiums earned (Net)	1	11,827,269	9,951,839
2. Profit/(Loss) on sale/redemption of Investments		95,438	312,552
3. Others-Miscellaneous Income		18,655	18,871
4. Interest, Dividend & Rent - Gross		1,476,110	1,272,692
Total (A)		13,417,472	11,555,954
1. Claims Incurred (Net)	2	9,142,700	7,775,452
2. Commission	3	10,396	(369,402)
3. Operating Expenses related to Insurance Business	4	4,155,289	4,138,979
4. Premium deficiency		-	-
Total (B)		13,308,385	11,545,029
Operating Profit / (Loss) from Fire Business		109,087	10,925
Appropriations			
Transfer to Shareholders' Funds		109,087	10,925
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		109,087	10,925

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

M. M. Nissim & Co.Chartered Accountants
FRN 107122W**For Khandelwal Jain & Co.**Chartered Accountants
FRN 105049W**G N Bajpai**

Chairman

K K Rathi

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Sanjay KhemaniPartner
Membership No. 044577**Narendra Jain**Partner
Membership No. 048725**Ritesh Jiwarajka**

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2018

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 2018

(₹' 000)

Particulars	Schedule	For the year ended 31st March 2018	For the year ended 31st March 2017
1. Operating Profit / (Loss)			
(a) Fire Insurance		146,853	90,779
(b) Marine Insurance		105,044	76,122
(c) Miscellaneous Insurance		109,087	10,925
2. Income from investments			
(a) Interest, Dividend & Rent - Gross		429,548	317,198
Add/Less : Amortization on Securities		(7,589)	5,057
(b) Profit on sale of investments		29,027	80,853
Less : Loss on sale of investments		(1,642)	(1,486)
3. Other Income		9,083	1,528
Total (A)		819,411	580,976
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		-	-
(b) For Doubtful Debts		-	3,103
(c) Others		-	-
5. Other Expenses			
(a) Expenses other than those related to Insurance Business\$		30,789	145,329
(b) Bad Debts written off		237	3,462
(c) Others-CSR*		2,104	1,109
Total (B)		33,130	153,003
Profit/(Loss) before Tax (A-B)		786,281	427,973
Provision for Taxation (MAT)		(166,765)	(87,918)
Minimum Alternate Tax-Credit		166,765	87,918
Deferred Tax		-	-
Profit / (Loss) after tax		786,281	427,973
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		(2,175,776)	(2,603,749)
Balance carried forward to Balance Sheet		(1,389,495)	(2,175,776)

*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 (₹)

0.97

0.57

(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

M. M. Nissim & Co.

Chartered Accountants
FRN 107122W

For Khandelwal Jain & Co.

Chartered Accountants
FRN 105049W

G N Bajpai

Chairman

K K Rathi

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Sanjay Khemani

Partner
Membership No. 044577

Narendra Jain

Partner
Membership No. 048725

Ritesh Jiwrajka

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2018

Form B - BS

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

Balance Sheet as at 31st March 2018

(₹' 000)

Particulars	Schedule	As at 31st March 2018	As at 31st March 2017
Source of Funds			
Share Capital	5	8,098,037	8,098,037
Reserves and Surplus	6	-	-
Fair Value Change Account			
Policy holder		(50,467)	39,812
Shareholder		(9,663)	9,136
Borrowings	7	-	-
Total		8,037,907	8,146,985
Application of Funds			
Investments			
Investments-Policyholders	8	25,208,762	20,167,684
Investments-Shareholders	8A	4,711,503	4,628,203
Loans	9	-	-
Fixed Assets	10		
Gross Block		852,560	785,799
Less :- Accumulated Depreciation		689,206	628,917
Net Block		163,354	156,882
Capital Work in Process		2,424	5,769
		165,778	162,651
Deferred Tax Assets		-	-
Current Assets			
(i) Cash and Bank balances	11	1,143,444	583,548
(ii) Advances and Other Assets	12	4,129,449	4,312,978
Total (A)		5,272,893	4,896,526
Current Liabilities	13	20,373,411	17,889,096
Provisions	14	8,337,114	5,994,758
Total (B)		28,710,525	23,883,854
Net Current Assets (A - B)		(23,437,632)	(18,987,328)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit and Loss Account		1,389,495	2,175,776
Total		8,037,907	8,146,985

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 and on behalf of

For and on behalf of the Board of Directors

M. M. Nissim & Co.Chartered Accountants
FRN 107122W**For Khandelwal Jain & Co.**Chartered Accountants
FRN 105049W**G N Bajpai**

Chairman

K K Rathi

Director

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Managing Director & CEO

Sanjay Khemani

Partner

Membership No. 044577

Narendra Jain

Partner

Membership No. 048725

Ritesh Jiwarajka

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2018

Schedules

forming part of Financial Statements

SCHEDULE - 1 Premium Earned (Net) For the Year ended 31st March 2018

(₹' 000)

Particulars	Fire		Marine		Miscellaneous *		Total	
	For the Year ended							
	31st March 2018	31st March 2017						
Premium from direct business written	2,418,763	1,892,212	583,066	565,934	16,061,921	15,696,823	19,063,750	18,154,969
Add : Premium on reinsurance accepted	388,449	288,579	7,290	3,708	48,395	(20,292)	444,134	271,995
Less : Premium on reinsurance ceded	2,058,657	1,652,482	143,251	126,643	2,195,147	5,328,996	4,397,055	7,108,121
Net Premium	748,555	528,309	447,105	442,999	13,915,169	10,347,535	15,110,829	11,318,843
Adjustment for change in reserve for unexpired risks	212,921	71,078	8,175	(26,970)	2,087,900	395,696	2,308,996	439,804
Total Premium Earned (Net)	535,634	457,231	438,930	469,969	11,827,269	9,951,839	12,801,833	10,879,039

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

* Refer Schedule 1(A)

SCHEDULE - 2 Claims Incurred (Net) For the Year ended 31st March 2018

(₹' 000)

Particulars	Fire		Marine		Miscellaneous *		Total	
	For the Year ended							
	31st March 2018	31st March 2017						
Claims Paid								
Direct	902,752	1,528,817	332,089	415,237	7,886,696	8,453,008	9,121,537	10,397,062
Add : Reinsurance accepted	69,121	(955)	-	770	1,705	(90,680)	70,826	(90,865)
Less : Reinsurance ceded	738,354	1,272,266	104,125	107,449	2,109,312	2,746,672	2,951,791	4,126,387
Net Claims Paid	233,519	255,596	227,964	308,558	5,779,089	5,615,656	6,240,572	6,179,810
Add : Claims outstanding at the end of the year	459,678	387,142	308,566	291,765	15,711,855	12,348,244	16,480,099	13,027,151
Less : Claims outstanding at the beginning of the year	387,142	313,305	291,765	294,325	12,348,244	10,188,448	13,027,151	10,796,078
Total Claims Incurred	306,055	329,433	244,765	305,998	9,142,700	7,775,452	9,693,520	8,410,883

Note: Refer Note no 2.9 and 2.10 of Schedule 16

* Refer Schedule 2(A)

Schedules

forming part of Financial Statements

SCHEDULE - 3 Commission Expenses For the Year ended 31st March 2018

(₹' 000)

Particulars	Fire		Marine		Miscellaneous *		Total	
	For the Year ended							
	31st March 2018	31st March 2017						
Commission Paid								
Direct	176,025	131,346	77,121	71,832	871,857	628,949	1,125,003	832,127
Add : Reinsurance accepted	13,753	8,255	544	618	7,026	660	21,323	9,533
Less : Commission on reinsurance Ceded	214,773	157,301	14,845	10,555	868,487	999,011	1,098,105	1,166,867
Net Commission	(24,995)	(17,700)	62,820	61,895	10,396	(369,402)	48,221	(325,207)
Break-up of the commission (gross) incurred to procure business								
Agents	20,691	17,291	24,884	24,825	329,056	269,599	374,631	311,715
Brokers	90,813	88,985	52,228	46,885	381,778	286,297	524,820	422,167
Corporate Agency	62,734	24,106	23	64	145,942	72,572	208,699	96,742
Referral	26	24	3	-	288	103	316	127
Others	1,762	940	(17)	58	14,794	378	16,538	1,376
Gross Commission	176,025	131,346	77,121	71,832	871,859	628,949	1,125,005	832,127

Note: Refer Note no 2.3 and 2.5 of Schedule 16

* Refer Schedule 3(A)

Schedules

forming part of Financial Statements

SCHEDULE - 1(A) Premium Earned (Net) For the Year ended 31st March 2018

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended									
	31st March 2018	31st March 2017								
Premium from direct business written	917,589	604,783	2,459,077	2,042,906	420,696	358,079	826	30,209	173,479	168,278
Add : Premium on reinsurance accepted	-	-	-	1,280	45,967	19,024	-	-	2,428	-
Less : Premium on reinsurance ceded	144,604	88,403	631,133	585,105	348,109	270,138	815	28,594	108,747	79,970
Net Premium	772,985	516,380	1,827,944	1,459,081	118,554	106,965	11	1,615	67,160	88,308
Adjustment for change in reserve for unexpired risks	(60,683)	30,887	99,052	201,432	3,986	(20,044)	(829)	592	(7,181)	4,309
Total Premium Earned (Net)	833,668	485,493	1,728,892	1,257,649	114,568	127,009	840	1,023	74,341	83,999

Particulars	Motor						Workmen Compensation		Others		Miscellaneous-Total	
	For the Year ended 31st March 2018						For the Year ended		For the Year ended		For the Year ended	
	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Motor (Total)	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Total	For the Year ended	For the Year ended	For the Year ended	For the Year ended
Premium from direct business written	5,101,967	5,271,433	-	10,373,400	5,446,401	3,583,563	-	9,029,964	255,288	1,461,586	3,200,318	15,696,823
Add : Premium on reinsurance accepted	-	-	-	-	-	-	(40,860)	(40,860)	-	-	264	(20,292)
Less : Premium on reinsurance ceded	321,957	292,441	-	614,398	1,925,046	197,726	-	2,122,772	13,800	333,541	2,138,956	5,328,996
Net Premium	4,780,010	4,978,992	-	9,759,002	3,521,355	3,385,837	(40,860)	6,866,332	241,488	1,128,045	1,061,626	10,347,535
Adjustment for change in reserve for unexpired risks	736,270	833,530	-	1,569,800	(443,056)	290,901	-	(152,155)	6,375	477,380	327,263	395,696
Total Premium Earned (Net)	4,043,740	4,145,462	-	8,189,202	3,064,411	3,094,936	(40,860)	7,018,487	235,093	650,665	734,363	9,951,839

Schedules

forming part of Financial Statements

SCHEDULE - 2(A) Claims Incurred (Net) For the Year ended 31st March 2018

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Claims Paid										
Direct	553,401	264,840	2,024,126	1,508,170	101,025	160,963	(8,541)	190,148	14,090	9,358
Add : Reinsurance accepted	-	1,132	-	697	1,705	3,475	-	-	-	-
Less : Reinsurance ceded	34,730	22,469	475,429	431,583	73,134	115,982	(8,391)	186,813	2,279	1,995
Net Claims Paid	518,671	243,503	1,548,697	1,077,284	29,596	48,456	(150)	3,335	11,811	7,363
Add : Claims outstanding at the end of the year	343,768	273,789	314,209	211,257	90,914	94,114	1,732	1,322	13,024	17,405
Less : Claims outstanding at the beginning of the year	273,789	219,086	211,257	210,804	94,114	99,259	1,322	3,689	17,405	13,918
Total Claims Incurred	588,650	298,206	1,651,649	1,077,737	26,396	43,311	260	968	7,430	10,850

Particulars	Motor				Workmen Compensation		Others		Miscellaneous-Total				
	For the Year ended 31st March 2018	Motor (TP Without Pool)	Motor (TP Pool)	Motor (OD) Total	For the Year ended 31st March 2017								
Claims Paid													
Direct	3,123,081	914,779	-	4,037,860	4,278,869	1,120,138	-	5,399,007	86,315	1,072,456	834,207	7,886,696	8,453,008
Add : Reinsurance accepted	-	-	-	-	-	(95,985)	(95,985)	-	-	-	1	1,705	(90,680)
Less : Reinsurance ceded	834,307	51,841	-	886,148	1,420,440	49,728	-	1,470,168	4,511	641,339	513,151	2,109,312	2,746,672
Net Claims Paid	2,288,774	862,938	-	3,151,712	2,858,429	1,070,410	(95,985)	3,932,854	81,804	431,117	321,057	5,779,089	5,615,656
Add : Claims outstanding at the end of the year	757,822	13,293,763	-	14,051,575	709,487	10,228,758	-	10,938,245	145,993	785,249	666,119	15,711,855	12,348,244
Less : Claims outstanding at the beginning of the year	709,487	10,228,768	-	10,938,245	869,164	8,162,587	-	9,031,751	145,993	666,119	518,317	12,348,244	10,188,448
Total Claims Incurred	2,337,109	3,927,933	-	6,265,042	2,698,752	3,136,581	(95,985)	5,739,348	136,173	550,247	468,859	9,142,700	7,775,452

Schedules

forming part of Financial Statements

SCHEDULE - 3(A) Commission Expenses For the Year ended 31st March 2018

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Commission Paid										
Direct	103,920	68,543	122,763	115,334	43,718	27,991	10	52	20,231	22,277
Add : Reinsurance Accepted	-	-	-	13	6,601	628	-	-	425	-
Less : Commission on reinsurance Ceded	11,712	11,385	88,050	106,586	55,116	45,030	252	283	26,509	5,985
Net Commission	92,208	57,158	34,713	8,761	(4,797)	(16,411)	(242)	(231)	(5,853)	16,292
Break-up of the commission (gross) incurred to procure business										
Agents	12,963	15,026	49,855	44,516	10,823	8,261	10	52	2,642	3,242
Brokers	44,015	23,218	48,964	65,382	24,935	14,565	-	-	17,498	19,006
Corporate Agency	46,942	30,298	23,783	5,380	7,100	4,863	-	-	91	29
Referral	1	1	0	-	0	-	-	-	-	-
Others	-	-	162	56	859	302	-	-	1	-
Gross Commission	103,920	68,543	122,763	115,334	43,718	27,991	10	52	20,231	22,277

Particulars	Motor				Workmen Compensation		Others		Miscellaneous-Total	
	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Total	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018
Commission Paid										
Direct	440,948	23,890	-	464,838	267,284	20,167	85,681	107,301	871,857	628,949
Add : Reinsurance Accepted	-	-	-	-	-	-	-	19	7,026	660
Less : Commission on reinsurance Ceded	425,032	13,184	-	438,216	598,903	1,912	246,720	219,898	868,487	999,011
Net Commission	15,916	10,706	-	26,622	(331,619)	28,784	(161,039)	(112,578)	10,396	(369,402)
Break-up of the commission (gross) incurred to procure business										
Agents	203,529	12,781	-	216,310	164,283	18,502	17,951	21,462	329,056	269,599
Brokers	220,087	3,388	-	223,474	97,936	12,060	7,323	58,867	381,778	286,297
Corporate Agency	10,249	1,282	-	11,531	5,061	135	87	26,854	145,942	72,572
Referral	11	0	-	11	4	-	275	98	288	103
Others	7,073	6,439	-	13,512	-	(0)	260	20	14,794	378
Gross Commission	440,948	23,890	-	464,838	267,284	20,167	85,681	107,301	871,859	628,949

Schedules

forming part of Financial Statements

SCHEDULE - 4 Operating Expenses related to Insurance Business For the Year ended 31st March 2018

S. Particulars No.	Fire		Marine		Miscellaneous *		Total	
	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018
	2017	2018	2017	2018	2017	2018	2017	2018
1 Employees' Remuneration & Welfare Benefits	55,423	60,808	33,104	29,799	1,263,461	1,174,059	1,351,988	1,264,666
2 Travel, Conveyance and Vehicle Running Expenses	3,193	3,267	1,907	1,601	59,364	63,079	64,464	67,947
3 Training Expenses	43,167	7,799	2,125	3,822	158,690	150,570	203,982	162,191
4 Rents, Rates, and Taxes	11,130	9,531	6,648	4,671	206,904	184,010	224,682	198,212
5 Repairs	9,016	7,917	5,385	3,880	175,728	152,859	190,129	164,656
6 Printing & Stationery	3,101	2,210	1,852	1,083	57,647	42,661	62,600	45,954
7 Communication	3,063	3,161	1,829	1,549	56,934	61,037	61,826	65,747
8 Legal & Professional Charges	79,954	8,380	2,678	4,107	251,328	179,971	333,960	192,458
9 Auditors' Fees, Expenses etc.								
(a) as auditor	165	169	99	82	3,073	3,256	3,337	3,507
(b) as adviser or in any other capacity, in respect of								
(i) Taxation matters	18	15	11	8	339	295	368	318
(ii) Insurance Matters	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-
10 Advertisement and Publicity	81,428	14,231	3,549	1,616	125,438	118,427	210,415	134,274
11 Interest & Bank Charges	636	840	380	412	11,831	16,220	12,847	17,472
12 Others								
(i) Outsourcing Expenses	45,342	9,374	2,471	4,594	249,543	186,998	297,356	200,966
(ii) Business Support	56,257	150,650	17,604	21,435	1,389,724	1,644,169	1,463,585	1,816,254
(iii) Entertainment	160	130	96	64	2,983	2,517	3,239	2,711
(iv) (Gain) / Loss on Foreign Exchange	29	29	17	14	534	557	580	600
(v) Subscription/Membership	392	255	234	125	7,285	4,921	7,911	5,301
(vi) Insurance	34	57	20	28	630	1,108	684	1,193
(vii) Pool Expenses	7,496	5,509	-	-	1,433	1,893	8,929	7,402
(viii) Miscellaneous - Others	747	265	446	130	13,891	5,111	15,084	5,506
13 Depreciation	4,557	4,378	2,722	3,671	84,707	85,740	91,986	93,789
14 Service Tax / GST Expenses	1,819	3,083	1,087	1,511	33,822	59,521	36,728	64,115
Total	407,127	292,058	84,264	84,202	4,155,299	4,138,979	4,646,680	4,515,239

Note: Refer Note no 2.5 and 2.11 of Schedule 16

* Refer Schedule 4(A)

Schedules

forming part of Financial Statements

SCHEDULE - 4(A) Operating Expenses related to Insurance Business For the Year ended 31st March 2018

S. No.	Particulars	(₹' 000)									
		Personal Accident		Health Insurance		Engineering		Aviation		Liability	
		For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017	For the Year ended 31st March 2018	For the Year ended 31st March 2017
1	Employees' Remuneration & Welfare Benefits	62,972	52,878	172,929	174,181	8,778	12,312	1	186	4,973	10,164
2	Travel, Conveyance and Vehicle Running Expenses	3,298	2,841	7,798	9,358	506	661	-	10	287	546
3	Training Expenses	16,917	6,781	11,367	22,338	10,809	1,579	23	24	600	1,304
4	Rents, Rates, and Taxes	11,493	8,287	27,180	27,299	1,763	1,930	-	29	999	1,593
5	Repairs	11,587	6,884	27,872	22,678	1,428	1,603	-	24	809	1,323
6	Printing & Stationery	3,202	1,922	7,573	6,329	491	447	-	7	278	369
7	Communication	3,163	2,749	7,479	9,055	485	640	-	10	275	528
8	Legal & Professional Charges	51,817	7,287	22,878	29,210	23,436	1,697	-	26	402	1,401
9	Auditors' Fees, Expenses etc.	171	147	404	483	26	34	-	1	15	28
	(a) as auditor										
	(b) as adviser or in any other capacity, in respect of										
	(i) Taxation matters	19	13	44	44	3	3	-	-	2	3
	(ii) Insurance Matters	-	-	-	-	-	-	-	-	-	-
	(iii) Management services; and	-	-	-	-	-	-	-	-	-	-
	(c) in any other capacity	-	-	-	-	-	-	-	-	-	-
10	Advertisement and Publicity	3,707	6,700	18,189	23,057	2,492	2,334	5	19	343	458
11	Interest & Bank Charges	657	730	1,554	2,406	101	170	-	3	57	140
12	Others										
	(i) Outsourcing Expenses	17,840	8,151	17,858	29,023	1,369	1,898	-	29	421	1,567
	(ii) Business Support	55,470	60,518	142,192	149,650	18,488	25,698	-	49	6,563	5,923
	(iii) Entertainment	166	113	392	373	25	26	-	-	14	22
	(iv) (Gain) / Loss on Foreign Exchange	30	25	70	83	5	6	-	-	3	5
(v)	Subscription/Membership	405	222	957	730	62	52	-	1	35	43
(vi)	Insurance	35	50	83	164	5	12	-	-	3	10
(vii)	Pool Expenses	-	-	-	-	1,433	916	-	-	-	-
(viii)	Miscellaneous - Others	772	230	1,825	758	118	54	-	1	67	44
13	Depreciation	4,705	4,279	11,127	12,090	722	886	-	13	409	732
14	Service Tax / GST Expenses	1,879	2,681	4,443	8,830	288	624	-	9	163	515
	Total	250,305	173,488	484,214	528,139	72,833	53,582	29	441	16,718	26,718

Schedules

forming part of Financial Statements

SCHEDULE - 4(A) Operating Expenses related to Insurance Business For the Year ended 31st March 2018

S. Particulars No.	Motor										Workmen Compensation			Others		Miscellaneous -Total	
	For the Year ended 31st March 2018					For the Year ended 31st March 2017					For the Year ended						
	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Total	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Total	For the Year ended								
1	543,418	368,648	-	912,066	396,194	377,495	773,689	17,878	28,456	83,864	122,193	1,263,461	1,174,059				
2	20,392	21,241	-	41,633	21,286	20,283	41,569	1,030	1,529	4,812	6,565	59,364	63,079				
3	65,430	17,923	-	83,353	50,811	48,413	99,224	1,618	3,649	34,003	15,671	158,690	150,570				
4	71,074	74,032	-	145,106	62,096	59,165	121,261	3,590	4,460	16,773	19,151	206,904	184,010				
5	57,571	59,967	-	117,538	51,584	49,149	100,733	2,908	3,705	13,586	15,909	175,728	152,859				
6	19,803	20,627	-	40,430	14,396	13,717	28,113	1,000	1,034	4,673	4,440	57,647	42,661				
7	19,557	20,372	-	39,929	20,598	19,625	40,223	988	1,479	4,615	6,353	56,934	61,037				
8	53,888	44,655	-	98,543	61,435	58,535	119,970	1,451	3,922	52,801	16,458	251,328	179,971				
9																	
(a) as auditor	1,056	1,099	-	2,155	1,098	1,047	2,145	53	79	249	339	3,073	3,256				
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-	-				
(i) Taxation matters	117	121	-	238	99	95	194	6	7	27	31	339	295				
(ii) Insurance Matters	-	-	-	-	-	-	-	-	-	-	-	-	-				
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-	-				
(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-	-	-				
10 Advertisement and Publicity	77,125	14,061	-	91,186	48,816	25,824	74,640	1,691	809	7,825	10,410	125,438	118,427				
11 Interest & Bank Charges	4,064	4,234	-	8,298	5,474	5,216	10,690	205	393	959	1,688	11,831	16,220				
12 Others																	
(i) Outsourcing Expenses	69,795	100,889	-	170,684	64,918	58,190	123,108	1,504	4,386	39,867	18,836	249,543	186,998				
(ii) Business Support	894,602	158,706	-	1,053,308	1,147,719	77,209	1,224,928	25,498	33,406	88,205	143,997	1,389,724	1,644,169				
(iii) Entertainment	1,025	1,067	-	2,092	850	810	1,660	52	61	242	262	2,983	2,517				
(iv) (Gain) / Loss on Foreign Exchange	183	191	-	374	188	179	367	9	13	43	58	534	557				
(v) Subscription/Membership	2,502	2,607	-	5,109	1,660	1,582	3,242	126	119	591	512	7,285	4,921				
(vi) Insurance	217	225	-	442	374	366	730	11	27	51	115	630	1,108				
(vii) Pool Expenses	-	-	-	-	-	-	977	-	-	-	-	1,433	1,893				
(viii) Miscellaneous - Others	4,772	4,970	-	9,742	1,725	1,643	3,368	241	124	1,126	532	13,891	5,111				
13 Depreciation	29,098	30,309	-	59,407	29,004	27,890	56,894	1,470	2,049	6,867	8,797	84,707	85,740				
14 Service Tax / GST Expenses	11,618	12,102	-	23,720	20,085	19,139	39,224	587	1,443	2,742	6,195	33,822	59,521				
Total	1,947,307	958,046	-	2,905,353	2,000,410	865,562	977	2,866,949	61,916	363,921	398,512	4,155,289	4,138,979				

(₹' 000)

Schedules

forming part of Financial Statements

SCHEDULE - 5 Share Capital

(₹' 000)

S. No.	Particulars	As at 31st March 2018	As at 31st March 2017
1	Authorized Capital 1,000,000,000 (Previous year 1,000,000,000) Equity Shares of ₹ 10 Each	10,000,000	10,000,000
2	Issued Capital 809,993,749 (Previous year 809,993,749) Equity Shares of ₹ 10 Each	8,099,937	8,099,937
3	Subscribed Capital 809,803,705 (Previous year 809,803,705) Equity Shares of ₹ 10 Each	8,098,037	8,098,037
4	Called Up Capital 809,803,705 (Previous year 809,803,705) Equity Shares of ₹ 10 Each	8,098,037	8,098,037
	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	8,098,037	8,098,037

SCHEDULE - 5A Share Capital

Pattern of Shareholding (As certified by the Management)

(₹' 000)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of Shares	% of Holdings	Number of Shares	% of Holdings
Promoters				
Indian	603,253,705	74.49	603,253,705	74.49
Future Enterprises Limited	206,550,000		206,550,000	
Shendra Advisory Services Pvt Ltd.	396,703,705		396,703,705	
Foreign	206,550,000	25.51	206,550,000	25.51
Participatie Maatschappij Graafschap Holland N.V.	206,550,000		206,550,000	
Others	-		-	
Total	809,803,705	100.00	809,803,705	100.00

SCHEDULE - 6 Reserves and Surplus

(₹' 000)

S. No.	Particulars	As at 31st March 2018	As at 31st March 2017
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	-	-

Schedules

forming part of Financial Statements

SCHEDULE - 7 Borrowings

(₹' 000)

S. No.	Particulars	As at 31st March 2018	As at 31st March 2017
1	Debenture/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	Total	-	-

SCHEDULE - 8 (A) Investments - Shareholders

(₹' 000)

Particulars	As at 31st March 2018	As at 31st March 2017
Long Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	1,875,247	1,717,906
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures / Bonds	1,239,394	1,618,601
(d) Investment Property - Real Estate	-	-
(e) Other Securities (Fixed Deposit)	7,795	9,239
4. Investments in Infrastructure & Housing	1,370,805	951,747
5. Other than Approved Investments	-	-
Sub - Total	4,493,241	4,297,494
Short Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	23,604	-
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(i) Equity	41,576	59,217
(ii) Preference	-	-
(b) Mutual Funds	100,151	74,935
(c) Debentures / Bonds	19,813	85,845
(d) Investment Property - Real Estate	-	-
(e) Other Securities (incl. fixed deposits)	9,904	103,764
4. Investments in Infrastructure & Housing	23,215	5,276
5. Other than Approved Investments	-	1,672
Sub - Total	218,262	330,709
Total	4,711,503	4,628,203

NOTES :

- All the above investments are performing assets.
- Aggregate book value of investments (other than listed equities and derivative instruments) is ₹ 4,658,239 thousand (previous year ₹ 4,573,180 thousand).
- Aggregate market value of investments (other than listed equities and derivative instruments) is ₹ 4,667,982 thousand (previous year ₹ 4,699,915 thousand).
- Includes investment in equities qualifying for infrastructure and social sector investments of ₹ 1,785 thousand (previous year ₹ 1,532 thousand)
- Includes investment in equities of ₹ 9,904 thousand (previous year ₹ 1,672 thousand) and in mutual funds of ₹ NIL (previous year ₹NIL)
- Investment property ₹ Nil (previous year ₹ Nil)
- Value of contracts in relation to investments purchases where deliveries are pending ₹ 199 thousand (previous year ₹ 557 thousand) and in respect of sale of investments where payments are overdue ₹ Nil (previous year ₹ Nil).

Schedules

forming part of Financial Statements

SCHEDULE - 8 Investments-Policyholders

(₹' 000)

Particulars	As at 31st March 2018	As at 31st March 2017
Long Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	10,033,456	7,485,886
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures / Bonds	6,631,342	7,053,158
(d) Investment Property - Real Estate	-	-
(e) Other Securities (Fixed Deposit)	41,705	40,261
4. Investments in Infrastructure & Housing	7,334,451	4,147,295
5. Other than Approved Investments	-	-
Sub - Total	24,040,955	18,726,599
Short Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	126,293	-
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(i) Equity	222,449	258,041
(ii) Preference	-	-
(b) Mutual Funds	535,854	326,533
(c) Debentures / Bonds	106,010	374,073
(d) Investment Property - Real Estate	-	-
(e) Other Securities (incl. fixed deposits)	52,992	452,159
4. Investments in Infrastructure & Housing	124,209	22,992
5. Other than Approved Investments	-	7,287
Sub - Total	1,167,807	1,441,085
Total	25,208,762	20,167,684

NOTES :

- All the above investments are performing assets.
- Aggregate book value of investments (other than listed equities and derivative instruments) is ₹ 24,923,775 thousand (previous year ₹ 19,927,918 thousand).
- Aggregate market value of investments (other than listed equities and derivative instruments) is ₹ 24,975,904 thousand (previous year ₹ 20,480,176 thousand).
- Includes investment in equities qualifying for infrastructure and social sector investments of ₹ 9,549 thousand (previous year ₹ 6,677 thousand)
- Includes investment in equities of ₹ 52,992 thousand (previous year ₹ 7,287 thousand) and in mutual funds of ₹ NIL (previous year ₹ NIL)
- Investment property ₹ Nil (previous year ₹ Nil)
- Value of contracts in relation to investments purchases where deliveries are pending ₹ 1,065 thousand (previous year ₹ 2,427 thousand) and in respect of sale of investments where payments are overdue ₹ Nil (previous year ₹ Nil).

Schedules

forming part of Financial Statements

SCHEDULE - 9 Loans

(₹' 000)

Particulars	As at 31st March 2018	As at 31st March 2017
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	-	-

Schedules

forming part of Financial Statements

(₹' 000)

Particulars	Cost / Gross Block			Depreciation			Net Block		
	Audited As at 1st April 2017	Additions	Deductions	As at 31st March 2018	Audited As at 1st April 2017	For the Period	On Sales / Adjustments	As at 31st March 2018	As at 31st March 2017
Goodwill	-	-	-	-	-	-	-	-	-
Intangibles - Computer Software	288,026	50,085	-	338,111	244,174	33,251	-	277,425	60,686
Land-Freehold	-	-	-	-	-	-	-	-	-
Leasehold Improvements	175,127	7,042	21,748	160,421	128,604	18,211	21,699	125,116	35,305
Buildings	-	-	-	-	-	-	-	-	-
Furniture & Fittings	48,535	2,730	5,745	45,520	40,019	3,950	4,585	39,384	6,136
Information & Technology Equipment	193,585	27,660	-	221,245	155,913	28,222	-	184,135	37,110
Vehicles	4,802	-	-	4,802	323	960	-	1,283	3,519
Office Equipment	75,724	12,610	5,873	82,461	59,884	7,392	5,413	61,863	20,598
Others	-	-	-	-	-	-	-	-	-
Work in progress	785,799	100,127	33,366	852,560	628,917	91,986	31,697	689,206	156,882
Grand Total	785,799	100,127	33,366	852,560	628,917	91,986	31,697	689,206	162,651
Previous Year	693,199	111,392	18,792	785,799	552,252	93,789	17,124	628,917	174,208

Schedules

forming part of Financial Statements

SCHEDULE 11 - Cash and Bank Balances

(₹' 000)

Particulars	As at 31st March 2018	As at 31st March 2017
1. Cash (including cheques, drafts and stamps)	125,334	220,259
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	1,016,225	361,404
(c) Others	-	-
3. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With Other Institutions	-	-
4. Others	-	-
Total	1,143,444	583,548
Balances with non-scheduled banks included in 2 or 3 above	-	-
Cash and Bank Balances		
In India	1,143,444	583,548
Outside India	-	-

SCHEDULE - 12 Advances and Other Assets

(₹' 000)

Particulars	As at 31st March 2018	As at 31st March 2017
Advances		
1. Reserve Deposits with ceding Companies	-	-
2. Application Money for Investments	-	-
3. Prepayments	41,136	30,899
4. Advances to Directors/Officers	-	-
5. Advance Tax Paid and Taxes Deducted at Source (Net of provision for taxation)	71,067	82,896
6. Others	-	-
(i) Other Deposits	112,008	97,032
(ii) Advances to Employees	732	1,015
(iii) Advances recoverable in cash or kind	98,113	44,865
(iv) Unutilized Service Tax / GST	255,613	8,960
(v) Service Tax paid in Advance	-	15,111
(vi) MAT Credit Entitlement	356,765	190,361
Total (A)	935,434	471,139
Other Assets		
1. Income accrued on Investments	930,055	852,238
2. Outstanding Premiums *	1,690	765,070
3. Agents' Balances	2,078	516
4. Foreign Agencies' Balances	-	-
5. Due from other entities carrying on insurance business	1,878,584	1,749,674
6. Due from Subsidiaries / Holding Company	-	-
7. Assets held for unclaimed amount of Policyholders	60,733	39,638
8. Deposit With Reserve Bank Of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
9. Others -	-	-
(i) Investments Receivable	320,386	434,404
(ii) Interest Accrued other than on investments	489	299
Total (B)	3,194,015	3,841,839
Total (A + B)	4,129,449	4,312,978

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

Schedules

forming part of Financial Statements

SCHEDULE - 13 Current Liabilities

(₹' 000)

Particulars	As at 31st March 2018	As at 31st March 2017
1. Agents Balances	94,498	90,612
2. Balances due to other Insurance Companies	1,259,409	2,864,685
3. Deposits held on Reinsurance ceded	-	-
4. Premiums received in advance	134,257	148,056
5. Unallocated Premium	1,096,765	866,968
6. Sundry Creditors	750,467	760,398
7. Due to Subsidiaries / Holding Company	-	-
8. Claims Outstanding (net) *	16,480,099	13,027,152
9. Due to Officers / Directors	-	-
10. Unclaimed amount of Policyholders	49,047	51,244
Add: Investment Income accruing on unclaimed amount	3,911	9
11. Others -		
(i) Advance Received	3,128	2,683
(ii) Statutory Dues	501,830	77,289
Total	20,373,411	17,889,096

* Gross Claims Outstanding as at 31st March 2018 ₹ 20,544,074 thousand (Previous year ₹ 17,415,783 thousand)

SCHEDULE - 14 Provisions

(₹' 000)

Particulars	As at 31st March 2018	As at 31st March 2017
1. Reserve for Unexpired risk	8,065,548	5,756,553
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	271,566	238,205
Total	8,337,114	5,994,758

SCHEDULE - 15 Miscellaneous Expenditure (to the extent not written off or adjusted)

(₹' 000)

Particulars	As at 31st March 2018	As at 31st March 2017
1. Discount Allowed in issue of shares / Debentures	-	-
2. Others	-	-
Total	-	-

Schedules

forming part of Financial Statements

SCHEDULE – 16

Significant accounting policies & notes to and forming a part of the financial statements for the year ended 31st March 2018

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 holds 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 as amended by Companies Act 2017 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 is 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 recognised 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 / Goods and Services Tax ("GST"). Service tax has been replaced by GST with effect from 1 July 2017. 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 recognised 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 recognised 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 recognised 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.

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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.

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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 recognised 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 revised 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

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

(i-b) Defined-benefit plans

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

(ii) Short term benefits

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

The cost of compensated absences is accounted as under:-

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

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(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 recognises 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 recognises 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 recognised 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 & Goods & Services tax (GST)

Service tax

Service tax collected is considered liability against which service tax paid for eligible services is

adjusted and net liability is remitted to the appropriate authority as stipulated. Where service tax is not recoverable as input tax then it is recognised as part of the related asset or expenses. Unutilized credits of service tax have been transitioned to GST during the year.

Goods & Services tax (GST)

With the onset of Goods & Services Tax with effect from 1 July 2017, service tax has been subsumed under goods and services tax

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('GST'). GST collected is considered liability against which GST paid for eligible services is adjusted and net liability is remitted to the appropriate authority as stipulated. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expenses. Unutilized credits, are carried forward under "Advances and Other Assets" for adjustments in subsequent periods. The amount of GST liability is shown under "Statutory Dues" in the financial statement.

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.

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 2018	As at 31st March 2017
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 (refer note 2)	412,056	Nil
Income Tax	Nil	Nil
Goods & Services Tax (GST)	Nil	Nil
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

Note 1 – Show Cause Notices issued by various Government Authorities are not treated as contingent liability unless the demand orders are raised against such show cause notices and are disputed by the Company.

Note 2 – The Company has disputed demand raised by the service tax authorities of ₹ 412,056 thousand (including potential penalty of ₹ 137,352 thousand and potential interest of approximately ₹ 137,352 thousand). The Company has filed an appeal before the appropriate authority against the demand raised. Based on expert advice, the management does not expect any outflow of economic benefits and has assessed the likelihood of outflow of resources as remote on account of this matter.

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 ₹ 489 thousand (previous year ₹ 299 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 ₹ 6,662 thousand (previous year ₹ 15,273 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 2018, 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.

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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 ₹ 46,632 thousand (previous year ₹ 102,852 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 ₹ 7,360,428 thousand (previous year ₹ 6,130,945 thousand) out of total outstanding of ₹ 10,603,063 thousand (previous year ₹ 8,546,445 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

Particulars	(₹ '000)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Salary, allowances and bonus (including contribution to fund)	35,388	24,398
Perquisites	40	408
Total	35,428	24,806

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 GDPI)

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

Business Sector	For the year ended 31st March 2018			For the year ended 31st March 2017		
	GDPI (₹'000)	No. of Lives	% of GDPI	GDPI (₹'000)	No. of Lives	% of GDPI
Rural	5,612,627	-	29.44	6,290,636	-	34.65
Social	85,779	654,838	0.45	17,636	2,013,272	0.10
Urban	13,365,344	-	70.11	11,846,697	-	65.25
Total	19,063,750	654,838	100	18,154,969	2,013,272	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	(₹ '000)	
	For the year ended 31st March 2018 (% age of business written)	For the year ended 31st March 2017 (% age of business written)
Risk retained	80	63
Risk reinsured	20	37
Total	100	100

12 Premium, less reinsurance, written from business concluded in India is ₹ 15,110,829 thousand (previous year ₹ 11,318,843 thousand) and outside India is ₹ Nil (previous year ₹ Nil).

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

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- 14 a) Statement showing the age-wise analysis of the Unclaimed amount of the policyholders as at 31st March 2018 (with reference to IRDAI circular no IRDA/F&I/CIR/CMP/174/11/2010);

(₹ '000)

Particulars	Total	AGE-WISE ANALYSIS (months) as at 31st March 2018						
		0-6	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	622	511	112	0	0	0	0	0
Cheques issued but not encashed by the policyholder/ insured	250,991	212,992	6,011	721	7,047	1,057	1,265	21,898

*Note: Of the total ₹ 2,12,992 thousand, ₹ 2,02,566 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 at 31st March 2017						
		0-6	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	276,078	233,401	12,845	1,779	993	1,461	2,436	23,223

*Note: Of the total ₹ 233,401 thousand, ₹ 225,223 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 2018 (with reference to IRDAI circular no IRDA/F&A/CIR/CLD/114/05/2015);

(₹' 000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening balance of unclaimed amount	51,253	48,012
Add: Amount transferred to unclaimed amount / cheques issued out of the unclaimed amount but not encashed by the policyholders	15,218	16,910
Add: Investment Income	3,968	9
Less: Amount paid during the year	17,481	13,678
Closing balance of unclaimed amount	52,958	51,253

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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	For the year ended 31st March 2018	For the year ended 31st March 2017
Contribution to Staff Provident fund	31,791	29,677
Contribution to Pension Fund	19,987	20,091
Contribution to Superannuation fund	3,164	3,608
Contribution to National Pension Scheme	4,484	3,804
Total	59,426	57,180

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:-

(₹' 000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Discount Rate (per annum)	7.55%	6.70%
Rate of increase in Compensation levels	8.00%	8.00%
Rate of Return on Plan Assets	7.55%	6.70%
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.)	6.69	6.80

(₹' 000)

A Changes in the Present Value of Obligation	For the year ended 31st March 2018	For the year ended 31st March 2017
Present Value of Obligation at the beginning of the year	94,440	68,735
Interest Cost	5,962	5,072
Current Service Cost	18,948	15,462
Benefits Paid	(9,791)	(9,073)
Actuarial (gain)/loss on obligations	(4,498)	14,244
Present Value of Obligation as at March 31	105,063	94,440

(₹' 000)

B Changes in the Fair Value of Plan Assets	For the year ended 31st March 2018	For the year ended 31st March 2017
Present Value of Plan Assets at the beginning of the year	88,468	66,575
Adjustments to the opening fund	0	0
Expected Return on Plan Assets	6,197	5,512
Actuarial gains/(loss) on Plan Assets	1,198	455
Contributions	10,000	25,000
Benefits Paid	(9,791)	(9,073)
Fair Value of Plan Assets at March 31	96,072	88,468

(₹' 000)

C Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets	For the year ended 31st March 2018	For the year ended 31st March 2017
Present Value of Obligation as at March 31	105,063	94,440
Fair Value of Plan Assets as at March 31	96,072	88,468
Funded Status	(8,990)	(5,972)
Present Value of unfunded Obligation as at March 31	-	-
Net Asset / (Liability) recognised in Balance Sheet	(8,990)	(5,972)
Included in other provisions under Schedule 14		

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(₹' 000)

D	Amount recognised in the Balance Sheet	For the year ended 31st March 2018	For the year ended 31st March 2017
	Present Value of Obligation as at March 31	(105,063)	(94,440)
	Fair Value of Plan Assets as at March 31	96,072	88,468
	Net Asset / (Liability) recognised in Balance Sheet	(8,990)	(5,972)
	Included in other provisions under Schedule 14		

(₹' 000)

E	Expenses recognised in the Revenue Account	For the year ended 31st March 2018	For the year ended 31st March 2017
	Current Service Cost	18,948	15,462
	Past Service Cost	0	0
	Interest Cost	5,962	5,072
	Expected Return on Plan Assets	(6,197)	(5,512)
	Losses/(Gains) on Curtailments and Settlement	0	0
	Settlement Cost / (Credit)	0	0
	Net actuarial (gain) / loss recognised in the Year	(5,695)	13,789
	Total expenses recognised in the Revenue account	13,018	28,811

(Included in Employees remuneration and welfare benefits in Schedule 4)

(₹' 000)

F	Experience adjustments of five years	Year Ended 31st March				
		2018	2017	2016	2015	2014
	Present Value of Obligation as at March 31	105,063	94,440	68,735	49,969	37,144
	Fair Value of Plan Assets as at March 31	96,072	88,469	66,575	48,830	39,822
	Surplus/(Deficit)	(8,990)	(5,972)	(2,161)	(1,139)	2,678
	Experience adjustments on plan liabilities	1,749	7,214	1,246	1,328	1,999
	Experience adjustments on plan assets	(1,198)	(455)	724	(27)	(217)

Leave Encashment

Based on actuarial valuation at the end of the year, leave encashment has been provided at ₹ 49,895 thousand (previous year ₹ 48,195 thousand).

Long Term Incentive Plan

Based on actuarial valuation at the end of the year, Long Term Incentive Plan has been provided at ₹ 4,688 thousand (previous year 3,604).

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
Ritesh Jiwarajka	Head of Finance
Krishnan Gopalkrishnan	Company Secretary

Schedules

forming part of Financial Statements

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 2018	As at 31st March 2017
Payable not later than one year	33,326	10,767
Payable later than one year but not later than five years	38,728	9,829
Payable later than five years	Nil	Nil

- Amount charged to revenue accounts for lease is ₹ 2,13,735 thousand (previous year ₹ 1,88,904 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 2017, 30th June 2017, 30th September 2017 and 31st December 2017, 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 ₹ 2,592 thousand (previous year ₹ 2,635 thousand) towards Environment Fund from public liability policies. The Company has paid all the funds collected towards Environment Fund up to February 28, 2018 and the balance payable ₹ 205 thousand (previous year ₹ 170 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)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit/(Loss) after Tax		
Basic earnings before extra-ordinary items [A]	786,281	427,973
Basic earnings after extra-ordinary items [B]	786,281	427,973
Weighted average no. of equity shares (par value of ₹ 10 each) [C]	809,803,705	745,929,439
Basic & Diluted earnings per share (₹) [A/C]	0.97	0.57

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 recognise 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.

Schedules

forming part of Financial Statements

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

(₹' 000)

Particulars	As at 31st March 2018	As at 31st March 2017
Deferred Tax Assets (A)		
Section 43B Disallowance	10,603	19,149
Rule 6 E Disallowance (Reserve for Unexpired risk)	213,080	84,191
Carried Forward Loss / Unabsorbed Depreciation	195,379	606,077
Depreciation	56,345	47,824
Total	475,407	757,241
Deferred Tax Liabilities (B)	-	-
Net Deferred Tax Assets (A-B)	475,407	757,241

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 2018 as follows:

(₹' 000)

Sr. No	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
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 2017-18

Sr. No	Authority	Non-Compliance/ Violation	Amount in ₹ '000		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	Nil	Nil	Nil	Nil
		(3,500)	(3,500)	(3,500)	(Nil)
2	Service Tax Authorities	NA	NA	NA	NA
		(NA)	(714)	(78)	(233)
3	Income Tax Authorities	NA	Nil	Nil	Nil
		(NA)	(Nil)	(Nil)	(Nil)
4	Any other Tax Authorities	NA	Nil	Nil	Nil
		(NA)	(Nil)	(Nil)	(Nil)
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	NA	Nil	Nil	Nil
		(NA)	(Nil)	(Nil)	(Nil)
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013	NA	Nil	Nil	Nil
		(NA)	(Nil)	(Nil)	(Nil)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	NA	Nil	Nil	Nil
		(NA)	(Nil)	(Nil)	(Nil)
8	Securities and Exchange Board of India	NA	Nil	Nil	Nil
		(NA)	(Nil)	(Nil)	(Nil)
9	Competition Commission of India	NA	Nil	Nil	Nil
		(NA)	(Nil)	(Nil)	(Nil)
10	Any other Central/State/Local Government / Statutory Authority	Nil	Nil	Nil	Nil
		(504)	(504)	(Nil)	(Nil)

Figures in brackets represent previous year figures

Schedules

forming part of Financial Statements

26 During the year foreign exchange gain/ (loss) incurred by the Company is (₹ 580) thousand [previous year (₹ 618) 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)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as at 31st March 2018
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 ₹ 317 thousand (previous year ₹ 186 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)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Under expenses "Others" schedule 4		
Outsourcing expenses	297,356	200,966
Business Support	1,463,585	1,816,254

31 Expenses of Management

Pursuant to the notification on Expenses of Management Regulations, 2016 (IRDAI/Reg./12/124/2016), the company has transferred Nil (previous year ₹ 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, 2018 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 ₹ 6,522 thousand (Previous year : ₹ 6,311 thousand)
- (b) Amount spent during the year is ₹ 2,104 thousand (Previous year: ₹ 1,109).

(₹' 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	2,040 (729)	64 (380)	2,104 (1,109)

Figures in brackets represent previous year figures.

Schedules

forming part of Financial Statements

33 Share Capital

During the year, the Company has allotted Nil equity shares (previous year: 99,803,705 equity shares of ₹ 10/- each) to the existing shareholders (previous year ₹ 998,037 thousand) by way of right issue.

34 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).

35 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, 2018 the Company did not have any outstanding long term derivative contracts.

36 For the year ended March 31, 2018, the company is not required to transfer any amount into the Investor Education & Protection Fund.

37 Due from other entities carrying on insurance business included in "Other Assets" in Schedule 12 include ₹ 1,098,060 thousands (previous year ₹ 1,107,505 thousands), where the Company has initiated legal process for the recovery of the dues. Considering that the counterparties are solvent and based on legal opinion about the recoverability of the dues, the management is of the view that the said dues are fully recoverable and no provision is considered necessary.

38 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
From Schedule 8 Short Term Investment – Other Investment – Mutual Fund to Schedule 12 Other Assets	39,638	As earlier, it was part of Short Term Other investment – Mutual Fund now shown under Other Assets - Assets held for unclaimed amount of policy holder
From Schedule 13 Current Liabilities – Other - Book Overdraft to Schedule 11 Cash & Bank Balance	299,016	Considering the bank arrangement book overdraft reclassified to Bank Balance – Current Accounts.

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

M. M. Nissim & Co.

Chartered Accountants
FRN 107122W

For Khandelwal Jain & Co.

Chartered Accountants
FRN 105049W

G N Bajpai

Chairman

K K Rathi

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Sanjay Khemani

Partner

Membership No. 044577

Narendra Jain

Partner

Membership No. 048725

Ritesh Jiwarajka

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2018

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

Annexure I to Schedule 16 - Notes to accounts and forming part of the financial statements Upto the Quarter ended 31st March 2018 (Refer Note no. 16)

Segmental Break up

Segmental Break up of the Balance Sheet item as at 31st March 2018

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	459,678	308,566	15,711,855	-	16,480,099
	(387,142)	(291,765)	(12,348,244)	-	(13,027,151)
Reserve for Unexpired Risk	(720,347)	(123,790)	(7,221,412)	-	(8,065,548)
	(507,426)	(115,615)	(5,133,512)	-	(5,756,553)
Outstanding Premiums	-	-	1,690	-	1,690
	-	-	(765,070)	-	(765,070)
Investments	3,627,576	762,878	20,818,307	4,711,503	29,920,264
	(2,390,617)	(624,450)	(17,184,856)	(4,635,601)	(24,835,524)

Figures in bracket represents last year figures 31st March 2017 & figures in Bold represents figure of 31st March 2018.

Segmental Reporting

Segmental Reporting for the period ended 31st March 2018

Particulars	(₹' 000)												
	Fire	Marine	Personal Accident	Health Insurance	Engineering	Aviation	Liability	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Workmen Compensation	Others	Total
1. Premiums earned (Net) (refer Sch 1)	535,634	438,930	833,668	1,728,892	114,568	840	74,341	4,043,740	4,145,462	-	235,093	650,665	12,801,833
2. Profit/(Loss) on sale/redemption of Investments	16,630	3,497	5,436	14,568	2,765	5	1,042	30,224	31,228	-	1,512	8,658	115,565
3. Others-Miscellaneous Income	970	579	1,002	2,369	154	-	87	6,816	6,452	-	313	1,462	20,204
4. Interest, Dividend & Rent - Gross	281,806	53,887	83,757	224,463	48,170	75	16,057	465,703	481,172	-	23,301	133,412	1,811,803
Total Segment Revenue	835,040	496,893	923,863	1,970,292	165,657	920	91,527	4,546,483	4,664,314	-	260,219	794,197	14,749,405
1. Claims Incurred (Net) (refer Sch 2)	306,055	244,765	588,650	1,651,649	26,396	260	7,430	2,337,109	3,927,933	-	53,026	550,247	9,693,520
2. Commission Claims Incurred (Net) (refer Sch 3)	(24,995)	62,820	92,208	34,713	(4,797)	(242)	(5,853)	15,916	10,706	-	28,784	(161,039)	48,221
3. Operating Expenses related to Insurance Business Claims Incurred (Net) (refer Sch 4)	407,127	84,264	250,305	484,214	72,833	29	16,718	1,947,307	958,046	-	61,916	363,921	4,646,680
4. Premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	688,187	391,849	931,163	2,170,576	94,432	47	18,295	4,300,332	4,896,685	-	143,726	753,129	14,388,421
Segment Profit/Loss	146,853	105,044	(7,300)	(200,284)	71,225	873	73,232	246,151	(232,371)	-	116,493	41,068	360,984

Segmental Reporting for the period ended 31st March 2017

Particulars	(₹' 000)												
	Fire	Marine	Personal Accident	Health Insurance	Engineering	Aviation	Liability	Motor (OD)	Motor (TP Without Pool)	Motor (TP Pool)	Workmen Compensation	Others	Total
1. Premiums earned (Net) (refer Sch 1)	457,231	469,969	485,493	1,257,649	127,009	1,023	83,999	3,964,411	3,094,936	(40,860)	243,816	734,363	10,879,039
2. Profit/(Loss) on sale/redemption of Investments	43,480	11,357	12,058	40,756	7,519	602	3,355	108,588	70,633	-	5,229	63,812	367,389
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	192,933	46,114	48,959	165,482	34,164	2,445	13,623	440,900	286,791	-	21,233	259,095	1,511,739
Total Segment Revenue	694,570	528,217	547,415	1,466,446	168,879	4,073	101,132	4,520,731	3,458,296	(40,860)	270,711	1,059,131	12,778,741
1. Claims Incurred (Net) (refer Sch 2)	329,433	305,998	298,206	1,077,737	43,311	968	10,850	2,698,752	3,136,581	(95,985)	136,173	468,859	8,410,883
2. Commission Claims Incurred (Net) (refer Sch 3)	(17,700)	61,895	57,158	8,761	(16,411)	(231)	16,292	(331,619)	(8,975)	-	18,201	(112,578)	(325,207)
3. Operating Expenses related to Insurance Business Claims Incurred (Net) (refer Sch 4)	292,058	84,202	173,488	528,139	53,582	441	26,718	2,000,410	865,562	977	91,150	398,512	4,515,239
4. Premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	603,791	452,095	528,852	1,614,637	80,482	1,178	53,860	4,367,543	3,993,168	(95,008)	245,524	754,793	12,600,915
Segment Profit/Loss	90,779	76,122	18,563	(148,191)	88,397	2,895	47,272	153,188	(534,872)	54,148	25,187	304,338	177,826

Annexure II to Schedule 16 Notes to Accounts note no.17 and forming part of Financial Statements For the Year Ended 31st March 2018

Related Party Transactions under AS 18

(For the Year Ended 31st March 2018)

Sr. No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	For the year ended 31st March 2018		For the year ended 31st March 2017	
				Amount	Outstanding amounts carried to balance sheet. payable(receivable)	Amount	Outstanding amounts carried to balance sheet. payable(receivable)
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	- - - - 100 100 - -	- - - - - - - -	1,224 829 1,863 - 300 300 289 255,000	- - - - - - 289 -
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	728,058 113,784 504,256 5,967 Nil	- - - 2,462 -	703,914 92,856 385,677 1,517 255,000	152,230 - - 106 -
3	Participatie Maatschappij Graafschap Holland N.V.	Joint Venturer	Equity Shares Issued	Nil	-	488,037	-
4	Shendra Advisory Services Private Limited	Joint Venturer	Equity Shares Issued	Nil	-	488,037	-
5	Key Managerial Personnel	MD & CEO, CFO and Company Secretary	Remuneration for the period Insurance Premium received	41,486 -	- -	34,188 88	- -
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	19,356 25,307 108 - - 17,500 1,070 61 - 3,143	2,675 - - - - - - 61 - (125)	33,483 23,626 9,670 8,810 - 12,500 330 14 - 2,750	8,983 - - - - - - 14 - (127)

Summary of Financial Statements

Upto the Year ended 31st March 2018

Annexure III to Schedule 16 - Notes to accounts and forming part of the financial statements for the year ended 31st March 2018 (Refer Note no. 28)

(₹' 000)

No.	Particulars	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
Operating Results						
1	Gross Written Premium	195,079	184,270	159,480	148,025	130,297
2	Net Premium #	151,108	113,188	104,765	112,297	97,399
3	Income from Investments (net) @	19,274	18,791	14,419	12,956	9,502
4	Other Income	202	206	120	285	52
5	Total Income	170,584	132,185	119,304	125,538	106,952
6	Commissions (Net) (Including Brokerage)	482	(3,252)	1,187	1,836	1,788
7	Operating Expenses	46,467	45,152	39,794	34,729	28,373
8	Net Incurred Claim	96,935	84,109	87,890	83,428	68,293
9	Change in Unexpired Risk Reserve	23,090	4,398	(3,379)	4,384	8,507
10	Operating Profit/Loss	3,610	1,778	(6,188)	1,160	(8)
	Non Operating Results	-	-	-	-	-
11	Total income under Shareholder's Account	4,253	2,501	5,662	4,869	3,970
12	Profit/ (Loss) before Tax	7,863	4,280	(525)	6,029	3,962
13	Provision for Tax	-	-	-	-	-
14	Profit/ (Loss) after Tax	7,863	4,280	(525)	6,029	3,962
Miscellaneous						
15	Policyholder's Account					
	Total Funds	252,088	201,677	146,701	141,144	105,920
	Total Investments	252,088	201,677	146,701	141,144	105,920
	Yield on Investments	8.31%	9.90%	10.14%	9.69%	9.25%
16	Shareholder's Account					
	Total Funds	66,484	59,712	44,758	45,640	39,477
	Total Investments	47,115	46,282	55,494	56,339	43,447
	Yield on Investments	8.31%	9.90%	10.14%	9.69%	9.25%
17	Paid up Equity Capital	80,980	80,980	71,000	71,000	71,000
18	Net Worth	66,484	59,223	44,758	45,640	39,477
19	Total Assets	353,589	298,551	241,440	221,546	181,010
20	Yield on Total Investments	8.31%	9.90%	10.14%	9.69%	9.25%
21	Earning Per Share	0.97	0.57	(0.07)	0.85	0.56
22	Book Value Per Share	8.21	7.31	6.30	6.43	5.56
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 March 2018

(₹' 000)

Sr. No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
A. Cash Flow from Operating Activities			
1	Premium received from Policyholders, including advance receipts and service tax	23,789,890	20,626,217
2	Others Receipts	-	791
3	Payment to Reinsurers, net of commissions and claims	(2,374,653)	(1,338,490)
4	Payment to Coinsurers, net of claims recovery	(128,842)	112,720
5	Payment of Claims	(9,221,366)	(10,131,714)
6	Payment of Commission and Brokerage	(1,010,874)	(767,928)
7	Payment of other Operating Expenses	(5,597,486)	(4,886,534)
8	Preliminary and pre-operative expenses	-	-
9	Deposits, Advances and staff loans	(12,548)	144
10	Income tax paid (Net)	(151,012)	(33,877)
11	Service Tax / GST Paid	(1,766,706)	(1,326,605)
12	Other Payments	-	-
	Cash Flow before Extraordinary items	3,526,405	2,254,725
	Cash Flow from Extraordinary operations	-	-
	Net Cash Flow From Operating Activities	3,526,405	2,254,725
B Cash Flow from Investment Activities			
1	Purchase of Fixed Assets	(96,782)	(83,899)
2	Proceeds from Sale of Fixed Assets	381	800
3	Purchase of Investments	(12,254,072)	(18,484,542)
4	Loans disbursed	-	-
5	Sale of Investments	7,203,209	14,147,732
6	Repayments received	-	-
7	Rent/Interests/Dividends Received	2,203,077	1,662,798
8	Investment in money market instruments and in liquid mutual fund (Net)*	(20,942)	(197,016)
9	Expenses related to investments	(1,380)	(2,829)
	Net Cash Flow from Investment Activities	(2,966,510)	(2,956,956)
C Cash Flow from Financing Activities			
1	Proceeds from Issuance of Share Capital	-	998,037
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
	Net Cash Flow from Financing Activities	-	998,037
D Effect of foreign exchange rates on cash and cash equivalents (Net)			
		-	-
E Net Increase/(Decrease) in Cash and Cash Equivalents during the period			
		559,896	295,806
	Cash and Cash Equivalent at the beginning of the year	583,548	287,742
	Cash and Cash Equivalent at the end of the year	1,143,444	583,548

*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 and on behalf of

For and on behalf of the Board of Directors

M. M. Nissim & Co.

 Chartered Accountants
FRN 107122W

For Khandelwal Jain & Co.

 Chartered Accountants
FRN 105049W

G N Bajpai

Chairman

K K Rathi

Director

KG Krishnamoorthy Rao

Managing Director & CEO

Sanjay Khemani

Partner

Membership No. 044577

Narendra Jain

Partner

Membership No. 048725

Ritesh Jiwarajka

Head of Finance

Krishnan Gopalakrishnan

Company Secretary

Place : Mumbai

Dated : 12th May, 2018

Annexure III to schedule 16

Notes to Accounts (refer note no 28) and forming part of Financial Statements for the year ended 31st March 2018

Ratios for the year ended 31st March 2018

Sr. No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
1	Gross Direct Premium Growth Rate	5%	17%
	Fire	28%	17%
	Marine	3%	-7%
	Accident	52%	21%
	Health	20%	33%
	Engineering	17%	-4%
	Aviation	-97%	1180%
	Liability	3%	9%
	Motor (OD)	-6%	-15%
	Motor (TP)	47%	25%
	Motor (Total)	15%	-3%
	Workmen Compensation	-3%	7%
	Others	-54%	161%
	Miscellaneous (Total)	2%	18%
2	Gross Direct Premium to Net Worth	2.87	3.04
3	Growth rate of Net Worth	11%	33%
4	Net Retention Ratio	77%	61%
	Fire	27%	24%
	Marine	76%	78%
	Accident	84%	85%
	Health	74%	71%
	Engineering	25%	28%
	Aviation	1%	5%
	Liability	38%	52%
	Motor (OD)	94%	65%
	Motor (TP)	94%	94%
	Motor (Total)	94%	76%
	Workmen Compensation	95%	94%
	Others	77%	33%
	Miscellaneous (Total)	86%	66%
5	Net Commission Ratio	0%	-3%
	Fire	-3%	-3%
	Marine	14%	14%
	Accident	12%	11%
	Health	2%	1%
	Engineering	-4%	-15%
	Aviation	-2200%	-14%
	Liability	-9%	18%
	Motor (OD)	0%	-9%
	Motor (TP)	0%	0%
	Motor (Total)	0%	-5%
	Workmen Compensation	12%	7%
	Others	-14%	-11%
	Miscellaneous (Total)	0%	-4%

Sr. No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
6	Expense of Management to Gross Direct Premium	30%	29%
7	Expense of Management to Net Written Premium	38%	47%
8	Net Incurred Claims to Net Earned Premium	76%	77%
9	Combined Ratio	107%	114%
10	Technical Reserves to Net Premium Ratio	1.62	1.66
11	Underwriting Balance Ratio	(0.12)	(0.16)
12	Operating Profit Ratio	3%	2%
13	Liquid Assets to Liabilities Ratio	0.10	0.13
14	Net Earning Ratio	5%	4%
15	Return on Net Worth Ratio	12%	7%
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio	1.69	1.72
17	NPA Ratio		
	Gross NPA Ratio	NA	NA
	Net NPA Ratio	NA	NA
Equity Holding Pattern			
1	(a) No. of shares	809,803,705	809,803,705
2	(b) Percentage of shareholding (Indian / Foreign)	74.5% ; 25.5%	74.49% ; 25.51%
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)	0.97	0.57
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the period (not to be annualized)	0.97	0.57
6	(iv) Book value per share (₹)	8.21	7.31

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.



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