

# Strengthening relationships



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# Chairman's Message

Dear Valued Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the 8th Annual Report of your company – Future Generali India Insurance Company Ltd. (FGIIC).

The Financial Year 2013-14 continued to witness challenges given the volatile and fast-changing market environment and low/negative growth across sectors. The Indian economy continued in the grip of slowdown due to various factors including soaring inflation, governance deficit and slower policy reforms; however, steps taken by the new Government to put the economy back on the growth track is expected to improve business and consumer confidence during the coming year. We are optimistic about India's economic growth to moderately improve to 5.9 - 6% in Financial Year 2014-15 from the CSO's estimated 4.9% in Financial Year 2014-15.

I believe that insurance would be one of the fastest growing industries in the country, which is forecasted to grow at a compounded annual growth rate (CAGR) of 12-15% over the next five years. While the general insurance industry has faced several challenges in the last few years, I truly believe that it is gradually moving out of the shadows of uncertainties and witnessing a positive change.

The total Gross Direct Premium for the Indian general insurance industry during Financial Year 2013-14 was ₹77,541 crore (USD 12,902 million). FGIIC garnered a total Gross Direct Premium of ₹1,264 crore in Financial Year 2013-14 as against ₹1,105 crore in Financial Year 2012-13 with a growth of 14% over the previous year, which is higher than the industry average; thereby giving us substantial leverage in our journey of profitable growth.

It is heartening to note that despite these challenges, FGIIC has performed better than the overall market growth. It is being pontificated that the non-life insurance industry should aim to grow close to 20% this Financial Year, depending upon economic and industrial changes or upswing. SME's are likely to show good growth as increasing number of entrepreneurs are now aware of the risks and of the insurance solutions available.

I believe that with the change in times and age, and the younger generation investing in non-life insurance products, the market will look at different distribution channels for sales growth. Health insurance, which has been considered as a tax-saving tool till date, will see higher numbers as awareness of health risks and inflation in health care costs continues to grow.

I also believe that in order to deliver according to the shareholders' expectations, the companies have to target a sustainable business strategy balancing growth and profitability, as they traverse forward. Our objective for Financial Year 2014-15 will be "Profitable growth". Prudent underwriting and rational spending with focus on cost optimisation without compromise on quality of delivery or TAT will hopefully take us a long way towards this objective.

We remain committed to setting industry standard service excellence levels in order to ensure customer delight, which is at the very core of our business. I would like to take this opportunity to thank the members of the Board and all the shareholders for their valuable support, confidence and faith. I thank the Government, Regulatory bodies - IRDA, SEBI, RBI etc for their support and cooperation. I also thank all our customers for their continued support and faith. I also place on record my appreciation for the dedication and commitment put in by all our employees for enabling your company to perform well. This will enable us to work with renewed vigour to produce better results in years ahead and to meet the aspirations of all our stakeholders.

Warm Regards,



Ghyanendra Nath Bajpai  
Chairman



# CEO's Message

Dear Valued Shareholders,

I am happy to be a part of the journey of Future Generali India Insurance Company Ltd (FGIIL) for the last seven years and this year we have been able to break-even and record a profit of ₹ 39.6 crore, which is the first in our journey.

The Financial Year 2013-14 had been a challenging year for the general insurance industry in India. In the last few years the industry recorded its lowest growth in the Gross Written Premium (GWP) in 2013-14, just reaching 12%. The de-growth in the auto sector as well as lower overall GDP growth resulted in lower premium realisation from key sectors of Motor insurance, Marine cargo insurance and Property insurance. Marine Cargo recorded 4.7% of growth whereas the Engineering line of business did not show any growth. The growth in the Fire line of business was just near 11%. Motor insurance which accounts for close to 50% of the industry premium recorded its slowest growth in last few years at 14%.

FGIIL fared slightly better than the market in overall growth, however, was able to show better growth in more profitable lines of business like Private Car and Miscellaneous LOB. The company continued its focus on profitable growth which compelled it to stay away from unhealthy competition in the Group Health segment.

As part of the Company's philosophy in participating in insurance programmes for social benefits, the company participated in the Rashtriya Swasthya Bima Yojana - a health insurance programme promoted by the Government for the weaker sections of the society.

Along with focusing on growing business, we have given utmost importance to ensure that we continue to delight our customers and intermediaries with our continuously improving service parameters. In line with the philosophy of our shareholders, we are committed to our value of Delivering on the Promise. It is our endeavour to ensure that we build a culture of trust with our customers and intermediaries by being open and transparent in our dealings and meeting their expectations. I am happy to share with you that we continue to get very good feedback ratings from our customers and intermediaries on our service levels. Wherever we find scope for improvement, we ensure that appropriate projects are put in place to improve the service parameters.

2013-14 has been a year when we started a new and important line of business – Weather insurance. We have proved our committed service levels to the concerned state governments where we did this business. We are continuously building expertise and infrastructure to effectively write and service this business in the years to come.

The Employee satisfaction survey showed improved results and we will continue to ensure that the company remains as one of the best employers that can attract and retain talents in the general insurance industry in India.

I wish to thank the Board of Directors, the Shareholders, the IRDA and other regulators, Government departments and agencies for the help and co-operation received from them.

The most important ingredient in our success is the commitment and support that we received from our customers, intermediaries and employees. I take this opportunity to express my sincere thanks to all of them.

We will continue our focus of profitable growth in the coming years and deliver added value to all our stakeholders.

Warm Regards,



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



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eighth Annual Report of Future Generali India Insurance Company Limited along with the audited statement of accounts for the year ended March 31, 2014.

### FINANCIAL HIGHLIGHTS:

The highlights of financial results of your Company for the financial years 2013-14 and 2012-13 are as under:

Particulars	For the year ended March 31, 2014 (Amount ₹ '000)	For the year ended March 31, 2013 (Amount ₹ '000)
Gross Direct Premium	12,625,558	11,053,874
Gross Written Premium	13,029,697	11,512,945
Net Written Premium	9,739,877	8,413,083
Net Earned Premium	8,889,153	7,390,979
Net Incurred Claims	6,829,273	5,916,136
Net Commissions	178,771	165,173
Management Expenses	2,842,456	2,542,692
Underwriting Results	(961,347)	(1,233,022)
Income from Investment	1,357,542	1,051,824
Profit/(Loss) Before Tax	396,195	(196,952)
Profit/(Loss) After Tax	396,195	(196,952)
Number of Policies issued	974,482	875,618
Number of Employees	1,452	1,228

## 1. Industry Overview

The Gross Direct Written premium of the industry for the period April 2013 - March 2014 grew from ₹ 69,045 crore to ₹ 77,541 crore on a year-on-year basis, a growth of about 12%.

### 1.1 Company Overview

Your Company has completed its sixth full year of operations. During the year under review, your Company achieved a Gross Direct Written Premium of ₹ 1,263 crore against ₹ 1,105 crore in the previous year, registering a growth of 14% over the previous year. Your Company earned a net profit of ₹ 39.6 crore against the loss ₹ 19.7 crore in the last year.

### 1.2 IRDA Registration

The Certificate of Registration from the Insurance Regulatory and Development Authority has been renewed for the year 2014-2015.

### 1.3 Regional and Branch Office Network

During the year under review, your Company has realigned its branch offices and also opened twenty nine new branches offices. Your Company had total one hundred and eleven branch offices at the end of the financial year. Your Company is further focused on expanding its geographical reach in order to increase its penetration in retail and rural business segments across the country. Your Company has received approval from the IRDA for opening of 22 new branch offices in the Financial Year 2014-2015.

### 1.4 Training and Development

The Learning and Development Team laid special emphasis on building functional & behavioural competencies of employees and intermediaries during Financial Year 2013-14. The Learning and Development initiatives were aimed at enabling the employee business teams & intermediaries to successfully achieve business objectives. In-house Programmes coupled with enrollment for programmes by Insurance Institute of India/ other external agencies formed the mainstay of competency development through learning interventions. Employees were encouraged to further develop their skills by qualifying the professional exams of Insurance Institute of India. During the year, your Company has conducted online Anti-Money Laundering Certification Programme for the employees and intermediaries of your Company.

### 1.5 Solvency Ratio

Your Company has been continuously monitoring its solvency margins in keeping with the requirements of the IRDA (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000; and has ensured at all times the required solvency margin. The solvency margin ratio of your Company at March 31, 2014 stood at 1.62 which is above the requirement of 1.5 prescribed by the IRDA for Financial Year ending March 2014.

### 1.6 Share Capital

During the year under review, there has been no allotment of equity shares by your Company. The paid-up share capital of your Company remains at ₹ 710 crore as at the end of the Financial Year 2013-2014.



### 1.7 Investments and Investment Income

The investment philosophy of your Company is 'Safety, Liquidity and Sustainable Returns'. All the Investments are made in accordance with the IRDA regulations and the Investment Policy of your Company. Against the book value of investments of ₹ 1,493.67 crore, the market value of the Investments as on March 31, 2014 was ₹1,453.04 crore. The weighted average return on Investments for the period ended March 31, 2014 was at 9.28% p.a. Your Company has earned total Investment income of ₹135.75 crore including ₹125.40 crore of interest income during the period ended March 31, 2014.

### 1.8 Human Capital

Realising the importance of human capital, your company took steps to build a talent pipeline, enhancing individual and organisational capabilities for future readiness, driving greater employee engagement and strengthening employee relations further through progressive people practices. As a part of the employee engagement activity, Manthan, Mauj and Monday meetings are being conducted regularly. Employee communication forum – Manthan is an exercise conducted monthly to inform employees of the direction and performance of the organisation (and/or team) to which they belong.

Employee engagement programme - Mauj aims at bringing fun element and recognition at workplace. Monday meetings have been initiated with an objective to have a regular dialogue among all the employees in the branches. These meetings give opportunities to all the employees in the branches to align themselves to meet the branch objectives. Motivational tool - Best Branch award is given in 4 categories i.e. "Large, Medium, Small and Spoke" to those branches which have contributed to the goals and objectives of your Company in terms of budget.

In the year 2013-2014, your Company has recruited 530 employees and most of the recruitment was done with an aim to strengthen the existing channels/ department and also to enter new geographies.

### 1.9 Reinsurance

The reinsurance programme of your Company is formulated in accordance with the Reinsurance programme approved by the Board and as per the relevant regulations of the Insurance Regulatory and Development Authority (IRDA). The Reinsurance programme aims to adhere to the objectives of increasing retention and building automatic capacity with adequate risk coverage. The

programme is also structured considering the business plans of your Company.

### 2. Directors

Mr. Kishore Biyani, Mr. Vijay Biyani and Mr. Krishan Kant Rathi retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

### 3. Management Report

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

### 4. Public Deposits

During the year under review, your Company has not accepted any deposit from the public.

### 5. Particulars Regarding Conservation Of Energy and Technology Absorption

Virtualisation technology has been implemented to reduce the need of discrete servers to host the application. Technology helped reducing footprint and energy requirement at Data centre, resulting in cost savings. Cost of operation has been reduced by consolidating the databases and application stacks. Your Company has established in-house competency to manage deployed technologies for better control over quality and time.

Your 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 your Company.

### 6. Foreign Exchange Earnings and Expenditure

Earnings in foreign currency	₹ 25,356,039/-
Expenditure in foreign currency	₹ 264,356,371/-

### 7. Dividend

Your Directors do not recommend any dividend for the financial year ended March 31, 2014.

### 8. Particulars of Employees

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees)

Rules, 1975, as amended, the name and other particulars of certain employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1) (b)(iv) of the said Act, the Directors' Report excluding the aforesaid information is being sent to all the Members of your Company and others entitled thereto. Members who are interested in obtaining such particulars may write to your Company at its Registered Office Address.

### **9. Rural and Social Business**

Your company has over achieved the rural and social obligation for the Financial Year 2013-2014. In the rural sector, your Company achieved a total of ₹120.84 crore premium against the required obligation of ₹ 63.22 crore. In the social sector, your Company has provided coverage of 1.07 lac people as against the obligation of 0.25 lac people.

In its debutant season, your company has covered more than 3 Lac farmers from different states under the Govt. of India's Agriculture Insurance Programme during Financial Year 2013-14, and also your Company has done tie ups with many Microfinance Institutions, Non-Government Organisations and other Institutions in the Rural domain to penetrate into the remotest part of the country. Your company has also started appointment of Micro Insurance Agent especially in Semi Urban/Rural areas to cater to the insurance need of rural market.

Your company was on the top among all new entrants during Financial Year 2013-14 in terms of GWP in agriculture insurance. In addition to this, your company was amongst the first six companies which has done agreement with CSC-SPV project of GOI National e-governance Programme well supported by the IRDA to have technology enabled insurance distribution services in to the rural areas.

### **10. Audit Committee**

Your Company has constituted an Audit Committee in accordance with the provisions of Section 292A of the Companies Act, 1956, comprising of Mr. G.N. Bajpai as Chairman of the committee, Mr. Krishan Kant Rathi, Mr. Roberto Gasso and Dr. Kim Chai Ooi as members. The Audit Committee met four times during the year on May 30, 2013, August 27, 2013 November 28, 2013 and February 24, 2014 and reviewed operations and accounts of your Company.

### **11. Investment Committee**

Your Company has also constituted an Investment Committee pursuant to the requirement of the IRDA regulations. The

Committee comprises of Mr. G.N Bajpai as Chairman and Director, Mr. Krishan Kant Rathi - Director, Mr. K.G. Krishnamoorthy Rao - Managing Director & CEO, Dr. Kim Chai Ooi – Director, Mr. Easwara Narayanan - Chief of Operations & Finance, Mr. Milan P. Shirodkar - Chief of Investments and Mr. Jatin Arora – Appointed Actuary as members.

Mr. Arsh Kaumi - Chief of Finance resigned from the services of your Company and therefore, ceases to be a member of the Investment Committee of your Company. Mr. Easwara Narayanan was appointed as the Chief of Operations & Finance in place of Mr. Arsh Kaumi via circular resolution passed by the Board of Directors on November 30, 2013

The Investment Committee met four times during the year on May 30, 2013, August 27, 2013 November 28, 2013 and February 24, 2014 and reviewed Investment operations of your Company.

### **12. Auditors**

In accordance with the IRDA Regulations / Guidelines, your Company appointed M/s. M.M. Nissim & Co., Chartered Accountants and M/s. Chhajed & Doshi, Chartered Accountants as joint statutory auditors of your Company in the last Annual General Meeting. They hold office up to the conclusion of the ensuing Annual General Meeting of your Company.

The shareholders are requested to appoint the auditors for the period from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

### **13. Corporate Governance**

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

### **14. Auditor's Observation**

The observations of the Auditors are in the nature of general disclosures, which read together with the accounting policies and the relevant notes to the accounts are self-explanatory.

### **15. Directors' Responsibility Statement**

In accordance with the requirements of sub-section 2AA of section 217 of the Companies Act, 1956, the Board of Directors wishes to confirm the following:

i) That in the preparation of the annual accounts, the applicable

accounting standards have been followed along with proper explanation relating to material departures (if any);

ii) That such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of your Company as on March 31, 2014 and of the profit and loss of your Company for the year ended on that date;

iii) 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;

iv) That the annual accounts have been prepared on a going concern basis.

#### **16. Appreciation and Acknowledgment**

Your Directors express their sincere appreciation for the co-operation and assistance received from the Insurance Regulatory and Development Authority, Tariff Advisory Committee, Reserve Bank of India, General Insurance Council and other regulatory authorities for their support and advice. The Directors also place on record their sincere thanks for the support and co-operation extended by the Policyholders, Reinsurers, Bancassurance partners, Insurance Agents and Brokers.

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

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

On behalf of the Board of Directors

Future Generali India Insurance Company Limited

sd/-

G. N. Bajpai

Chairman

DIN: 00946138

May 30, 2014

## ANNEXURE TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### 1. Introduction:

Corporate Governance is about commitment to values and ethical business conduct. It is also about how an organisation is managed viz; its corporate and business structures, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial position of your Company, its performance and ownership forms a 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 high level of integrity, transparency, accountability and disclosures across your Company's operations and in its interaction with its stakeholders, including shareholders, customers, employees, the government, lenders and the society.

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

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

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

Through the governance mechanism in your Company, the Board along with its Committees endeavours to strike the right balance with various stakeholders' interests

#### 3. BOARD OF DIRECTORS ("Board")

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

The Corporate Governance principles of your Company ensure that the Board remains informed, independent and involved in

your Company and that there are ongoing efforts towards better Corporate Governance to mitigate "non-business" risks.

The Directors of your Company possess the highest personal and professional ethics, integrity and values and are committed to representing the long-term interest of the stakeholders. Your 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.

Your 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 your Company.

#### 3.1 Composition of the Board

As at March 31, 2014, the Board of Directors of your Company consisted of Ten (10) Directors comprising of one (1) Executive Director, three (3) Non – Executive Independent Directors and six (6) Non – Executive Directors. The Directors are elected based on their qualification and experience in related fields of your Company's business needs and/or having expertise in marketing, management and finance etc.

#### INFORMATION ON DIRECTORS



##### 1) Mr. G.N. Bajpai - Chairman

Mr. Ghyanendra Nath Bajpai is an Independent Director and Chairman of the Board of Directors of your 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 received awards for contribution to business and has also authored several books. Mr. Bajpai has been the Chairman of the Corporate Governance Task Force of International Organisation of Securities Commissions, Insurance Institute of India and served on the Governing Boards of Indian Institute of Management, Lucknow and National Insurance Academy.

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

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



**2) Mr. Kishore Biyani - Director**

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

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

Mr. Kishore Biyani holds Bachelor's Degree in Commerce and has also done his Post Graduate Diploma in Marketing.



**3) Mr. Vijay Biyani - Director**

Mr. Vijay Biyani is a Non-Executive Director on the Board of your Company. Mr. Vijay Biyani has more than thirty two years of experience in manufacturing, textiles and retail industry.

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



**4) Mr. Roberto Gasso - Director**

Mr. Roberto Gasso is a Non-Executive Director on the Board of your Company. He is responsible for the control and co-ordination of the Asian operations from Generali Head office. Prior to this, he was the Deputy Chief Executive of the Asia and Hong Kong branch.

Mr. Roberto Gasso has a degree in Business and Administration.



**5) Mr. Sergio Balbinot - Director**

Mr. Sergio Balbinot is a Non-Executive Director on the Board of your Company. Mr. Sergio Balbinot started working for Assicurazioni Generali in 1983 and worked in the insurance-operations department till 1989. He later

worked in the Assicurazioni Generali branch in Switzerland, and as a head of International Activity of Europe Assistance. From 1995 to 1996, he was appointed as the Area Manager of Assicurazioni Generali for German-speaking countries and France. Between 1996 and 1998, he was the Assistant General Manager of Assicurazioni Generali and the head of group-insurance operations. He later worked as the Deputy General Manager of Assicurazioni Generali and General Manager of Assicurazioni Generali and Generali Group from 1998 to 2002. Since April 2002, he became the CEO of Assicurazioni Generali and Generali Group.

Mr. Sergio Balbinot is a graduate in Economics and has also done six month scholarship at the European Community in Brussels.



**6) Mr. Krishan Kant Rathi - Director**

Mr. Krishan Kant Rathi is a Non-Executive Director on the Board of your Company. He has approximately twenty seven years of professional experience in corporate finance, strategic business planning and investment advisory, Mr. Krishan Kant Rathi has worked

in organisations such as KEC International, H&R Johnson and Motilal Oswal Private Equity Advisors. He has previously worked as the Group CFO with Pantaloon Retail.

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



**7) Dr. Kim Chai Ooi - Director**

Dr. Kim Chai Ooi is a Non-Executive Director on the Board of your Company. Dr. Kim Chai Ooi has more than twenty two years of rich leadership experience in the insurance space in various geographies namely Malaysia, Hong Kong, China and India. Prior to joining

Generali Group in 2001, he has held various senior positions in AIA in Malaysia, Hong Kong and China. His previous assignments and important career events include setting up Generali China Joint Venture operations in 2001 and leading it towards achieving the status of China's No. 1 Foreign Insurer in year 2005. He has also set up the first foreign insurer in Guangdong, China in 1995.

A firm believer in knowledge management, Dr. Kim Chai Ooi has been practicing continuous lifetime learning. He is a Post Doctorate Fellow of Research Centre for Insurance & Economic Development in Chinese Academy of Social Science. Dr. Kim Chai Ooi graduated with a Bachelor of Science in Civil Engineering in 1983 and Diploma in Business Studies in 1986. From 1999 to 2003, he continued to pursue his academic

research and graduated with PhD in Economics from Wuhan University, People's Republic of China.



**8) Dr. Devi Singh - Independent Director**

Dr. Devi Singh is an Independent Director on the Board of your Company. Dr. Devi Singh, currently serving as Director of the Indian Institute of Management, Lucknow (IIML), is a well known Professor in the area of International Finance & Management.

Before joining IIML, he was the Director of Management Development Institute (MDI) Gurgaon for four and half years. Before joining MDI, Dr. Singh was a visiting professor at the Faculty of Management, McGill University, Canada for five years. He has been a visiting faculty at the International Centre for Public Enterprises, Slovenia, ESCAP Europe and SKK Graduate School of Business, Seoul. He is an alumnus fellow of the Institute of World Affairs, Connecticut. He has been a faculty at many leading business schools in India. He has published and presented research papers at various national/international conferences. Dr. Devi Singh is author of three books in Finance & Management. He has been a consultant to leading Public & Private Sector and multinational organisations in India.

He has received several awards including ISTE National Fellow 2007, UP Ratan 2008 and the Ishan National Award for the Best Director of a Business School in 1999. He is a member of MHRD Task Force on Faculty Shortage and Design of Performance Appraisal System, UPSC Committee on Designing Civil Services Aptitude Test and founding Society for National Board of Accreditation.

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



**9) Dr. Rajan Saxena - Independent Director**

Dr. Rajan Saxena is an Independent Director on the Board of your Company. Dr. Rajan Saxena was the Director of IIM, Indore, S. P. Jain Institute of Management & Research and Dean of Narsee Monjee Institute of Management Studies, Mumbai. He has been

in management education since 1972 and has over 39 years of professional experience in management education, research, consulting and institution building. He is an alumnus of Shri Ram College of Commerce, Delhi, from where he did his Bachelor's and Master's programme in Commerce. He did his Ph.D. work at Delhi School of Economics in the Marketing area and was

awarded the Ph. D. by Delhi University. He has taught at XLRI-Jamshedpur, S.P. Jain Institute of Management & Research, Mumbai, IIM Calcutta and NMIMS and IIM Indore. He has also taught in University of Calgary, Canada and has been a British Council visitor at the University of Sterling, U.K. where he also taught at the entrepreneurship programme. He is also a visiting Professor at Pace University, NY.

Dr. Rajan Saxena has been on the advisory and corporate board of several institutions and companies, some of which are Centre for Management Education, AIMA, Army Management Board, State Advisory Board of Education of Government of Madhya Pradesh, Indore Management Association, and Atal Bihari Vajpayee – Indian Institute of Information Technology & Management, Gwalior. He was the member of All India Board of Management Studies of AICTE (2000-2003) and was on the Executive Board of Association of Indian Management Schools and Association of Management Development Institutions in South Asia.

Dr. Rajan Saxena is a Fellow of the Indian Society for Training & Development (ISTD) and Institute of Management Consultants of India. He is a life member of ISTD. He also holds Masters Degree in Commerce and a Ph.D.



**10) Mr. K. G. Krishnamoorthy Rao – Managing Director and CEO**

Mr. K. G. Krishnamoorthy Rao is the Managing Director & Chief Executive Officer of Future Generali India Insurance Company Limited. He is responsible for the entire business of

Non - Life Insurance in India. Mr. K. G. Krishnamoorthy Rao has over 23 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 your Company and contributed to the underwriting result of your 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 University of Calicut and is a Fellow member of the Insurance Institute of India.

#### 4. DETAILS OF THE SITTING FEES PAID TO THE INDEPENDENT DIRECTORS OF YOUR COMPANY:

Name of the Director	Amount
Mr. G.N. Bajpai	₹ 80,000/-
Dr. Devi Singh	₹ 80,000/-
Dr. Rajan Saxena	₹ 60,000/-

#### 5. ATTENDANCE RECORD OF THE DIRECTORS

During the year 2013-2014, four meetings of the Board of Directors were held on May 31, 2013, August 28, 2013, November 29, 2013 and February 25, 2014. The maximum time gap between any two meetings during this period did not exceed four months 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	Attendance Particulars	
		Meetings held during tenure of Director	Board Meetings attended
Mr. G.N. Bajpai - Chairman	Non-Executive Independent Director	4	4
Mr. Kishore Biyani	Non-Executive Director	4	2
Mr. Sergio Balbinot*	Non-Executive Director	4	3
Mr. Vijay Biyani	Non-Executive Director	4	0
Mr. Krishan Kant Rathi	Non-Executive Director	4	4
Mr. Roberto Gasso	Non-Executive Director	4	3
Dr. Kim Chai Ooi	Non-Executive Director	4	0
Dr. Rajan Saxena	Non-Executive Independent Director	4	3
Dr. Devi Singh	Non-Executive Independent Director	4	4
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO	4	4

\*Either personally or through alternate Director Mr. Sergio Di Caro.

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

#### 6. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of your 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 292A and/or other relevant provisions of the Companies Act, 1956 and any guideline, rule or regulation prescribed by the Insurance Regulatory & Development Authority of India or any other Statutory Body/ Authority, the Committee assist and provide advice to the Board of Directors in relation to the internal control & risk management system of your Company.

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

1. Define the guidelines of the internal control and risk management system of your Company;
2. Assess the adequacy and effectiveness of the internal control and risk management system of your Company on a regular basis;
3. Assess the reliability of the financial statements and disclosures of your Company;
4. Oversee the independence, qualifications and performance of the appointed external auditor and the performance of the internal audit activity;
5. Oversee the identification and management of main corporate risks faced by your Company; and
6. Make recommendations and proposals for the upgrading and further strengthening of the enterprise risk management, internal control and governance processes of your Company.

##### 6.1 Composition and Attendance at Meetings:

The Audit Committee comprises four (4) members, all of whom are Non-Executive Directors with one (1) of them being Independent Director. All the members of the Committee have good experience and knowledge of finance, accounts and company law. Mr. G.N Bajpai, the Chairman of the Audit Committee has served as the Chairman of Securities and Exchange Board of India, (SEBI). Earlier Mr. Bajpai was the chairman of the Life India Corporation of India (LIC).

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

Name	Category	Audit Committee meeting held on			
		30.05.2013	27.08.2013	28.11.2013	24.02.2014
Mr. G N Bajpai	Chairman	Present	Present	Present	Present
Dr. Kim Chai Ooi	Member	Leave of Absence	Leave of Absence	Leave of Absence	Present*
Mr. Krishan Kant Rathi	Member	Present	Present	Present	Present
Mr. Roberto Gasso	Member	Present	Present	Present	Leave of Absence

\*Note: Dr. Kim Chai Ooi was present through video conferencing

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 form part of the documents placed before the meetings of the Board of Directors. In addition, the Chairman of the Audit Committee appraises the Board members about the significant discussions at Audit Committee meetings.

## 7. 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 your 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 your Company;
3. The internal control system supporting the investment policy of your 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 your Company;
8. The performance of investments made by or on behalf of your Company or the Policyholders and its impact on your Company's products;
9. The evaluation of dynamic market conditions, including the future outlook and its impact on the investment policy of your 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 your 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.

### 7.1 Composition and Attendance at Meetings:

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

Mr. Arsh Kaumi - Chief of Finance resigned from the services of your Company w.e.f. November 30, 2013 and therefore he ceased to be a member of the Investment Committee of your Company.

Mr. Easwara Narayanan, Chief Operating Officer was appointed as a member of the Investment Committee as on December 01, 2013.



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

Name	Category	Investment Committee meeting held on			
		30.05.2013	27.08.2013	28.11.2013	24.02.2014
Mr. G N Bajpai	Chairman	Present	Present	Present	Present
Mr. Krishan Kant Rathi	Director	Present	Present	Present	Present
Dr. Kim Chai Ooi	Director	Leave of Absence	Leave of Absence	Leave of Absence	Present*
Mr. Arsh Kaumi	Chief of Finance	Present	Present	Present	Not Applicable
Mr. Easwara Narayanan	Chief of Operations & Finance	Not Applicable	Not Applicable	Not Applicable	Present
Mr. Milan P. Shirodkar	Chief of Investments	Present	Present	Present	Present
Mr. Jatin Arora	Appointed Actuary	Present	Present	Present	Present
Mr. K.G. Krishnamoorthy Rao	Managing Director & CEO	Present	Present	Present	Present

\*Note: Dr. Kim Chai Ooi was present through video conferencing

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

## 8. POLICYHOLDER'S 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 the Policyholders. The Policyholder's Protection Committee puts in place systems to ensure that the 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 the 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 the Policyholders including misselling by intermediaries.
- 2) Ensure compliance with the statutory requirements as laid down in the regulatory framework.
- 3) Review the mechanism at periodic intervals.

4) Ensure adequacy of disclosure of "material information" to the Policyholders. These disclosures shall, for the present, comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals.

5) Review the status of complaints at periodic intervals to the Policyholders.

6) Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority.

7) Provide details of the Insurance Ombudsmen to the Policyholders.

### 8.1 Composition and Attendance at Meetings

The Policyholder's Protection Committee consists of four (4) members. It consists of the Chairman and three (3) Non-Executive Directors.

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

Name	Category	Policyholder's Protection Committee meeting held on			
		30.05.2013	27.08.2013	28.11.2013	24.02.2014
Mr. G N Bajpai	Chairman	Present	Present	Present	Present
Dr. Kim Chai Ooi	Member	Leave of Absence	Leave of Absence	Leave of Absence	Present*
Mr. Krishan Kant Rathi	Member	Present	Present	Present	Present
Mr. Roberto Gasso	Member	Present	Present	Present	Leave of Absence

\*Note: Dr. Kim Chai Ooi was present through video conferencing

## 9. ETHICS AND COMPLIANCE COMMITTEE

The Ethics & Compliance Committee assists and advises the Board of Directors in relation to ethical and compliance matters and monitors the risk profile of your Company related with compliance of external laws and regulations and internal policies. The ultimate responsibility for ethics and compliance matters rests with the Board of Directors and of the 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 of the codes and standards of conduct that apply to the directors, officers and employees of your 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 your 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 programmes of your 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 to 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 deem fit from time to time prescribed.

### 9.1 Composition and Attendance at Meetings

The Ethics & Compliance Committee consists of four (4) members. It consists of the Chairman and three (3) Non-Executive Directors.

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

Name	Category	Ethics & Compliance Committee meeting held on			
		30.05.2013	27.08.2013	28.11.2013	24.02.2014
Mr. G N Bajpai	Chairman	Present	Present	Present	Present
Dr. Kim Chai Ooi	Member	Leave of Absence	Leave of Absence	Leave of Absence	Present*
Mr. Krishan Kant Rathi	Member	Present	Present	Present	Present
Mr. Roberto Gasso	Member	Present	Present	Present	Leave of Absence

\*Note: Dr. Kim Chai Ooi was present through video conferencing

## 10. RISK MANAGEMENT COMMITTEE

The Risk Management Committee assists and provides advice to the Board of Directors in relation to the risk management system of your 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 your 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:

### 10.1 Composition and Attendance at Meetings:

The Risk Management consists of four (4) members. It consists of the Chairman and three (3) Non-Executive Directors.

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

Name	Category	Risk Management Committee meeting held on			
		30.05.2013	27.08.2013	28.11.2013	24.02.2014
Mr. G N Bajpai	Chairman	Present	Present	Present	Present
Dr. Kim Chai Ooi	Member	Leave of Absence	Leave of Absence	Leave of Absence	Present*
Mr. Krishan Kant Rathi	Member	Present	Present	Present	Present
Mr. Roberto Gasso	Member	Present	Present	Present	Leave of Absence

\*Note: Dr. Kim Chai Ooi was present through video conferencing.

## 11. BANKING AFFAIRS COMMITTEE

The Banking Affairs Committee was constituted to exercise the oversight of the operations and processes of your 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 your Company's banking and finance relationships; and

- 4) To advise the board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.

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

- 1) The existing risk profile of your 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 your Company;
- 3) The risk taking criteria to be adopted by management within your Company; and
- 4) Any proposal to alter the risk reward profile of your Company.

- (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 your Company's Bank Accounts and modify them, from time to time.

### 11.1 Composition and Attendance at Meetings:

The Banking Affairs Committee consists of three (3) members; Managing Director & CEO and two (2) Non-Executive Directors.

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

Name	Category	Banking Affairs Committee meeting held on			
		31.05.2013	28.08.2013	29.11.2013	25.02.2014
Mr. Krishan Kant Rathi	Chairman	Present	Present	Present	Present
Dr. Kim Chai Ooi	Member	Leave of Absence	Leave of Absence	Leave of Absence	Present*
Mr. K.G. Krishnamoorthy Rao	Member	Present	Present	Present	Present

\*Note: Dr. Kim Chai Ooi was present through video conferencing.

### 12. SHARE TRANSFER AND ALLOTMENT COMMITTEE

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

The terms of reference of the Committee are as follows:

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

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

#### 12.1 Composition and Attendance at Meetings:

The Share Transfer and Allotment Committee consist of four members. It consists of one (1) Chairman and three (3) other Non-Executive Directors.

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

Name of the Member	Category	Share Transfer and Allotment Committee meeting held on 28.08.2013
Mr. G.N. Bajpai	Chairman	Present
Dr. Kim Chai Ooi	Member	Leave of Absence
Mr. Krishan Kant Rathi	Member	Present
Mr. K.G. Krishnamoorthy Rao	Member	Present

### 13. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of your Company was constituted with the Board Members of your Company to review and fix the remuneration of the Executive Directors of your Company in pursuant to the provisions of Schedule XIII of the Companies Act, 1956.

The terms of reference of the Committee are as follows:

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

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

#### 13.1 Composition and Attendance at Meetings:

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

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

Name of the Member	Category	Nomination & Remuneration Committee meeting held on 28.08.2013
Mr. G.N. Bajpai	Chairman	Present
Mr. Kishore Biyani	Member	Leave of Absence
Mr. Sergio Di Cairo	Member	Present
Mr. Krishan Kant Rathi	Member	Present

#### 14. GENERAL BODY MEETINGS:

The details of the Annual General Meetings held since incorporation are as follows:

Year	No. of AGM	Date and Time of AGM	Venue
2007-08	1st	23rd day of November 2007 at 01.00 pm	Board Room, 001, Trade Plaza, 414, Veer Savarkar Marg, Prabhadevi, Dadar (W), Mumbai - 400025
2008-09	2nd	1st day of August 2008 at 05.00 pm	Board Room, 001, Trade Plaza, 414, Veer Savarkar Marg, Prabhadevi, Dadar (W), Mumbai - 400025
2009-10	3rd	17th day of July 2009 at 01:00 p.m.	Board Room, 001, Trade Plaza, 414, Veer Savarkar Marg, Prabhadevi, Dadar (W), Mumbai - 400025
2010-11	4th	3rd day of August 2010 at 05.00 p.m.	Board Room, 001, Delta Plaza, 414, Veer Savarkar Marg, Prabhadevi, Dadar (W), Mumbai – 400025
2011-12	5th	25th day of August 2011 at 02.00 p.m.	Board Room, 001, Delta Plaza, 414, Veer Savarkar Marg, Prabhadevi, Dadar (W), Mumbai - 400025
2012-13	6th	29th day of June 2012 at 02.00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013
2013-14	7th	28th day of August 2013 at 03.00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013

##### 14.1 Extraordinary General Meeting

During the year under review, one Extraordinary General Meeting of the members of your Company was held on September 30, 2013.

##### DISCLOSURES:

##### i) Related Party Transactions

As per the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority, your 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 and forms part of the Financial Statement.

##### ii) No Penalty or strictures

The Insurance Regulatory and Development Authority had levied a penalty of ₹ 5 lac for not meeting the obligatory target in respect of Declined Risk Pool for the Financial Year 2012-2013.

##### iii) Disclosure of accounting treatment

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

##### iv) Disclosures on Risk Management

Your 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

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, [www.futuregenerali.in](http://www.futuregenerali.in).

##### vii) Appointment / Re-appointment of Directors

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

##### viii) Actual solvency margin details vis-à-vis the required margin as on March 31, 2014

Particulars	Amount ( ₹ in lacs)
Available Assets	177,995
Liabilities	141,533
Available Solvency Margin (ASM)	36,462
Required Solvency Margin (RSM)	22,469
Solvency Ratio	1.62

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

Your Company has gross written premium of ₹ 1,263 crore against ₹ 1,105 crore in the previous year, registering a growth of 14% over the previous year.

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

**x) Description of the Risk Management Architecture is as follows:**

Your Company has adopted Internal Control and Risk Management Framework and has established an Enterprise Risk Management (ERM) department headed by the Chief Risk Officer to steer the ERM system of your Company and guide the department on risk mapping, risk governance, risk management and risk reporting of your Company.

Your Company in accordance with its ICRM Framework has established Risk Governance Structure to set roles and responsibilities into three tiers of defense with clear definition of accountability within the organisation.

They are as follows:-

**• First Line of Defence:**

This involves day-to-day risk and internal control management at operational level. In this level, Top Management and Business Units have direct responsibility for the implementation of internal controls and the identification, management and control of risks.

**• Second Line of Defence:**

Risk oversight, development of risk policies, methodologies and tools; training of staffs on risk matters; and provision of advice and guidance to management on risk and internal control matters come under the purview of Second Line of Defence. ERM department coordinates, facilitates and oversees the effectiveness and integrity of the ICRM Framework. The ultimate responsibility for this level lies with the Risk Management Committee of the Board.

**• Third Line of Defence:**

This provides independent assurance on the adequacy, effectiveness and soundness of the internal control and

enterprise risk management system of your Company. Internal and External Auditor have the responsibility for this level along with the Audit Committee and Risk Management Committee of your Company.

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

Particulars	Total No. of Claims
Outstanding at the beginning of year	14,725
Reported during the year	1,64,391
Settled during the year	1,65,792
Outstanding at the end of the year	15,710

**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 your Company except the payment of sitting fees to Non-Executive Independent Directors.

### **Certification for Compliance of the Corporate Governance Guidelines**

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

For Future Generali India Insurance Company Limited

Date: May 30, 2014

Place: Mumbai

sd/-

Manish Pahwa

Company Secretary & Principal Compliance Officer

ACS NO. 18876

**Independent Auditors' Report**

To  
The Members  
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, 2014, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account of the Company in accordance with accounting principles generally accepted in India, including the provisions of The Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority (the "IRDA") in this regard, read with Section 211(3C) of the Companies Act, 1956, to the extent applicable. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared in accordance with the requirements of the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations and the Companies Act, 1956 to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Revenue Accounts, of the surplus/ deficit for the year ended on that date;
- c) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- d) In the case of the Receipts and Payments Account, of the receipts and payments of the Company for the year ended on that date.

**Other Matters**

7. The estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) has been duly certified by the Company's Appointed Actuary. The Appointed Actuary has certified to the Company that the assumptions used for such valuation are in accordance with the requirements of the



IRDA and The Institute of Actuaries of India (formerly known as Actuarial Society of India) in concurrence with the IRDA. We have relied on the Actuary's certificate in this regard.

### Report on Other Legal and Regulatory Requirements

8. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate of even date certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.

9. As required by the IRDA Financial Statements Regulations, read with section 227(3) of the Companies Act, 1956, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief where necessary for the purposes of the audit and have found them to be satisfactory;
- b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company, so far as appears from our examination of those books;
- c) The financial accounting systems of the Company are centralised and therefore accounting returns are not required to be submitted by branches and other offices;
- d) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are in agreement with the books of account;
- e) The Balance sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 and the rules framed there under to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by the IRDA in this regard;
- f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and/or orders/directions issued by the IRDA in this regard;
- g) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable and with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDA in this regard; and

h) On the basis of written representations received from the Directors of the Company, as on March 31, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For M.M. Nissim And Co.  
Chartered Accountants  
Firm Registration No. 107122W

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

sd/-  
Sanjay Khemani  
Partner  
Membership No. 044577

sd/-  
M.P. Chhajed  
Partner  
Membership No. 049357

Place: Mumbai  
Dated: May 12, 2014

## Independent Auditors' Certificate

In accordance with the information and explanations given to us, and to the best of our knowledge and belief, and based on our examination of the books of account and other records maintained by Future Generali India Insurance Company Limited (the "Company") for the year ended March 31, 2014, we certify that:

- a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2014 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 investments by actual inspection or on the basis of certificates/confirmations received from the Heads of Branches or custodian and/or Depository Participants appointed by the Company, as the case may be;
- d) The Company is not a trustee of any trust; and
- e) No part of the assets of the Policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the Policyholders' funds.

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

For M.M. Nissim And Co.	For Chhajed & Doshi
Chartered Accountants	Chartered Accountants
Firm Registration No. 107122W	Firm Registration No. 101794W

sd/-	sd/-
Sanjay Khemani	M.P. Chhajed
Partner	Partner
Membership No. 044577	Membership No. 049357

Place: Mumbai	Place: Mumbai
Dated: May 12, 2014	Dated: May 12, 2014

## MANAGEMENT REPORT

With respect to the operations of Future Generali India Insurance Company Ltd. for the year ended March 31, 2014 and results thereof, the Management of the Company confirms and declares that:

1 The registration certificate granted by the Insurance Regulatory and Development Authority (IRDA) is valid and the same has been renewed for the Financial Year 2014 - 2015.

2. We certify that all dues payable to the statutory authorities have been generally paid to the extent they have fallen due.

3. The shareholding pattern is in accordance with the statutory and regulatory requirements as required under the Insurance Act, 1938 and the IRDA (Registration of Indian Insurance Companies) Regulations, and there was no transfer of shares during the year.

4. The Management has not invested directly or indirectly outside India any funds of its Policyholders in India.

5. The required solvency margin under the Insurance Act, 1938 has been maintained.

6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in Management's belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable 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 IRDA Regulations.

7. The Company is exposed to a variety of risks associated with its insurance business and the investment portfolio. The Company strives to maintain a diversified portfolio of insurance products across various lines of business and between personal and commercial lines of business. The Company is also adequately covered by Reinsurance including a "Catastrophe Excess of Loss Insurance". The limits of the reinsurance treaty are set based on estimated accumulations of risk. The reinsurance treaties have been filed with the IRDA. The

investment portfolio is diversified and has been made as per the limits set under the IRDA regulations.

The Company has adopted an integrated approach to risk 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 related to assets and liabilities to achieve the financial objectives of the Company, given its risk appetite, risk tolerances and business profile.

8. The Company does not have insurance operations outside India.

9. In the Financial Year 2013-14, a total of 164,391 claims were reported and 165,792 were settled with an overall settlement ratio of 91%. The average claims settlement time during the preceding five years are given in Annexure 1 and the ageing analysis of claims registered and not settled during the same period is given in Annexure 2.

10. We certify that the values, as shown in the Balance Sheet, of the investments which consists of fixed income securities, equities and mutual fund units have been valued as per accounting policies prescribed by the IRDA. Fixed income securities are valued at historical cost adjusted for amortisation 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, Bank Deposits, Liquid Mutual Funds and Equity (less than 1%).

12. The portfolio is monitored on a dynamic basis to optimise returns while keeping the risk at the minimum. None of the fixed income investments have had any delays in servicing of interest or principal amounts. Based on the past track record, the Management is confident of the quality and performance of the investments, in line with the investment philosophy.

13. The Management of Future Generali India Insurance Company Limited certifies that:

a. The financial statements of Future Generali India Insurance Co. Ltd. have been prepared in accordance with the applicable accounting standards and principles and policies with no material departures;

b. The management has adopted accounting policies, and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the operating loss and of the profit of the Company for the year;

c. The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) and The Companies Act, 1956 (1 of 1956), 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 organisations in which the Directors of the Company are interested are given in Annexure 3.

For and on behalf of The Board of Directors

sd/-	sd/-	sd/-	sd/-	sd/-
G.N Bajpai	K.K Rathi	K.G. Krishnamoorthy Rao	Easwara Narayanan	Manish Pahwa
Chairman	Director	Managing Director & CEO	Chief of Operations & Finance	Company Secretary
(DIN: 00946138)	(DIN: 00040094)	(DIN: 02795933)		

Place: Mumbai

Date: May 12, 2014

## Annexure 1

## Average Claims Settlement Time during preceding five years

Line of Business	2013-2014		2012-2013		2011-2012		2010-2011		2009-2010	
	No. of Claims	Average Settlement Time (days)	No. of Claims	Average Settlement Time (days)	No. of Claims	Average Settlement Time (days)	No. of Claims	Average Settlement Time (days)	No. of Claims	Average Settlement Time (days)
Marine Cargo	7,066	64	4,805	68	4,054	56	2,388	62	1,004	45
Engineering	810	100	705	116	680	123	502	82	326	74
Fire	1,601	65	706	131	705	90	719	68	346	72
Health	45,766	27	41,674	36	34,721	50	23,436	34	25,371	38
Liabilities	118	145	86	76	159	47	50	75	27	60
Motor-OD	97,495	30	80,825	35	67,931	36	54,520	36	38,576	35
Motor-TP	4,644	448	2,822	361	2,041	296	1,271	227	215	173
Personal Accident	4,696	65	3,310	70	2,723	73	1,303	78	992	41
Overseas Medical	546	162	691	156	461	122	444	98	168	64
Workmen Compensation	557	171	466	166	267	182	138	197	61	102
Others	2,493	79	2,613	66	2,532	53	3,604	67	2,246	51
<b>Grand Total</b>	<b>165,792</b>	<b>46</b>	<b>138,703</b>	<b>46</b>	<b>116,274</b>	<b>48</b>	<b>88,375</b>	<b>42</b>	<b>69,332</b>	<b>38</b>

## Annexure 2

## Ageing analysis of Claims registered and not settled for the preceding five years as on March 31, 2014

(₹ In Lacs)

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

## As on March 31, 2014

(₹ In Lacs)

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	6.50	1,887	1,423.39	211	406.69	244	210.54
30 days – 6 months	8	46.33	1,354	2,744.88	1,162	2,972.26	422	554.75
6 months – 1 year	9	10.56	300	1,133.40	1,161	3,584.53	48	118.39
1 year – 5 years	7	21.50	395	1,262.09	4195	15,080.00	106	180.55
More than 5 years	-	-	14	25.80	14	102.16	-	-
<b>Grand Total</b>	<b>28</b>	<b>84.89</b>	<b>3,950</b>	<b>6,589.56</b>	<b>6,743</b>	<b>22,145.64</b>	<b>820</b>	<b>1,064.23</b>

As on March 31, 2014

(₹ In Lacs)

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

As on March 31, 2013

(₹ In Lacs)

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

As on March 31, 2013

(₹ In Lacs)

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

As on March 31, 2013

(₹ In Lacs)

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

As on March 31, 2012

(₹ In Lacs)

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

As on March 31, 2012

(₹ In Lacs)

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

As on March 31, 2012

(₹ In Lacs)

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

As on March 31, 2011

(₹ In Lacs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
	Period	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims
0 - 30 days	113	74.87	37	89.69	32	722.67	1169	433.02
30 days – 6 months	152	646.64	74	89.99	55	1,287.52	1113	325.48
6 months – 1 year	34	338.47	47	84.00	21	584.98	1035	239.23
1 year – 5 years	8	19.13	9	20.75	10	194.32	422	95.15
<b>Grand Total</b>	<b>307</b>	<b>1,079.11</b>	<b>167</b>	<b>284.43</b>	<b>118</b>	<b>2,789.49</b>	<b>3,739</b>	<b>1,092.88</b>

As on March 31, 2011

(₹ In Lacs)

Line of Business	Liabilities		Motor-OD		Motor-TP		Personal Accident	
	Period	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims
0 - 30 days	17	23.08	1,881	898.15	328	560.61	81	138.92
30 days – 6 months	7	5.21	1,487	1,657.87	1,160	2,525.17	115	91.11
6 months – 1 year	2	2.34	323	680.73	885	2,383.47	13	31.41
1 year – 5 years	-	-	141	277.32	674	1,835.38	-	-
<b>Grand Total</b>	<b>26</b>	<b>30.63</b>	<b>3,832</b>	<b>3,514.07</b>	<b>3,047</b>	<b>7,304.63</b>	<b>209</b>	<b>261.44</b>

As on March 31, 2011

(₹ In Lacs)

Line of Business	Overseas Medical		Workmen Compensation		Others		Total No. of Claims	Total Amount of Claims
	Period	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims		
0 - 30 days	24	5.18	13	8.96	127	138.35	3,822	3,093.50
30 days – 6 months	40	25.51	36	42.44	86	403.23	4,325	7,100.17
6 months – 1 year	25	18.26	16	38.03	20	38.10	2,421	4,439.02
1 year – 5 years	23	8.96	9	24.55	5	15.34	1,301	2,490.90
<b>Grand Total</b>	<b>112</b>	<b>57.91</b>	<b>74</b>	<b>113.98</b>	<b>238</b>	<b>595.02</b>	<b>11,869</b>	<b>17,123.59</b>

As on March 31, 2010

(₹ In Lacs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
	Period	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims
0 - 30 days	75	106.87	19	62.92	13	224.84	930	285.10
30 days – 6 months	70	218.22	21	46.84	20	419.92	378	117.70
6 months – 1 year	13	36.72	8	18.72	13	942.47	88	28.77
1 year – 5 years	3	4.11	0	0	3	12.05	11	0.06
<b>Grand Total</b>	<b>161</b>	<b>365.92</b>	<b>48</b>	<b>128.48</b>	<b>49</b>	<b>1,599.28</b>	<b>1407</b>	<b>431.63</b>

As on March 31, 2010

(₹ In Lacs)

Line of Business	Liabilities		Motor-OD		Motor-TP		Personal Accident	
	Period	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims
0 - 30 days	-	-	1,437	757.76	224	435.83	61	62.90
30 days – 6 months	2	6.25	906	1,213.86	738	1,471.94	46	76.03
6 months – 1 year	-	-	200	314.41	271	656.14	2	1.59
1 year – 5 years	-	-	50	92.49	48	201.15	-	-
<b>Grand Total</b>	<b>2</b>	<b>6.25</b>	<b>2,593</b>	<b>2,378.52</b>	<b>1,281</b>	<b>2,765.06</b>	<b>109</b>	<b>140.52</b>



As on March 31, 2010

(₹ In Lacs)

Line of Business	Overseas Medical		Workmen Compensation		Others		Total No. of Claims	Total Amount of Claims
	Period	No. of Claims	Amount of Claims	No. of Claims	Amount of Claims	No. of Claims		
0 - 30 days	29	4.86	9	1.72	126	115.91	2,923	2,058.71
30 days – 6 months	85	21.30	21	33.71	95	249.28	2,382	3,875.06
6 months – 1 year	27	6.79	11	14.35	19	15.10	652	2,035.05
1 year – 5 years	-	-	2	5.71	11	33.35	128	348.91
<b>Grand Total</b>	<b>141</b>	<b>32.95</b>	<b>43</b>	<b>55.49</b>	<b>251</b>	<b>413.64</b>	<b>6,085</b>	<b>8,317.73</b>

## Annexure 3

Schedule of payments, made to individuals, firms, companies and organisations 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 (Enterprise Owned by Major Shareholders)	G.N Bajpai Kishore Biyani Vijay Biyani K. K. Rathi Sergio Balbinot Sergio DiCaro Dr. Kim Chai Ooi Roberto Gasso Dr. Rajan Saxena Dr. Devi Singh	Director	Claims Paid : ₹ 22,660 Other transaction: ₹ 19,000,000
2	Future Retail Limited [Joint Venture Promoter Company, Formerly known as Pantaloon Retail (India) Limited ]	Kishore Biyani Vijay Biyani	Director	Rent & Maintenance: ₹ 644,179 Claims Paid: ₹ 127,652 Other transaction: ₹ 4,741
3	Assicurazioni Generali SpA (Promoter Group Company)	Sergio Balbinot	Director	Reinsurance Premium Paid: ₹ 76,067,227
4	Dr. Rajan Saxena	Dr. Rajan Saxena	Director	Sitting Fees Paid : ₹ 60,000
5	G.N Bajpai	G.N Bajpai	Director	Sitting Fees Paid : ₹ 80,000
6	Dr. Devi Singh	Dr. Devi Singh	Director	Sitting Fees Paid : ₹ 80,000

## FORM B - RA

Future Generali India Insurance Company Limited  
 IRDA Registration No 132. dated September 4, 2007.  
 Revenue Account For the Year ended March 31, 2014  
 Fire Insurance Business

(₹ '000)

Particulars	Schedule	For the Year ended March 31, 2014	For the Year ended 31st March 31, 2013
1. Premiums earned (Net)	1	304,587	204,963
2. Profit/(Loss) on sale/redemption of Investments		4,661	5,181
3. Others-Miscellaneous Income		557	177
4. Interest, Dividend & Rent - Gross		97,484	77,920
<b>Total (A)</b>		<b>407,289</b>	<b>288,241</b>
1. Claims Incurred (Net)	2	202,035	207,491
2. Commission	3	(60,242)	(68,080)
3. Operating Expenses related to Insurance Business	4	118,377	92,602
4. Premium deficiency		(9,214)	9,214
<b>Total (B)</b>		<b>250,956</b>	<b>241,227</b>
Operating Profit / (Loss) from Fire Business		<b>156,333</b>	<b>47,014</b>
<b>Appropriations</b>			
Transfer to Shareholders' Funds		156,333	47,014
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>156,333</b>	<b>47,014</b>

## Significant Accounting Policies and Notes to Financial Statement 16

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

As required by Section 40C(2) of the Insurance Act, 1938, 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.

For and on behalf

For and on behalf of The Board of Directors

For M.M. Nissim And Co.  
 Chartered Accountants  
 Firm Registration No. 107122W

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

sd/-  
 G.N Bajpai  
 Chairman  
 (DIN: 00946138)

sd/-  
 K.K Rathi  
 Director  
 (DIN: 00040094)

sd/-  
 K.G. Krishnamoorthy Rao  
 Managing Director & CEO  
 (DIN: 02795933)

sd/-  
 Sanjay Khemani  
 Partner  
 Membership No. 044577

sd/-  
 M.P. Chhajed  
 Partner  
 Membership No. 049357

sd/-  
 Easwara Narayanan  
 Chief of Operations & Finance

sd/-  
 Manish Pahwa  
 Company Secretary

Place: Mumbai  
 Dated: May 12, 2014

## FORM B - RA

Future Generali India Insurance Company Limited  
 IRDA Registration No 132. dated September 4, 2007.  
 Revenue Account For the Year ended March 31, 2014  
 Marine Insurance Business

(₹ '000)

Particulars	Schedule	For the Year ended March 31, 2014	For the Year ended March 31, 2013
1. Premiums earned (Net)	1	212,433	169,151
2. Profit/(Loss) on sale/redemption of Investments		1,710	2,172
3. Others-Miscellaneous Income		204	74
4. Interest, Dividend & Rent - Gross		35,756	32,662
<b>Total (A)</b>		<b>250,103</b>	<b>204,059</b>
1. Claims Incurred (Net)	2	184,646	136,375
2. Commission	3	8,744	(9,853)
3. Operating Expenses related to Insurance Business	4	72,009	57,246
4. Premium deficiency		-	-
<b>Total (B)</b>		<b>265,399</b>	<b>183,768</b>
<b>Operating Profit / (Loss) from Marine Business</b>		<b>(15,296)</b>	<b>20,291</b>
<b>Appropriations</b>			
Transfer to Shareholders' Funds		(15,296)	20,291
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>(15,296)</b>	<b>20,291</b>

## Significant Accounting Policies and Notes to Financial Statement 16

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

As required by Section 40C(2) of the Insurance Act, 1938, 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.

For and on behalf

For and on behalf of The Board of Directors

For M.M. Nissim And Co.  
 Chartered Accountants  
 Firm Registration No. 107122W

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

sd/-  
 G.N Bajpai  
 Chairman  
 (DIN: 00946138)

sd/-  
 K.K Rathi  
 Director  
 (DIN: 00040094)

sd/-  
 K.G. Krishnamoorthy Rao  
 Managing Director & CEO  
 (DIN: 02795933)

sd/-  
 Sanjay Khemani  
 Partner  
 Membership No. 044577

sd/-  
 M.P. Chhajed  
 Partner  
 Membership No. 049357

sd/-  
 Easwara Narayanan  
 Chief of Operations & Finance

sd/-  
 Manish Pahwa  
 Company Secretary

Place: Mumbai

Dated: May 12, 2014

FORM B - RA

Future Generali India Insurance Company Limited  
IRDA Registration No 132. dated September 4, 2007.  
Revenue Account For the Year ended March 31, 2014  
Miscellaneous Insurance Business

(₹ '000)

Particulars	Schedule	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Premiums earned (Net)	1	8,372,133	7,016,865
Profit/(Loss) on sale/redemption of Investments		36,985	38,514
Others-Miscellaneous Income		4,421	1,320
Interest, Dividend & Rent - Gross		773,568	579,261
<b>Total (A)</b>		<b>9,187,107</b>	<b>7,635,960</b>
Claims Incurred (Net)	2	6,451,806	5,572,270
Commission	3	230,269	243,106
Operating Expenses related to Insurance Business	4	2,646,905	2,392,844
Premium deficiency		-	-
<b>Total (B)</b>		<b>9,328,980</b>	<b>8,208,220</b>
<b>Operating Profit/(Loss) from Miscellaneous Business</b>		<b>(141,873)</b>	<b>(572,260)</b>
<b>Appropriations</b>			
Transfer to Shareholders' Funds		(141,873)	(572,260)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>(141,873)</b>	<b>(572,260)</b>

Significant Accounting Policies and Notes to Financial Statement 16

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

As required by Section 40C(2) of the Insurance Act, 1938, 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.

For and on behalf

For and on behalf of The Board of Directors

For M.M. Nissim And Co. Chartered Accountants Firm Registration No. 107122W	For Chhajed & Doshi Chartered Accountants Firm Registration No. 101794W	sd/- G.N Bajpai Chairman (DIN: 00946138)	sd/- K.K Rathi Director (DIN: 00040094)	sd/- K.G. Krishnamoorthy Rao Managing Director & CEO (DIN: 02795933)
sd/- Sanjay Khemani Partner Membership No. 044577	sd/- M.P. Chhajed Partner Membership No. 049357	sd/- Easwara Narayanan Chief of Operations & Finance	sd/- Manish Pahwa Company Secretary	

Place: Mumbai

Dated: May 12, 2014

FORM B - PL  
Future Generali India Insurance Company Limited  
IRDA Registration No 132. dated September 4, 2007  
Profit & Loss Account For the Year ended March 31, 2014

(₹ '000)

Particulars	Schedule	For the Year ended March 31, 2014	For the Year ended March 31, 2013
<b>1. Operating Profit/(Loss)</b>			
(a) Fire Insurance		156,333	47,014
(b) Marine Insurance		(15,296)	20,291
(c) Miscellaneous Insurance		(141,873)	(572,260)
<b>2. Income from investments</b>			
(a) Interest, Dividend & Rent - Gross		376,420	288,255
Add: Amortization write up on Securities		13,528	8,988
Less: Amortization write down on Securities		(1,158)	(837)
(b) Profit on sale of investments		19,390	21,242
Less : Loss on sale of investments		(802)	(1,534)
<b>3. Other Income</b>		-	-
<b>Total (A)</b>		<b>406,542</b>	<b>(188,841)</b>
<b>4. Provisions (Other than taxation )</b>			
(a) For diminution in the value of investments		-	-
(b) For Doubtful Debts		-	-
(c) Others		-	-
<b>5. Other Expenses</b>			
(a) Expenses other than those related to Insurance Business		10,347	5,181
(b) Bad Debts written off		-	-
(c) Others-Advance written off		-	2,930
<b>Total (B)</b>		<b>10,347</b>	<b>8,111</b>
<b>Profit/(Loss) before Tax (A-B)</b>		396,195	(196,952)
Provision for Taxation		-	-
Deferred Tax		-	-
<b>Profit/(Loss) after tax</b>		<b>396,195</b>	<b>(196,952)</b>
<b>Appropriations</b>			
(a) Interim dividends paid during the period		-	-
(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		(3,550,321)	(3,353,369)
Balance carried forward to Balance Sheet		(3,154,126)	(3,550,321)

Significant Accounting Policies and Notes to Financial Statement 16

Earning per Share- Basic 0.56 (0.36)

Earning per Share- Diluted 0.56 (0.36)

(Refer note 24 of Schedule 16)

The Schedules referred to above form an integral part of Profit & Loss Account

For and on behalf

For and on behalf of The Board of Directors

For M.M. Nissim And Co. Chartered Accountants Firm Registration No. 107122W	For Chhajed & Doshi Chartered Accountants Firm Registration No. 101794W	sd/- G.N Bajpai Chairman (DIN: 00946138)	sd/- K.K Rathi Director (DIN: 00040094)	sd/- K.G. Krishnamoorthy Rao Managing Director & CEO (DIN: 02795933)
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sd/- Sanjay Khemani Partner Membership No. 044577	sd/- M.P. Chhajed Partner Membership No. 049357
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sd/- Easwara Narayanan Chief of Operations & Finance	sd/- Manish Pahwa Company Secretary
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Place: Mumbai

Dated: May 12, 2014

Form B - BS  
Future Generali India Insurance Company Limited  
IRDA Registration No 132. dated September 4, 2007.  
Balance Sheet as at March 31, 2014

(₹ '000)

Particulars	Schedule	As at March 31, 2014	As at March 31, 2013
<b>Source of Funds</b>			
Share Capital	5	7,100,000	7,100,000
Share Application Money		-	-
Reserves and Surplus	6	-	-
Fair Value Change Account		1,833	79
Borrowings	7	-	-
<b>Total</b>		<b>7,101,833</b>	<b>7,100,079</b>
<b>Application of Funds</b>			
Investments	8	14,936,671	12,951,531
Loans	9	-	-
Fixed Assets	10		
Gross Block		603,360	549,857
Less :- Accumulated Depreciation		489,518	432,948
Net Block		113,842	116,909
Capital Work in Process		21,851	18,797
		<b>135,693</b>	<b>135,706</b>
Deferred Tax Assets		-	-
Current Assets			
(i) Cash and Bank balances	11	382,928	258,463
(ii) Advances and Other Assets	12	2,645,685	2,813,555
<b>Total (A)</b>		<b>3,028,613</b>	<b>3,072,018</b>
Current Liabilities	13	8,781,019	8,031,405
Provisions	14	5,372,251	4,578,092
<b>Total (B)</b>		<b>14,153,270</b>	<b>12,609,497</b>
Net Current Assets (A - B)		(11,124,657)	(9,537,479)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit and Loss Account		3,154,126	3,550,321
<b>Total</b>		<b>7,101,833</b>	<b>7,100,079</b>

Significant Accounting Policies and Notes to Financial Statement 16

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

For and on behalf

For and on behalf of The Board of Directors

sd/-	sd/-	sd/-	sd/-
For M.M. Nissim And Co. Chartered Accountants Firm Registration No. 107122W	For Chhaged & Doshi Chartered Accountants Firm Registration No. 101794W	G.N. Bajpai Chairman (DIN: 00946138)	K.K. Rathi Director (DIN: 00040094)
sd/-	sd/-	sd/-	sd/-
Sanjay Khemani Partner Membership No. 044577	M.P. Chhaged Partner Membership No. 049357	Easwara Narayanan Chief of Operations & Finance	K.G. Krishnamoorthy Rao Managing Director & CEO (DIN: 02795933)
			Manish Pahwa Company Secretary

Place: Mumbai

Dated: May 12, 2014

Schedules to and forming part of the Revenue Accounts and Profit and Loss account For the Year ended on and to Balance Sheet as at March 31, 2014

**SCHEDULE - 1 Premium Earned (Net) For the Year ended March 31, 2014** (₹ '000)

Particulars	Fire		Marine		Miscellaneous *		Total	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	Premium from direct business written	1,173,845	1,063,437	511,744	545,113	10,939,969	9,445,324	12,625,558
Add : Premium on reinsurance accepted	226,883	236,986	2,028	-	175,228	222,085	404,139	4,59,071
Less : Premium on reinsurance ceded	1,008,466	993,359	278,577	355,444	2,002,777	1,751,059	3,289,820	3,099,862
<b>Net Premium</b>	<b>392,262</b>	<b>307,064</b>	<b>235,195</b>	<b>189,669</b>	<b>9,112,420</b>	<b>7,916,350</b>	<b>9,739,877</b>	<b>8,413,083</b>
Adjustment for change in reserve Up to unexpired risks	87,675	102,101	22,762	20,518	740,287	899,485	850,724	1,022,104
<b>Total Premium Earned (Net)</b>	<b>304,587</b>	<b>204,963</b>	<b>212,433</b>	<b>169,151</b>	<b>8,372,133</b>	<b>7,016,865</b>	<b>8,889,153</b>	<b>7,390,979</b>

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 March 31, 2014** (₹ '000)

Particulars	Fire		Marine		Miscellaneous *		Total	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	<b>Claims Paid</b>							
Direct	484,740	482,247	321,167	279,069	5,862,875	4,465,379	6,668,782	5,226,695
Add : Reinsurance accepted	37,310	50,101	189	791	3,507,184	39,202	3,544,683	90,094
Less : Reinsurance ceded	391,913	392,843	191,776	184,566	4,555,188	1,309,533	5,138,877	1,886,942
<b>Net Claims Paid</b>	<b>130,137</b>	<b>139,505</b>	<b>129,580</b>	<b>95,294</b>	<b>4,814,871</b>	<b>3,195,048</b>	<b>5,074,588</b>	<b>3,429,847</b>
Add : Claims outstanding at the end	265,632	193,734	138,427	83,361	7,034,808	5,397,873	7,438,867	5,674,968
Less : Claims outstanding at the beginning	193,734	125,748	83,361	42,280	5,397,873	3,020,651	5,674,968	3,188,679
<b>Total Claims Incurred</b>	<b>202,035</b>	<b>207,491</b>	<b>184,646</b>	<b>136,375</b>	<b>6,451,806</b>	<b>5,572,270</b>	<b>6,838,487</b>	<b>5,916,136</b>

Note: Refer Note no 2.9 and 2.10 of Schedule 16

\* Refer Schedule 2(A)

**SCHEDULE - 3 Commission Expenses For the Year ended March 31, 2014**

(₹ '000)

Particulars	Fire		Marine		Miscellaneous *		Total	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
<b>Commission Paid</b>								
Direct	83,844	78,102	63,032	60,606	583,387	526,414	730,263	665,122
Add : Reinsurance accepted	12,368	11,195	29	-	1,762	1,067	14,159	12,262
Less : Commission On reinsurance Ceded	156,454	157,377	54,317	70,459	354,880	284,375	565,651	512,211
<b>Net Commission</b>	<b>(60,242)</b>	<b>(68,080)</b>	<b>8,744</b>	<b>(9,853)</b>	<b>230,269</b>	<b>243,106</b>	<b>178,771</b>	<b>165,173</b>
<b>Break-up of the commission (gross) incurred to procure business</b>								
Agent	14,619	13,627	22,534	16,909	315,601	289,654	352,754	320,190
Brokers	48,147	42,947	37,916	36,894	215,667	215,573	301,730	295,414
Corporate Agency	8,382	6,822	1	-	21,865	12,828	30,248	19,650
Referral	136	114	-	-	133	230	269	344
Others	24,928	25,787	2,610	6,803	31,883	9,196	59,421	41,786
<b>Gross Commission</b>	<b>96,212</b>	<b>89,297</b>	<b>63,061</b>	<b>60,606</b>	<b>585,149</b>	<b>527,481</b>	<b>744,422</b>	<b>677,384</b>

Note: Refer Note no 2.3 and 2.5 of Schedule 16

\* Refer Schedule 3(A)



**SCHEDULE - 1(A) Premium Earned (Net) For the Year ended March 31, 2014**

(₹ '000)

Particulars	Accident		Health Insurance		Engineering		Liability	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	Premium from direct business written	502,832	623,696	1,322,637	1,398,983	380,559	356,467	144,886
Add : Premium on reinsurance accepted	-	-	-	-	21,698	17,049	99	-
Less : Premium on reinsurance ceded	74,499	121,363	361,021	409,103	249,014	246,229	80,564	78,209
<b>Net Premium</b>	<b>428,333</b>	<b>502,333</b>	<b>961,616</b>	<b>989,880</b>	<b>153,243</b>	<b>127,287</b>	<b>64,421</b>	<b>55,494</b>
Adjustment for change in reserve for unexpired risks	(17,557)	144,566	(32,548)	41,938	14,490	23,195	4,464	6,628
<b>Total Premium Earned (Net)</b>	<b>445,890</b>	<b>357,767</b>	<b>994,164</b>	<b>947,942</b>	<b>138,753</b>	<b>104,092</b>	<b>59,957</b>	<b>48,866</b>

**SCHEDULE - 2(A) Claims Incurred (Net) For the Year ended March 31, 2014**

(₹ '000)

Particulars	Accident		Health Insurance		Engineering		Liability	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	<b>Claims Paid</b>							
Direct	374,051	257,423	1,206,624	1,138,833	173,955	215,307	5,573	3,210
Add : Reinsurance accepted	-	-	-	-	3,076	938	-	-
Less : Reinsurance ceded	60,455	55,468	350,690	357,291	119,725	173,698	790	331
<b>Net Claims Paid</b>	<b>313,596</b>	<b>201,955</b>	<b>855,934</b>	<b>781,542</b>	<b>57,306</b>	<b>42,547</b>	<b>4,783</b>	<b>2,879</b>
Add : Claims outstanding at the end	222,257	156,608	137,811	151,173	90,371	58,526	7,040	8,338
Less : Claims outstanding at the beginning	156,608	84,993	151,173	153,768	58,526	29,746	8,338	4,018
<b>Total Claims Incurred</b>	<b>379,245</b>	<b>273,570</b>	<b>842,572</b>	<b>778,947</b>	<b>89,151</b>	<b>71,327</b>	<b>3,485</b>	<b>7,199</b>

**SCHEDULE - 3(A) Commission Expenses For the Year ended March 31, 2014**

(₹ '000)

Particulars	Accident		Health Insurance		Engineering		Liability	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
<b>Commission Paid</b>								
Direct	51,480	67,090	72,959	77,068	27,580	24,878	18,313	16,422
Add : Reinsurance Accepted	-	-	-	-	1,756	1,067	6	-
Less : Commission On reinsurance Ceded	14,132	15,489	55,650	60,859	54,633	55,184	5,593	7,336
<b>Net Commission</b>	<b>37,348</b>	<b>51,601</b>	<b>17,309</b>	<b>16,209</b>	<b>(25,297)</b>	<b>(29,239)</b>	<b>12,726</b>	<b>9,086</b>
<b>Break-up of the commission (gross) incurred to procure business</b>								
Agent	11,241	11,335	25,310	17,990	9,358	8,322	1,925	1,528
Brokers	23,897	48,068	48,638	57,525	13,968	11,112	16,167	14,486
Corporate Agency	16,253	7,351	199	87	1,866	884	6	15
Referral	22	55	-	4	-	-	-	-
Others	67	281	(1,188)	1,462	4,144	5,627	221	393
<b>Gross Commission</b>	<b>51,480</b>	<b>67,090</b>	<b>72,959</b>	<b>77,068</b>	<b>29,336</b>	<b>25,945</b>	<b>18,319</b>	<b>16,422</b>

Schedules to and forming part of the Revenue Accounts and Profit and Loss account For the Year ended on and to Balance Sheet as at March 31, 2014

**SCHEDULE - 1(A) Premium Earned (Net) For the Year ended March 31, 2014**

(₹ '000)

Particulars	Motor						Workmen Compensation		Others		Miscellaneous-Total	
	For the Year ended March 31, 2014		For the Year ended March 31, 2013		Total	Total	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	Motor (OD)	Motor (TP)	Motor (OD)	Motor (TP)								
Premium from direct business written	4,987,687	2,075,816	7,063,503	4,306,035	1,885,082	6,191,117	202,583	157,991	1,322,969	583,367	10,939,969	9,445,324
Add: Premium on reinsurance accepted	-	153,431	153,431	-	205,036	205,036	-	-	-	-	175,228	222,085
Less: Premium on reinsurance ceded	266,974	112,151	379,125	445,425	200,709	646,134	11,035	16,195	847,519	233,826	2,002,777	1,751,059
<b>Net Premium</b>	<b>4,720,713</b>	<b>2,117,096</b>	<b>6,837,809</b>	<b>3,860,610</b>	<b>1,889,409</b>	<b>5,750,019</b>	<b>191,548</b>	<b>141,796</b>	<b>475,450</b>	<b>349,541</b>	<b>9,112,420</b>	<b>7,916,350</b>
Adjustment for change in reserve for unexpired risks	473,149	213,512	686,661	365,560	230,876	596,436	24,876	18,232	59,901	68,490	740,287	899,485
<b>Total Premium Earned (Net)</b>	<b>4,247,564</b>	<b>1,903,584</b>	<b>6,151,148</b>	<b>3,495,050</b>	<b>1,658,533</b>	<b>5,153,583</b>	<b>166,672</b>	<b>123,564</b>	<b>415,549</b>	<b>281,051</b>	<b>8,372,133</b>	<b>7,016,865</b>

**SCHEDULE - 2(A) Claims Incurred (Net) For the Year ended March 31, 2014**

(₹ '000)

Particulars	Motor *						Workmen Compensation		Others		Miscellaneous-Total	
	For the Year ended March 31, 2014		For the Year ended March 31, 2013		Total	Total	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	Motor (OD)	Motor (TP)	Motor (OD)	Motor (TP)								
<b>Claims Paid</b>												
Direct	2,537,651	1,175,498	3,713,149	2,078,719	657,895	2,736,614	36,575	21,560	352,948	92,432	5,862,875	4,465,379
Add : Reinsurance accepted	-	3,504,108	3,504,108	-	38,264	38,264	-	-	-	-	3,507,184	39,202
Less : Reinsurance ceded	205,019	3,599,493	3,804,512	207,879	499,628	707,507	3,461	2,178	215,555	13,060	4,555,188	1,309,533
<b>Net Claims Paid</b>	<b>2,332,632</b>	<b>1,080,113</b>	<b>3,412,745</b>	<b>1,870,840</b>	<b>196,531</b>	<b>2,067,371</b>	<b>33,114</b>	<b>19,382</b>	<b>137,393</b>	<b>79,372</b>	<b>4,814,871</b>	<b>3,195,048</b>
Add : Claims outstanding at the end	659,947	5,667,015	6,326,962	628,446	4,276,639	4,905,085	36,920	25,971	213,447	92,172	7,034,808	5,397,873
Less : Claims outstanding at the beginning	628,446	4,276,639	4,905,085	619,073	2,083,919	2,702,992	25,971	20,720	92,172	24,414	5,397,873	3,020,651
<b>Total Claims Incurred</b>	<b>2,364,133</b>	<b>2,470,489</b>	<b>4,834,622</b>	<b>1,880,213</b>	<b>2,389,251</b>	<b>4,269,464</b>	<b>44,063</b>	<b>24,633</b>	<b>258,668</b>	<b>147,130</b>	<b>6,451,806</b>	<b>5,572,270</b>

**SCHEDULE - 3(A) Commission Expenses For the Year ended March 31, 2014** (₹ '000)

Particulars	Motor						Workmen Compensation		Others		Miscellaneous-Total	
	For the Year ended March 31, 2014		For the Year ended March 31, 2013		Total	Total	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	Motor (OD)	Motor (TP)	Motor (OD)	Motor (TP)								
<b>Commission Paid</b>												
Direct	309,995	-	283,050	-	283,050	17,692	13,773	85,368	44,133	583,387	526,414	
Add : Reinsurance Accepted	-	-	-	-	-	-	-	-	-	1,762	1,067	
Less : Commission On reinsurance Ceded	41,110	15,428	65,533	27,937	93,470	1,400	2,374	166,934	49,663	354,880	284,375	
<b>Net Commission</b>	<b>268,885</b>	<b>(15,428)</b>	<b>217,517</b>	<b>(27,937)</b>	<b>1,89,580</b>	<b>16,292</b>	<b>11,399</b>	<b>(81,566)</b>	<b>(5,530)</b>	<b>230,269</b>	<b>243,106</b>	
<b>Break-up of the commission (gross) incurred to procure business</b>												
Agent	219,662	-	216,526	-	216,526	11,071	8,333	37,034	25,620	315,601	289,654	
Brokers	89,152	-	65,336	-	65,336	6,453	5,384	17,392	13,662	215,667	215,573	
Corporate Agency	1,161	-	1,143	-	1,143	4	1	2,376	3,347	21,865	12,828	
Referral	21	-	44	-	44	-	-	90	127	133	230	
Others	(1)	-	1	-	1	164	55	28,476	1,377	31,883	9,196	
<b>Gross Commission</b>	<b>309,995</b>	<b>-</b>	<b>283,050</b>	<b>-</b>	<b>283,050</b>	<b>17,692</b>	<b>13,773</b>	<b>85,368</b>	<b>44,133</b>	<b>585,149</b>	<b>527,481</b>	

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**SCHEDULE - 4 Operating Expenses related to Insurance Business For the Year ended March 31, 2014** (₹ '000)

Sr. No.	Particulars	Fire		Marine		Miscellaneous *		Total	
		For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
1	Employees' Remuneration & Welfare Benefits	38,616	29,984	23,153	18,521	897,063	773,018	958,832	821,523
2	Travel, Conveyance and Vehicle Running Expenses	2,759	1,824	1,654	1,127	64,097	47,034	68,510	49,985
3	Training & Conferences Expenses	536	314	321	194	12,440	8,103	13,297	8,611
4	Rents, Rates, and Taxes	6,810	5,507	4,083	3,402	158,193	141,982	169,086	150,891
5	Repairs	4,789	3,880	2,872	2,397	111,256	100,026	118,917	106,303
6	Printing & Stationery	1,738	2,113	1,042	1,305	40,379	54,484	43,159	57,902
7	Communication	2,440	1,984	1,463	1,226	56,693	51,152	60,596	54,362
8	Legal & Professional Charges	6,714	4,728	4,026	2,921	155,981	121,895	166,721	129,544
9	Auditors' Fees, Expenses etc.								
	(a) As Auditor	111	80	67	49	2,579	2,053	2,757	2,182
	(b) As Adviser or in any other capacity, in respect of								
	(i) Taxation matters	10	7	6	5	234	188	250	200
	(ii) Insurance Matters	-	-	-	-	-	-	-	-
	(iii) Management services; and	-	-	-	-	-	-	-	-
	(c) in any other capacity	-	-	-	-	-	-	-	-
10	Advertisement and Publicity	15,136	7,298	9,075	4,508	351,621	188,145	375,832	199,951
11	Outsourcing Expenses	2,327	1,754	1,395	1,084	54,046	45,224	57,768	48,062
12	Business Support	34,443	29,380	20,651	18,147	800,117	757,426	855,211	804,953
13	Interest & Bank Charges	273	208	163	129	6,332	5,364	6,768	5,701
14	Others	(100)	(3)	(60)	(2)	(252)	1,804	(412)	1,799
15	Depreciation	2,746	3,050	1,646	1,884	63,779	78,641	68,171	83,575
16	Entertainment	85	82	51	51	1,985	2,125	2,121	2,258
17	(Gain)/Loss on Foreign Exchange	2	4	1	2	56	94	59	100
18	Subscription/Membership	185	133	111	82	4,295	3,422	4,591	3,637
19	Insurance	21	15	12	10	482	397	515	422
20	Pool Expenses	(1,725)	(71)	-	-	(145,189)	1,746	(146,914)	1,675
21	Service Tax Expenses	461	331	277	204	10,718	8,521	11,456	9,056
	<b>Total</b>	<b>118,377</b>	<b>92,602</b>	<b>72,009</b>	<b>57,246</b>	<b>2,646,905</b>	<b>2,392,844</b>	<b>2,837,291</b>	<b>2,542,692</b>

Note: Refer Note no 2.5 and 2.11 of Schedule 16

\* Refer Schedule 4(A)

**SCHEDULE - 4(A) Operating Expenses related to Insurance Business For the Year ended March 31, 2014**

(₹ '000)

Sr. No.	Particulars	Accident		Health Insurance		Engineering		Liability	
		For th Year ended March 31, 2014	For th Year ended March 31, 2013	For th Year ended March 31, 2014	For th Year ended March 31, 2013	For th Year ended March 31, 2014	For th Year ended March 31, 2013	For th Year ended March 31, 2014	For th Year ended March 31, 2013
1	Employees' Remuneration & Welfare Benefits	42,167	49,052	94,665	96,660	15,086	12,429	6,342	5,419
2	Travel, Conveyance and Vehicle Running Expenses	3,013	2,984	6,764	5,881	1,078	756	453	330
3	Training & Conferences Expenses	585	514	1,313	1,013	209	130	88	57
4	Rents, Rates, and Taxes	7,436	9,009	16,694	17,754	2,660	2,283	1,118	995
5	Repairs	5,230	6,347	11,741	12,508	1,871	1,608	787	701
6	Printing & Stationery	1,898	3,457	4,261	6,813	679	876	285	382
7	Communication	2,665	3,246	5,983	6,396	953	822	401	359
8	Legal & Professional Charges	7,332	7,735	16,460	15,242	2,623	1,960	1,103	854
9	Auditors' Fees, Expenses etc.								
	(a) As Auditor	121	130	272	257	43	33	18	14
	(b) As Adviser or in any other capacity, in respect of								
	(i) Taxation matters	11	12	25	24	4	3	2	1
	(ii) Insurance Matters	-	-	-	-	-	-	-	-
	(iii) Management services; and	-	-	-	-	-	-	-	-
	(c) in any other capacity	-	-	-	-	-	-	-	-
10	Advertisement and Publicity	16,528	11,939	37,106	23,526	5,913	3,025	2,486	1,319
11	Outsourcing Expenses	2,540	2,870	5,703	5,655	909	727	382	317
12	Business Support	37,610	48,063	84,435	94,711	13,456	12,179	5,656	5,310
13	Interest & Bank Charges	298	340	668	671	106	86	45	38
14	Others	(109)	(5)	(246)	(10)	(39)	(1)	(16)	(1)
15	Depreciation	2,998	4,990	6,731	9,833	1,073	1,264	451	551
16	Entertainment	93	135	209	266	33	34	14	15
17	(Gain)/Loss on Foreign Exchange	3	6	6	12	1	2	-	1
18	Subscription/Membership	202	217	453	428	72	55	30	24
19	Insurance	23	25	51	50	8	6	3	3
20	Pool Expenses	-	-	-	-	(1,377)	(42)	-	-
21	Service Tax Expenses	504	541	1,131	1,065	180	137	76	60
	<b>Total</b>	<b>131,148</b>	<b>151,607</b>	<b>294,425</b>	<b>298,755</b>	<b>45,541</b>	<b>38,372</b>	<b>19,724</b>	<b>16,749</b>

**SCHEDULE - 4(A) Operating Expenses related to Insurance Business For the Year ended March 31, 2014**

(₹ '000)

Sr. No.	Particulars	Motor						Workmen Compensation		Others		Miscellaneous - Total	
		For the Year ended March 31, 2014		For the Year ended March 31, 2013		Total	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	
		Motor (OD)	Motor (TP)	Total	Motor (OD)								Motor (TP)
1	Employees' Remuneration & Welfare Benefits	464,726	208,415	673,141	376,983	184,497	561,480	18,857	13,846	46,805	34,132	897,063	773,018
2	Travel, Conveyance and Vehicle Running Expenses	33,206	14,892	48,098	22,939	11,225	34,164	1,347	842	3,344	2,077	64,097	47,034
3	Training & Conferences Expenses	6,444	2,890	9,334	3,952	1,934	5,886	262	145	649	358	12,440	8,103
4	Rents, Rates, and Taxes	81,953	36,753	118,706	69,242	33,887	103,129	3,325	2,543	8,254	6,269	158,193	141,982
5	Repairs	57,635	25,848	83,483	48,779	23,874	72,653	2,339	1,792	5,805	4,417	111,256	100,026
6	Printing & Stationery	20,919	9,381	30,300	26,570	13,004	39,574	849	976	2,107	2,406	40,379	54,484
7	Communication	29,370	13,171	42,541	24,945	12,209	37,154	1,192	916	2,958	2,259	56,693	51,152
8	Legal & Professional Charges	80,807	36,239	117,046	59,446	29,093	88,539	3,279	2,183	8,138	5,382	155,981	121,895
9	Auditors' Fees, Expenses etc.												
	(a) As Auditor	1,337	599	1,936	1,001	490	1,491	54	37	135	91	2,579	2,053
	(b) As Adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	121	54	175	92	45	137	5	3	12	8	234	188
	(ii) Insurance Matters	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-
	(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-	-
10	Advertisement and Publicity	182,159	81,692	263,851	91,754	44,905	136,659	7,391	3,370	18,346	8,307	351,621	188,145
11	Outsourcing Expenses	27,999	12,557	40,556	22,054	10,794	32,848	1,136	810	2,820	1,997	54,046	45,224
12	Business Support	414,502	185,892	600,394	369,374	180,776	550,150	16,819	13,567	41,747	33,444	800,117	757,424
13	Interest & Bank Charges	3,281	1,471	4,752	2,615	1,281	3,896	133	96	330	237	6,332	5,364
14	Others	(1,207)	1,535	328	(40)	1,866	1,826	(49)	(1)	(121)	(4)	(252)	1,804

Sr. No.	Particulars	Motor						Workmen Compensation		Others		Miscellaneous - Total	
		For the Year ended March 31, 2014		For the Year ended March 31, 2013		For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2014	For the Year ended March 31, 2013
		Motor (OD)	Motor (TP)	Total	Motor (OD)								
15	Depreciation	33,039	14,818	47,857	38,353	18,769	57,122	1,341	1,409	3,328	3,472	63,779	78,641
16	Entertainment	1,029	461	1,490	1,036	507	1,543	42	38	104	94	1,985	2,125
17	(Gain)/Loss on Foreign Exchange	29	13	42	44	23	67	1	2	3	4	56	94
18	Subscription/Membership	2,226	998	3,224	1,669	817	2,486	90	61	224	151	4,295	3,422
19	Insurance	250	112	362	193	95	288	10	7	25	18	482	397
20	Pool Expenses	-	(143,812)	(143,812)	-	1,788	1,788	-	-	-	-	(145,189)	1,746
21	Service Tax Expenses	5,553	2,490	8,043	4,155	2,034	6,189	225	153	559	376	10,718	8,521
	<b>Total</b>	<b>1,445,378</b>	<b>506,469</b>	<b>1,951,847</b>	<b>1,165,156</b>	<b>573,913</b>	<b>1,739,069</b>	<b>58,648</b>	<b>42,795</b>	<b>145,572</b>	<b>105,495</b>	<b>2,646,905</b>	<b>2,392,842</b>



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**SCHEDULE - 5 Share Capital**

(₹ '000)

Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
1	Authorised 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 710,000,000 (Previous year 710,000,000) Equity Shares of ₹ 10 Each	7,100,000	7,100,000
3	Subscribed Capital 710,000,000 (Previous year 710,000,000) Equity Shares of ₹ 10 Each	7,100,000	7,100,000
4	Called Up Capital 710,000,000 (Previous year 710,000,000) Equity Shares of ₹ 10 Each Less : Calls Unpaid Less : Par value of Equity Shares bought back Less : Preliminary Expenses Expenses Including commission or brokerage on underwriting or subscription of shares	7,100,000 - - - -	7,100,000 - - - -
	<b>Total</b>	<b>7,100,000</b>	<b>7,100,000</b>

**SCHEDULE - 5A Share Capital Pattern of Shareholding**

(As certified by the Management)

Shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	% of Holdings	Number of Shares	% of Holdings
<b>Promoters</b>				
<b>Indian</b>	<b>52,89,50,000</b>	<b>74.5</b>	<b>52,89,50,000</b>	<b>74.5</b>
Future Retail Limited	18,10,50,000		18,10,50,000	
Shendra Advisory Services Pvt Ltd.	34,79,00,000		34,79,00,000	
<b>Foreign</b>	<b>18,10,50,000</b>	<b>25.5</b>	<b>18,10,50,000</b>	<b>25.5</b>
Participatie Maatschappij Graafschap Holland N.V.	18,10,50,000		18,10,50,000	
Others	-	-	-	-
<b>Total</b>	<b>71,00,00,000</b>	<b>100</b>	<b>71,00,00,000</b>	<b>100</b>

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**SCHEDULE - 6 Reserves and Surplus**

(₹ '000)

Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
1	Capital Reserves	-	-
2	Capital Redemption Reserves	-	-
3	Share Premium	-	-
4	General Reserves	-	-
	Less : Debit balance in Profit and Loss Account	-	-
	Less : Amount utilised for Buy - Back	-	-
5	Catastrophe Reserves	-	-
6	Other Reserves	-	-
7	Balance of Profit in Profit & Loss Account	-	-
	<b>Total</b>	-	-

**SCHEDULE - 7 Borrowings**

(₹ '000)

Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
1	Debenture/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	<b>Total</b>	-	-

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**SCHEDULE - 8 Investments**

(₹ '000)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Long Term Investments</b>		
1. Government Securities and Government guaranteed bonds including Treasury Bills (note 3)	5,937,887	4,642,726
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	4,327,798	4,116,778
(e) Other Securities (incl. Fixed deposits)	199,500	449,500
(f) Subsidiaries	-	-
(g) Investment properties - Real Estate	-	-
4. Investments in Infrastructure & Social Sector	3,651,061	2,989,179
5. Other than Approved Investments	-	25,000
<b>Total Long Term Investment</b>	<b>14,116,246</b>	<b>12,223,183</b>
<b>Short Term Investments</b>		
1. Government Securities and Government guaranteed bonds including Treasury Bills	51,137	49,898
2. Other Approved Securities	-	-
3. Other Investments		
(a) Shares		
(aa) Equity	12,876	15,090
(bb) Preference	-	-
(b) Mutual Funds	45,956	53,253
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	59,845	299,366
(e) Other Securities (incl. Fixed deposits)	345,860	199,723
(f) Subsidiaries	-	-
(g) Investment properties - Real Estate	-	-
4. Investments in Infrastructure & Social Sector (note 6)	301,378	102,336
5. Other than Approved Investments (note 7)	3,373	8,682
<b>Total Short Term Investment</b>	<b>820,425</b>	<b>728,348</b>
<b>Total</b>	<b>14,936,671</b>	<b>12,951,531</b>

NOTES:

- 1) All the Investments are free of Encumbrances other than investments under Section 7 of the Insurance Act, 1938
- 2) All the above investments are performing assets.
- 3) Government of India Bonds aggregating to ₹177,251 thousand (previous year ₹127,925 thousand ) have been deposited with The Reserve Bank of India under Section 7 of the Insurance Act, 1938.
- 4) Aggregate book value of investments (other than listed equities and derivative instruments) is ₹14,922,190 thousand (previous year ₹12,384,035 thousand).
- 5) Aggregate market value of investments (other than listed equities and derivative instruments) is ₹14,515,926 thousand (previous year ₹13,080,727 thousand).
- 6) Includes investment in equities qualifying for infrastructure and social sector investments of ₹1,118 thousand (previous year ₹2,601 thousand)
- 7) Includes investment in equities of ₹485.43 thousand (previous year ₹503 thousand) and in mutual funds of ₹2,887 thousand (previous year ₹ 8,178 thousand)
- 8) Investment property ₹ Nil (previous year ₹ Nil)
- 9) Value of contracts in relation to investments purchases where deliveries are pending ₹1,000.8 thousand (previous year ₹51,603 thousand) and in respect of sale of investments where payments are overdue Rs Nil (previous year Rs Nil).

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**SCHEDULE - 9 Loans**

(₹ '000)

Particulars	As at March 31, 2014	As at March 31, 2013
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	-	-
<b>Total</b>	-	-
2. Borrower - wise Classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
<b>Total</b>	-	-
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	-	-
<b>Total</b>	-	-

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**SCHEDULE 10 - Fixed Assets** (₹ '000)

Particulars	Cost / Gross Block			Depreciation			Net Block		
	As at March 31, 2013	Additions	Deductions	As at March 31, 2014	As at March 31, 2013	For the Period	On Sales / Adjustments	As at March 31, 2014	As at March 31, 2013
Goodwill	-	-	-	-	-	-	-	-	-
Intangibles - Computer Software's	188,781	9,329	-	198,110	170,349	12,560	-	182,909	18,432
Land-Freehold	-	-	-	-	-	-	-	-	-
Leasehold Improvements	135,153	17,366	9,272	143,247	77,809	25,027	8,371	94,465	57,344
Buildings	-	-	-	-	-	-	-	-	-
Furniture & Fittings	41,098	12,792	1,693	52,197	29,338	7,572	1,651	35,259	11,760
Information & Technology Equipment	112,646	15,862	205	128,303	100,726	10,008	206	110,528	11,920
Vehicles	2,272	-	-	2,272	1,436	457	-	1,893	836
Office Equipment	69,907	10,759	1,435	79,231	53,290	12,547	1,373	64,464	16,617
Others	-	-	-	-	-	-	-	-	-
Work in progress	549,857	66,108	12,605	603,360	432,948	68,171	11,601	489,518	116,909
<b>Grand Total</b>	<b>549,857</b>	<b>66,108</b>	<b>12,605</b>	<b>603,360</b>	<b>432,948</b>	<b>68,171</b>	<b>11,601</b>	<b>489,518</b>	<b>135,706</b>
<b>Previous Year</b>	<b>524,944</b>	<b>75,282</b>	<b>50,369</b>	<b>549,857</b>	<b>387,250</b>	<b>83,575</b>	<b>37,877</b>	<b>432,948</b>	<b>135,706</b>

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**SCHEDULE 11 - Cash and Bank Balances**

(₹ '000)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>1. Cash (including cheques, drafts, and stamps)</b>	130,308	161,896
<b>2. Bank Balances</b>		
(a) Deposit Accounts		
(aa) Short - Term (due within 12 months)	-	
(bb) Others	-	
(b) Current Accounts	252,620	96,567
(c) Others	-	-
<b>3. Money at Call and Short Notice</b>		
(a) With Banks	-	-
(b) With Other Institutions	-	-
<b>4. Others</b>	-	-
<b>Total</b>	<b>382,928</b>	<b>258,463</b>
Balances with non-scheduled banks included in 2 or 3 above	-	-
<b>Cash and Bank Balances</b>		
In India	<b>382,928</b>	<b>258,463</b>
Outside India	-	-

**SCHEDULE - 12 Advances and Other Assets**

(₹ '000)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Advances</b>		
1. Reserve Deposits with ceding Companies	-	-
2. Application Money for Investments	-	-
3. Prepayments	26,909	19,540
4. Advances to Directors/Officers	-	-
5. Advance Tax Paid and Taxes Deducted at Source (Net of provision for taxation)	7,912	392
6. Others	-	-
7. Other Deposits	82,797	97,751
8. Advances to Employees	280	168
9. Advances recoverable in cash or kind	42,166	32,373
10. Unutilised Service Tax	127,274	127,719
<b>Total (A)</b>	<b>287,338</b>	<b>277,943</b>
<b>Other Assets</b>		
1. Income accrued on Investments	630,576	502,751
2. Outstanding Premiums	8,347	19,458
3. Agents' Balances	839	1,742
4. Foreign Agencies' Balances	-	-
5. Due from other entities carrying on insurance business	1,718,585	2,011,661
6. Due from Subsidiaries / Holding Company	-	-
7. Deposit With Reserve Bank Of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
8. Others	-	-
<b>Total (B)</b>	<b>2,358,347</b>	<b>2,535,612</b>
<b>Total (A + B)</b>	<b>2,645,685</b>	<b>2,813,555</b>

Note : Outstanding premium contains amount receivable against Bank Guarantee

Future Generali India Insurance Company Limited  
IRDA Registration No 132. dated September 4, 2007  
Schedules to and forming part of the Revenue Accounts and Profit and Loss account For the Year ended on and to  
Balance Sheet as at March 31, 2014

**SCHEDULE - 13 Current Liabilities**

(₹ '000)

Particulars	As at March 31, 2014	As at March 31, 2013
1. Agents Balances	131,272	112,558
2. Balances due to other Insurance Companies	486,455	1,537,804
3. Deposits held on Reinsurance ceded	-	-
4. Premiums received in advance	53,609	34,924
5. Unallocated Premium	202,770	308,189
6. Sundry Creditors	344,784	264,521
7. Due to Subsidiaries / Holding Company	-	-
8. Claims Outstanding	7,438,867	5,674,968
9. Provision for Solatium fund	6,658	4,582
10. Due to Officers / Directors	-	-
11. Unclaimed amount of Policyholders	58,636	44,292
12. Statutory Dues	57,968	49,567
<b>Total</b>	<b>8,781,019</b>	<b>8,031,405</b>

**SCHEDULE - 14 Provisions**

(₹ '000)

Particulars	As at March 31, 2014	As at March 31, 2013
1. Reserve for Unexpired risk	5,216,235	4,374,725
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	156,016	203,367
<b>Total</b>	<b>5,372,251</b>	<b>4,578,092</b>

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

(₹ '000)

Particulars	As at March 31, 2014	As at March 31, 2013
1. Discount Allowed in issue of shares/Debentures	-	-
2. Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## **SCHEDULE – 16**

Significant accounting policies and notes to and forming a part of the financial statements for the year ended March 31, 2014

### **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 October 30, 2006 as a Company under the Companies Act 1956 (the Act) to undertake and carry on the business of General Insurance. The Company obtained regulatory approval to undertake General Insurance business on September 4, 2007 from the Insurance Regulatory and Development Authority ('IRDA'). The IRDA renewed the Company's certificate of registration to sell general insurance policies in India for the year 2014-15 vide its certificate of renewal of registration dated February 25, 2014. The renewal certificate is with effect from April 1, 2014 and valid up to March 31, 2015.

### **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, the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations'), and orders and directions issued by the IRDA in this behalf, the Companies Act, 1956 to the extent applicable and comply with the accounting standards notified in the Companies (Accounting Standards) Rules 2006, to the extent applicable and current practices prevailing in the Insurance industry.

#### **2.2 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date, reported amount of revenue and expenses for the year 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 and assumptions 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. Premium is recorded for the policy period at the time of issuance of policy and for installment cases, it is recorded on installment due and received dates. 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 is recognised when right to receive dividend is established.

Accretion of discount and amortisation of premium, as the case may be, in respect of fixed income securities is amortised/ accreted 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 amortised 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, 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 reinsurance treaties, wherever



applicable, is recognised in the year of final determination of the profits and as intimated by the reinsurer.

#### **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, 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 represents that part of the net premium (i.e., premium, net of reinsurance ceded) in respect of each line of business which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and 50% in case of other line of business based on net written premium for the year as required by Section 64V(1)(ii)(b) of the Insurance Act, 1938.

#### **2.8 Premium deficiency**

Premium deficiency is recognised if the ultimate amount of expected net claim costs, related expenses and maintenance costs exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk. Premium deficiency is calculated by line of business. The Company considers maintenance costs as relevant costs incurred for ensuring claim handling operations.

#### **2.9 Claims incurred**

Claims are recognised as and when reported. Claims paid (net of recoveries including salvage) are charged to the respective revenue account when approved for payment. Recoveries from

sale of salvage are recognised at the time of sale. Amounts received/receivable from the re-insurers, under the terms of the reinsurance arrangement, are recognised together with the recognition of the claim.

Amounts received/receivable/paid/payable from/to the coinsurers, under the terms of the coinsurance arrangements, are also recognised together with the recognition of the claim.

#### **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 (formerly known as Actuarial Society of India) in concurrence with the IRDA, and accordingly liability 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:

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

##### **Income from investments and other income**

Income earned from investments and deposits and other incomes not related to Insurance business is allocated to the revenue accounts and the profit and loss account on the basis of funds available from insurance operations and 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 are taken to Revenue accounts and allocated on Gross 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 the rates and in the manner specified in the Schedule XIV of The Companies Act, 1956 whichever is higher.

Depreciation/Amortisation is provided at the following rates on pro-rata basis:

Assets	Depreciation rates
Information Technology Equipment	33.33%
Computer Software (Intangibles)	33.33%
Vehicles	20.00%
Office Equipment	20.00%
Furniture & Fixtures	20.00%
Air Conditioner (part of office equipments)	20.00%
Mobile Phones (part of Office Equipment)	50.00%
Electrical Fittings (part of furniture & fixtures)	20.00%
Leasehold Improvements	5 years or lease period whichever is less

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

## 2.13 Impairment of Assets

The Company assesses 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 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 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, 2000 and various other circulars / notifications / amendments issued by the IRDA 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.

### Valuation:

The investments are valued as follows:

### Debt Securities

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

### Equities (Listed & Actively Traded):

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

### Mutual Fund Units

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

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

Investments other than mentioned above are valued at cost.

## 2.15 Employee benefits

### (i) Long term benefits

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

#### (i-a) Defined-contribution plans

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

#### (i-b) Defined-benefit plans

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

### (ii) Short term benefits

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

The cost of compensated absences is accounted as under:-

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

### (iii) Leave encashment

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

## 2.16 Foreign currency transactions

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

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

## 2.17 Preliminary expenses

Preliminary expenses incurred had been written off to the Profit and Loss account.

## 2.18 Contributions to terrorism pool

In accordance with the requirements of the IRDA, 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 in accordance with the requirements of the Tariff Advisory Committee ('TAC') are ceded at 100% to the Terrorism Pool.

In accordance with the terms of the agreement, GIC retrocedes, to the Company, terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly confirmation received from GIC.

## 2.19 Contributions to Indian Motor Third Party Declined Risk Insurance Pool (DR Pool)

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

In accordance with the directions, every insurer shall underwrite a minimum percentage of standalone (liability only) commercial vehicle motor third party insurance, which shall be in proportion to the sum of 50% of the Company's percentage share in total gross premium and 50% of the total motor premium of the industry. Insurance companies can cede business risk which falls outside the insurer's underwriting guidelines to DR pool [75% of the risk (70% previous year)] after retaining 20% of the risk and ceding obligatory cession of 5% (10% previous year) of the risk to GIC. DR Pool shall be extinguished at the end of every underwriting year on clean cut basis, by transferring the

risk at par to the member companies who have not fulfilled their mandatory obligations and such transfer shall be in proportion of the shortfall of each member company.

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

#### **2.20 Contributions to other funds**

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

#### **2.21 Provision for taxation**

Tax expenses comprises of current 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.

#### **2.22 Share Issue expenses**

Share issue expenses are debited to the Profit and Loss account.

#### **2.23 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 over the lease period.

#### **2.24 Accounting for provisions and contingent liabilities**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **2.25 Service tax**

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

#### **2.26 Earnings per share**

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

## Notes to Accounts

### 3. Contingent Liabilities

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

Particulars	As on March 31, 2014	As on March 31, 2013
Partly paid-up Investments	Nil	Nil
Underwriting commitments outstanding	Nil	Nil
Claims other than those under policies not acknowledged as debts	Nil	Nil
Guarantees given by or on behalf of the Company	Nil	Nil
Statutory demands/liabilities in dispute, not provided for, in respect of		
• Service Tax	Nil	Nil
• Income Tax	Nil	Nil
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

4. All assets of the Company are free from any encumbrances other than investment under Section 7 of Insurance Act, 1938 which are held in Government of India Bonds amounting to ₹ 177,251 thousand (previous year ₹ 127,925 thousand). No Assets of the Company are subject to restructuring. 'Other deposit' under Schedule 12 - Advances and Other Assets, includes a fixed deposit of ₹ 1,721 thousand (previous year ₹ 1,598 thousand) as a security deposit for registration as per Rule 27 of Jammu & Kashmir Value Added Tax, 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 ₹ 13,654 thousand (previous year - ₹ 23,032 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

March 31, 2014, are in conformity with the IRDA 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:

Largely three different methods of IBNR calculation have been applied and the one which is giving appropriate results has been selected. The methods are:

1. Incurred Claims Chain Ladder Method,
2. Average Claim Cost Method and
3. Estimated Ultimate Loss Ratio Method

The above methods are among the commonly used methods for estimating IBNR and appropriate margins have been added wherever deemed necessary.

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

For lines other than Motor Third Party Commercial Vehicles and Weather Insurance products, the IBNR estimates have been derived using either Incurred Claims Chain Ladder Method or Average Claim Cost Method, depending on the availability of sufficient claims and appropriateness of the method.

For Motor Third Party Commercial Vehicles and Weather Insurance products, IBNR has been determined based on estimated ultimate loss ratio.

While analysing the claims pattern for the above exercises, large claims have been analysed separately and provision for IBNR is created where required.

### 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 ₹ 37,099 thousand (previous year - ₹ 21,816 thousand).

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

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

Claims outstanding for more than six month are ₹ 2,911,764 thousand (previous year - ₹ 2,302,327 thousand) out of total

outstanding of ₹ 4,884,415 thousand (previous year - ₹ 3,847,060 thousand).

### 8. Premium Deficiency

In accordance with Circular No.F&A / Cir / 017 / May-04 dated May 18, 2004, there is no premium deficiency at segment level in each of the fire (previous year - ₹ 9,214 thousand), marine and miscellaneous segments. Within the miscellaneous segment, however, there is a premium deficiency of ₹ 89,850 thousand (previous year - ₹ 148,409 thousand) in respect of the third party sub-segment in motor line of business.

### 9. Managerial Remuneration

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

Computation of Managerial Remuneration:

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salary, allowances and bonus (including contribution to fund )	19,138	15,147
Perquisites	Nil	Nil
Total	19,138	15,147

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

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

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

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

Business Sector	For the year ended March 31, 2014			For the year ended March 31, 2013		
	GWP (₹'000)	No. of Lives	% of GWP	GWP (₹'000)	No. of Lives	% of GWP
Rural	1,208,412	-	9.41	964,320	-	8.56
Social	5,217	107,568	0.04	1,502	118,372	0.01
Urban	11,634,209	-	90.55	10,297,498	-	91.43
Total	12,847,838	-	100.00	11,263,320	-	100.00

### 11. Extent of Risks Retained and Reinsured

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

Particulars	For the year ended March 31, 2014 (% age of business written)	For the year ended March 31, 2013 (% age of business written)
Risk retained	76	75
Risk reinsured	24	25
Total	100	100

12. Premium, less reinsurance, written from business concluded in India is ₹ 9,739,877 thousand (previous year ₹ 8,413,083 thousand) and outside India is \$Nil (previous year \$ Nil).

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

14. Statement showing the age-wise analysis of the Unclaimed amount of the Policyholders as on March 31, 2014 (with reference to IRDA circular no. IRDA/F&I/CIR/CMP/174/11/2010);

(₹'000)

Particulars	Total	AGE-WISE ANALYSIS (months) as on March 31, 2014						
		1-6	7-12	13-18	19-24	25 – 30	31 – 36	> 36
Claims settled but not paid to the Policyholders / insureds due to any reasons except under litigation from the insured / Policyholders	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
sum due to the insured / Policyholders on maturity or otherwise	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any excess collection of the premium / tax or any other charges which is refundable to the Policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	3,655	28	83	25	81	35	343	3,060
Cheques issued but not encashed by the Policyholder / insured	87,224	39,984*	11,299	9,510	10,394	3,062	3,778	9,197

\*Note: Of the total ₹ 39,984 thousand, ₹ 32,246 thousand does not form part of Unclaimed amount of Policyholders under Schedule 13.

(₹'000)

Particulars	Total	AGE-WISE ANALYSIS (months) as on March 31, 2013						
		1-6	7-12	13-18	19-24	25 – 30	31 – 36	> 36
Claims settled but not paid to the Policyholders / insureds due to any reasons except under litigation from the insured / Policyholders	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sum due to the insured / Policyholders on maturity or otherwise	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any excess collection of the premium / tax or any other charges which is refundable to the Policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	4,370	74	220	44	394	636	675	2,327
Cheques issued but not encashed by the Policyholder/ insured	65,328	34,531*	7,954	9,435	3,926	3,428	2,056	3,998

\*Note: Of the total ₹ 34,531 thousand, ₹ 25,537 thousand does not form part of Unclaimed amount of the Policyholders under Schedule 13.

## 15. Employees Benefit Plans

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

### Defined Benefit Plan – Gratuity

In accordance with Accounting Standard 15, actuarial valuation was done in respect of the defined benefit plan of gratuity based on the following assumptions:-

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Discount Rate (per annum)	9.10%	8.20%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	8.50%	8.50%
Expected Average remaining working lives of employees (years)	19	20

(₹ '000)

A)	Changes in the Present Value of Obligation	Year Ended March 31, 2014	Year Ended March 31, 2013
	Present Value of Obligation at the beginning of the year	29,126	14,309
	Interest Cost	2,286	1,128
	Current Service Cost	8,457	7,611
	Benefits Paid	(2,492)	(2,066)
	Actuarial (gain)/loss on obligations	(233)	8,142
	Present Value of Obligation as at March 31	37,144	29,126

(₹'000)

B)	Changes in the Fair Value of Plan Assets	Year Ended March 31, 2014	Year Ended March 31, 2013
	Present Value of Plan Assets at the beginning of the year	22,082	14,964
	Difference in opening balance	-	-
	Expected Return on Plan Assets	2,515	1,184
	Actuarial gains/(loss) on Plan Assets	217	-
	Contributions	17,500	8,000
	Benefits Paid	(2,492)	(2,066)
	Fair Value of Plan Assets at March 31	39,822	22,082

(₹'000)

C)	Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets	Year Ended March 31, 2014	Year Ended March 31, 2013
	Present Value of Obligation as at March 31	37,144	29,126
	Fair Value of Plan Assets as at March 31	39,822	22,082
	Funded Status	2,678	(7,044)
	Present Value of unfunded Obligation as at March 31	-	7,044
	Net Asset / (Liability) recognised in Balance Sheet	2,678	(7,044)
	Included in Advances recoverable in cash or in kind under schedule 12 (previous year figure in included in other provisions under Schedule 14)		

(₹'000)

D)	Amount recognised in the Balance Sheet	Year Ended March 31, 2014	Year Ended March 31, 2013
	Present Value of Obligation as at March 31	(37,144)	(29,126)
	Fair Value of Plan Assets as at March 31	39,822	22,082
	Net Asset / (Liability) recognised in Balance Sheet	2,678	(7,044)

Included in Advances recoverable in cash or in kind under schedule 12 (previous year figure in included in other provisions under Schedule 14)



E)	Expenses recognised in the Revenue Account	Year Ended March 1, 2014	Year Ended March 31, 2013
	Current Service Cost	8,457	7,611
	Past Service Cost	-	-
	Interest Cost	2,286	1,128
	Expected Return on Plan Assets	(2,515)	(1,184)
	Curtailement Cost / (Credit)	-	-
	Settlement Cost / (Credit)	-	-
	Net actuarial (gain) / loss recognised in the Year	(450)	8,142
	Total expenses recognised in the Revenue account (Included in Employees remuneration and welfare benefits in Schedule 4)	7,778	15,698

F)	Experience adjustments of five years	Year Ended March 31, 2014				
		2014	2013	2012	2011	2010
	Present Value of Obligation as at March 31	37,144	29,126	14,309	12,733	7,083
	Fair Value of Plan Assets as at March 31	39,822	22,082	14,964	9,124	6,678
	Surplus/(Deficit)	2,678	(7,044)	654	(3,609)	(405)
	Experience adjustments on plan liabilities	1,999	7,560	(1,570)	(190)	(323)
	Experience adjustments on plan assets	(217)	-	46	33	41

#### Leave Encashment

Based on actuarial valuation at the end of the year, leave encashment has been provided at ₹ 23,955 thousand (previous year - ₹ 19,272 thousand).

#### 16. Segment Reporting

The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. The operating expenses, investment and other income attributable to the business segments are allocated as mentioned in paragraph 2.11 respectively. Segment revenue and results have been disclosed in the financial statements. Segment assets and liabilities have been identified to the extent possible in the statement annexed hereto. There are no reportable geographical segments since the Company provides services to customers in the Indian market only / Indian interests overseas and does not distinguish any reportable regions within India.

#### 17. Related Party Disclosure

Related Party Disclosures have been set out in a separate statement annexed to this schedule. The related parties, as defined in Accounting Standard 18 'Related Party Disclosures' in accordance with the Companies Act, 1956 ('The Act') to the extent applicable and comply with the accounting standards notified in the Companies (Accounting Standards) Rules, 2006 in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons and taken on record by the Board.

#### 18. Lease

##### Operating lease commitments:

The Company's significant leasing arrangements include agreements for office and residential premises. These lease agreements are cancelable after a period of six months to three years at the option of the Company. The future minimum lease payments relating to these leases are disclosed below:

(₹ '000)

Particulars	As at March 31, 2014	As at March 31, 2013
Payable not later than one year	70,001	61,402
Payable later than one year but not later than five years	27,626	48,624
Payable later than five years	Nil	Nil

- Amount charged to revenue accounts for lease is ₹ 152,916 thousand (previous year - ₹ 140,404 thousand).
- There are no transactions in the nature of sub leases.
- The period of agreement is as per the understanding between the licensor and the licensee.

### 19. Contribution to Indian Motor Third Party Declined Risk Insurance Pool (DR Pool)

The Company is a participant in and has received the Declined Pool retrocession of premium in the current financial year. Accordingly as per the statement received from General Insurance Corporation (GIC), the Company has recognised the pool retrocession up to 9 months ended December 31, 2013, the accounts for which were received till end of the financial year. The Company has accounted for its share in Declined Risk Pool for the 3 months period, January 2014 to March 2014 on provisional basis based on management estimate.

### 20. Contribution to Motor Third Party Pool

In the last financial year, the Company decided to exercise the option given under paragraph 3(b) of the IRDA Order no. IRDA/F&A/ORD/MTPP/070/03-2012, dated March 22, 2012, in respect of the accounting treatment of Transitional Liability. As per this, the total amount of ₹ 748,092 thousand as on March 31, 2012, was amortised over a period of three years. Accordingly, ₹ 249,364 thousand (representing one-third of ₹ 748,092 thousand) has been charged to the revenue account for this financial year (previous year - ₹ 249,364 thousand).

### 21. Contribution to Terrorism Pool

The Company is a participant in and has received the Terrorism Pool retrocession of premium in the current financial year. Accordingly, as per the statement received from the Pool managers, the Company has recognised the pool retrocessions for the quarters ended March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013, the accounts of which were received till the end of the financial year.

### 22. Contribution to Environment Fund

The Company has collected an amount of ₹ 2,275 thousand (previous year - ₹ 1,995 thousand) towards Environment Fund from public liability policies. The Company has paid all the funds collected towards Environment Fund up to February 28, 2014 and the balance payable ₹ 212 thousand (previous year - ₹ 122 thousand) has been disclosed under the head current liabilities in schedule 13.

### 23. Solatium Fund

In accordance with IRDA's requirement and based on the recommendations made by the General Insurance Council vide

letter, dated July 26, 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.

### 24. Earning Per Share ('EPS')

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

Particulars	(₹'000)	
	As at March 31, 2014	As at March 31, 2013
Profit/(Loss) after Tax		
Basic earnings before extra-ordinary items [A]	396,158	(196,952)
Basic earnings after extra-ordinary items [B]	396,158	(196,952)
Weighted average no. of equity shares (par value of ₹ 10 each) [C]	710,000,000	545,917,808
Basic & Diluted earnings per share (₹) [A/C]	0.56	(0.36)

### 25. Taxation

The Company carries on General Insurance business and hence the provision of section 44 and First Schedule to the Income Tax Act, 1961 are applicable for computation of Profits and Gains of its business. No provision for taxation has been made in the accounts since the Company does not have any taxable income in the current accounting year. Further as a matter of prudence, the Company deems it proper not to recognise deferred tax assets.

### 26. Share Application

As at the end of the year, share application money against which shares are yet to be allotted is ₹ Nil (previous year - ₹ Nil).

27. 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 March 31, 2014 as follows:

Sr. No	Particulars	Year Ended March 31, 2014 ( ₹'000)	Year Ended March 31, 2013 ( ₹'000)
a)	i) Principal amount remaining unpaid to supplier under the MSMED ACT 2006.	142	525
	(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 the succeeding years	Nil	Nil

28. Penalties levied by various Government Authorities during FY 2013-14

Sr. No	Authority	Non-Compliance/ Violation	Amount in ₹'000		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	NA (NA)	500 (NIL)	500 (NIL)	NIL (NIL)
2	Service Tax Authorities	NA (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
3	Income Tax Authorities	NA (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4	Any other Tax Authorities	NA (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5	Enforcement Directorate/Adjudicating Authority/ Tribunal or any Authority under FEMA	NA (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
6	Registrar of Companies/NCLT/CLB/Department of Corporate Affairs or any Authority under the Companies Act, 1956	NA (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	NA (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
8	Securities and Exchange Board of India	NA (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
9	Competition Commission of India	NA (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
10	Any other Central/State/Local Government/ Statutory Authority	NA (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

Figures in brackets represent previous year's figures.

29. During the year, foreign exchange gain/(loss) incurred by the Company is ₹ 59 thousand (previous year ₹ 100 thousand).

30. Statement showing details of the repo and reverse repo transactions during the year (with reference to the IRDA circular IRDA/F&I/CIR/INV/250/12/2012)

(₹'000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2014
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	50,052 (Nil)	50,052 (Nil)	50,052 (Nil)	50,052 (Nil)

Figures in brackets represent previous year's figures.

31. The summary of the financial statements for the last five years and the ratios required to be furnished have been set out in the statement annexed hereto.

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

(₹'000)

Particulars	Amount regrouped	Reasons
In schedule 2, from direct claim paid to claim paid reinsurance accepted	51,233	Claim paid towards reinsurance accepted shown separately
In schedule 3, from direct commission paid to commission paid reinsurance accepted	12,262	Commission paid towards reinsurance accepted shown separately
In schedule 4, operating expenses from fire to miscellaneous line of business	173,904	Change in expense allocation methodology to net written premium basis
In schedule 4, operating expenses from marine to miscellaneous line of business	54,031	Change in expense allocation methodology to net written premium basis
From schedule 10, Bank balance-a) Deposit Accounts-aa) Short term to schedule 8, under long term investments -3. (e) Other Securities (incl. Fixed deposits)	449,500	Regrouping of Fixed deposits, which are part of total investments.
From schedule 10, Bank balance-a) Deposit Accounts-bb) Others to schedule 8, under short term investments -3. (e) Other Securities (incl. Fixed deposits)	99,800	Regrouping of Fixed deposits, which are part of total investments.
From schedule 13, Statutory dues to schedule 12, Advances recoverable in cash or kind	7,369	Regrouping of advance payment of service tax

As per our report on even date

For and on behalf

For and on behalf of The Board of Directors

For M.M. Nissim And Co.  
Chartered Accountants  
Firm Registration No. 107122W

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

sd/-  
G.N Bajpai  
Chairman  
(DIN: 00946138)

sd/-  
K.K Rathi  
Director  
(DIN: 00040094)

sd/-  
K.G. Krishnamoorthy Rao  
Managing Director & CEO  
(DIN: 02795933)

sd/-  
Sanjay Khemani  
Partner  
Membership No. 044577

sd/-  
M.P. Chhajed  
Partner  
Membership No. 049357

sd/-  
Easwara Narayanan  
Chief of Operations & Finance

sd/-  
Manish Pahwa  
Company Secretary

Place: Mumbai

Dated: May 12, 2014

Annexure to Schedule 16 - Notes to accounts and forming part of the financial statements for the year ended March 31, 2014 (Refer Note no. 16)

Segmental Break up of the Balance Sheet item as at March 31, 2014  
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	Motor	Fire	Marine		Misc	Total
			Cargo	Others		
<b>Premium Received in Advance</b>	<b>46,734</b>	-	-	-	<b>6,875</b>	<b>53,609</b>
	29,959	-	-	-	4,965	34,924
<b>Net Claims Outstanding</b>	<b>6,326,962</b>	<b>265,632</b>	<b>138,427</b>	-	<b>707,847</b>	<b>7,438,867</b>
	4,905,085	193,734	83,361	-	492,788	5,674,968
<b>Reserve for Unexpired Risk</b>	<b>3,550,811</b>	<b>334,501</b>	<b>117,597</b>	-	<b>1,213,325</b>	<b>5,216,235</b>
	2,864,150	255,964	94,835	-	1,159,776	4,374,725
<b>Solatium Fund</b>	<b>6,658</b>	-	-	-	-	<b>6,658</b>
	4,582	-	-	-	-	4,582

Figures in bold represents Current year figures (March 31, 2014)

Annexure to Schedule 16 - Notes to accounts and forming part of the financial statements for the year ended March 31, 2014 (Refer Note no. 31)

Summary of Financial Statements for the year ended March 31, 2014

(₹ '000 except per share data)

Particulars	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10
<b>Operating Results</b>					
Gross Written Premium	13,029,697	11,512,945	10,336,151	6,605,943	4,180,728
Net Premium Income (net of reinsurance)	8,889,153	7,390,979	5,213,294	3,291,168	1,874,753
Income from Investments (net of losses)	949,669	735,710	476,696	238,842	78,831
Miscellaneous Income	5,182	1,571	2,071	859	587
<b>Total Income</b>	9,844,004	8,128,260	5,692,061	3,530,869	1,954,171
Commissions	178,771	165,173	(16,618)	(133,281)	(172,561)
Operating Expenses	2,837,291	2,542,692	2,359,878	1,933,234	1,429,447
Claims, PDR and other outgoes	6,829,273	5,925,350	4,097,258	2,782,698	1,693,931
<b>Operating Profit/Loss</b>	(1,331)	(504,955)	(748,457)	(1,051,782)	(996,647)
Non-Operating Results	-	-	-	-	-
Total income under Shareholder's Account	396,195	308,003	233,933	156,583	99,607
Profit before Tax	396,195	(196,952)	(514,524)	(895,199)	(897,041)
Provision for Tax (Fringe Benefit Tax)	-	-	-	-	-
<b>Profit after Tax</b>	396,195	(196,952)	(514,524)	(895,199)	(897,041)
<b>Miscellaneous</b>					
<b>Policyholder's Account</b>					
Total Funds	-	-	-	-	-
Total Investments	-	-	-	-	-
Yield on Investments	-	-	-	-	-
<b>Shareholder's Account</b>					
Total Funds	3,947,707	3,549,758	2,794,068	2,135,945	1,006,623
Total Investments	14,936,671	12,951,531	9,301,826	6,018,481	2,759,949
Yield on Investments	9.25%	9.33%	9.09%	8.75%	8.81%
Paid-up Equity Capital	7,100,000	7,100,000	5,200,000	4,750,000	2,800,000
Net Worth	3,947,705	3,549,758	2,794,068	2,135,945	1,006,623
<b>Total Assets (Gross of current liabilities and provisions)</b>	18,100,975	16,159,255	13,905,409	8,325,743	4,302,763
Yield on Total Investments	9.25%	9.33%	9.09%	8.75%	8.81%
Earning per share	0.56	(0.36)	(1.03)	(2.42)	(3.73)
Book Value per share	5.56	5.00	5.37	4.50	3.60
Total Dividend	-	-	-	-	-
Dividend per share	-	-	-	-	-

Future Generali India Insurance Company Limited  
IRDA Registration No 132. dated September 4, 2007  
Annexure to Schedule 16 Notes to Accounts note no.17 and forming part of Financial Statements For the Year Ended March 31, 2014  
Related Party Disclosures under AS 18 of ICAI (For the Year Ended March 31, 2014)

Sr. no.	Related Party	Relationship	Nature of transaction	For the ended March 31, 2014		For the ended March 31, 2013	
				Amount (₹'000)	Outstanding amounts carried to balance sheet. payable(receivable) (₹'000)	Amount (₹'000)	Outstanding amounts carried to balance sheet. payable(receivable) (₹'000)
1	Future Retail Limited (Formerly known as Pantaloon Retail (India) Ltd.	Joint Venture Promoter	Rent & Maintenance for premises hired	716	4,473	2,641	4,473
			Rent Deposits received (Net)	-	(2,591)	471	(2,591)
			Insurance Premium received	1,237	-	2,381	-
			Other transactions	5	(2)	-	3
			Insurance Claims paid	128	165	415	165
			Unallocated Premium	-	163	-	393
			Equity Shares Issued	-	-	484,500	-
2	Assicurazioni Generali SpA	Promoter Group Co.	Reinsurance premium paid/payable	176,703	27,137	160,363	229,247
			Commission on reinsurance ceded	29,326	(6,351)	32,699	(52,106)
			Claims recovery on reinsurance	68,994	(18,470)	81,867	(140,762)
3	Participatie Maatschappij Graafsschap Holland N.V	Joint Venture Promoter	Equity Shares issued	-	-	484,500	-
4	Shendra Advisory Services Private Limited	Joint Venture Promoter	Equity Shares issued	-	-	931,000	-
5	K G Krishnamoorthy Rao	MD & CEO	Remuneration for the year	19,138	-	15,147	-
			Insurance Premium received	30	-	-	-
6	Future Generali India Life Insurance Co. Ltd.	Enterprise owned by major Shareholders	Operating expenses	22,161	8,841	43,833	3,432
			Rent Deposits received (Net)	(230)	-	2,003	-
			Other transactions	8	-	529	-
			Insurance Premium received	162	-	770	-
			Insurance Claims paid	23	-	47	1,000
			Insurance Premium paid	-	-	1,492	-
			Unallocated Premium	-	186	-	818



Future Generali India Insurance Company Limited  
IRDA Registration No 132. dated September 4, 2007  
Receipts and payments for the year ended March 31, 2014

(₹ '000)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Cash Flow from Operating Activities</b>		
Premium received from Policyholders, including advance receipts and service tax	14,442,729	13,058,717
Payment to Reinsurers, net of commissions and claims	(1,470,599)	(1,209,254)
Payment to Coinsurers, net of claims recovery	(178,678)	(210,659)
Payment of Claims	(6,837,848)	(5,365,439)
Payment of Commission and Brokerage	(609,175)	(614,260)
Payment of other Operating Expenses net of Misc Income	(2,780,529)	(2,388,639)
Income Tax paid (Net)	(463,407)	(389,207)
Service Tax paid	(1,143,230)	(990,913)
Fringe Benefit Tax paid	-	-
Security Deposits paid	(7,784)	(28,744)
Cash Flow before Extraordinary items	951,479	1,861,601
Cash Flow from Extraordinary operations	-	-
<b>Net Cash Flow From Operating Activities</b>	951,479	1,861,601
<b>Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets	(71,102)	(72,047)
Proceeds from Sale of Fixed Assets	505	2,201
Purchase of Investments	(5,989,701)	(9,386,302)
Loan Disbursed	-	-
Sale of Investments	3,991,800	5,547,559
Rent/Interests/Dividends received	1,146,470	833,244
Deposit under Section 7 of the Insurance Act, 1938	-	-
Investment in money market instruments and in liquid mutual fund (Net)	97,940	245,885
Expenses related to investments	(2,926)	(2,116)
<b>Net Cash Flow from Investment Activities</b>	(827,014)	(2,831,576)
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issuance of Share Capital	-	950,000
Proceeds from Share Application money, pending allotment	-	-
Net Cash Flow from Financing Activities	-	950,000
Effect of foreign exchange rates on cash and cash equivalents, net	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents during the period	124,465	(19,975)
Cash and Cash Equivalent at the beginning	258,463	278,438
<b>Cash and Cash Equivalent at the end</b>	382,928	258,463

The form referred to above forms an integral part of the Financial Statements

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

Annexure to Schedule 16 Notes to Accounts note no 31 and forming part of Financial Statements for the year ended March 31, 2014  
Ratios for the year ended March 31, 2014

S.No.	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
1	Gross Direct Premium Growth Rate	14%	20%
	Fire	10%	26%
	Marine	-6%	38%
	Accident & Health	-10%	15%
	Engineering	7%	28%
	Liability	8%	18%
	Motor (OD)	16%	22%
	Motor (TP)	10%	4%
	Motor (Total)	14%	16%
	Workmen Compensation	28%	34%
	Others	127%	70%
	Miscellaneous (Total)	16%	19%
2	Gross Direct Premium to Net Worth	320%	311%
3	Growth rate of Net Worth	11%	27%
4	Net Retention Ratio	75%	73%
	Fire	28%	24%
	Marine	46%	35%
	Accident & Health	76%	74%
	Engineering	38%	34%
	Liability	44%	42%
	Motor (OD)	95%	90%
	Motor (TP)	95%	90%
	Motor (Total)	95%	90%
	Workmen Compensation	95%	90%
	Others	36%	60%
	Miscellaneous (Total)	82%	82%
5	Net Commission Ratio	2%	2%
	Fire	-15%	-22%
	Marine	4%	-5%
	Accident & Health	4%	5%
	Engineering	-17%	-23%
	Liability	20%	16%
	Motor (OD)	6%	6%
	Motor (TP)	-1%	-1%
	Motor (Total)	4%	3%
	Workmen Compensation	9%	8%
	Others	-17%	-2%
	Miscellaneous (Total)	3%	3%
6	Expense of Management to Gross Direct Premium	28%	29%
7	Expense of Management to Net Written Premium	37%	38%
8	Net Incurred Claims to Net Earned Premium	77%	80%
9	Combined Ratio	108%	112%
10	Technical Reserves to Net Premium Ratio	130%	119%
11	Underwriting Balance Ratio	-11%	-17%
12	Operating Profit Ratio	0%	-7%
13	Liquid Assets to Liabilities Ratio	10%	10%
14	Net Earning Ratio	4%	-2%
15	Return on Net Worth Ratio	10%	-6%
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio	1.62	1.78

S.No.	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
17	NPA Ratio		
	Gross NPA Ratio	NA	NA
	Net NPA Ratio	NA	NA

#### Equity Holding Pattern

1	(a) No. of shares	710,000,000	710,000,000
2	(b) Percentage of shareholding (Indian / Foreign)	74.5% ; 25.5%	74.5% ; 25.5%
3	(c) %of Government holding (in case of public sector insurance companies)	NA	NA
4	(a) Basic and diluted EPS before extraordinary items (net of tax expense) for the year	0.56	-0.36
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the year	0.56	-0.36
6	(iv) Book value per share (₹)	5.56	5.00

The ratios has been calculated as per the IRDA Circular No. IRDA/F&I/CIR/F&A/231/10/2012, dated October 5, 2012 & IRDA/F&A/CIR/FA/126/07/2013, dated July 3, 2013

Future Generali India Insurance Company Ltd.  
(IRDA Regn. No. 132) (CIN:U66030MH2006PLC165287)  
Regd. & Corp. Office: Indiabulls Finance Centre,  
Tower 3, 6<sup>th</sup> floor, Senapati Bapat Marg,  
Elphinstone, Mumbai – 400013.  
Call: 1800 102 2355, Fax: 022 - 4097 6600  
[www.futuregenerali.in](http://www.futuregenerali.in)

Insurance is the subject matter of the solicitation.



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TOTAL INSURANCE SOLUTIONS