

Future Generali India Insurance Company Limited
general.futuregenerali.in



Annual Report | **2018-19**

Amplifying **Strengths.** Accelerating **Growth.**



Corporate Information

BOARD OF DIRECTORS

G. N. Bajpai - Chairman

Non-Executive Director

Kishore Biyani

Non-Executive Director

Vijay Biyani

Non-Executive Director

Krishan Kant Rath

Non-Executive Director

Hayden Seach

Non-Executive Director

(Resigned w.e.f. May 14, 2019)

Jennifer Sparks

Non-Executive Director

Bhavna Doshi

Independent Director

Devi Singh

Independent Director

Abhinandan K. Jain

Independent Director

Sanjay Jain

Non-Executive Director

(Appointed w.e.f. October 04, 2018)

Anup Rau Velamuri*

Managing Director &

Chief Executive Officer (CEO)

(Appointed w.e.f. May 14, 2019)

K. G. Krishnamoorthy Rao

Managing Director &

Chief Executive Officer

(Resigned w.e.f. November 17, 2018)

**The Appointment is subject to IRDAI and Shareholders' approval*

KEY MANAGEMENT PERSONS

Anup Rau Velamuri*

Managing Director & CEO

(Appointed w.e.f. May 14, 2019)

Shreeraj Deshpande

Principal Officer & CEO (Officiating)

(Appointed w.e.f. November 17, 2018)

Ajinkya Bannore

Company Secretary

(Appointed w.e.f. November 02, 2018)

(Resigned w.e.f. February 15, 2019)

Devi Dayal Garg

Chief Financial Officer

(Appointed w.e.f. February 15, 2019)

Rajiv Joshi

Sr. Vice President & Head-Legal,

Compliance & Secretarial

(Appointed w.e.f. February 15, 2019)

K. G. Krishnamoorthy Rao

Managing Director &

Chief Executive Officer

(Resigned w.e.f. November 17, 2018)

Easwara Narayanan

Chief Operating Officer

(Resigned w.e.f. November 13, 2018)

Ritesh Jiwrajka

Head of Finance

(Re-designated as the Head of Finance

w.e.f. February 15, 2019)

Ashwani Kumar Arora

Appointed Actuary

Deepak Prasad

EVP & Head - Corporate Sales

Raghavendra Rao

EVP & Head - Retail Sales

Ritu Sethi

SVP & Head - Internal Audit

Anurag Sinha

EVP & Head - Bancassurance

Ajay Panchal

Chief Risk Officer

Krishnan Gopalakrishnan

Company Secretary and Principal

Compliance Officer

(Resigned w.e.f. May 12, 2018)

Milan P. Shirodkar

Chief of Investments

**The Appointment is subject to IRDAI and Shareholders' approval*

INVESTMENT COMMITTEE

G. N. Bajpai - Chairman

Krishan Kant Rath - Member

Anup Rau Velamuri - Member*

Ajay Panchal - Member

Devi Dayal Garg - Member*

Ashwani Kumar Arora - Member

Milan P. Shirodkar - Member

**Inducted as a member on May 14, 2019*

POLICYHOLDERS' PROTECTION COMMITTEE

G. N. Bajpai - Chairman

Krishan Kant Rath - Member

Sandip Tarkas - Expert Representative of Customer

RISK MANAGEMENT COMMITTEE

G. N. Bajpai - Chairman

Krishan Kant Rath - Member

ETHICS AND COMPLIANCE COMMITTEE

G. N. Bajpai - Chairman

Krishan Kant Rath - Member

NOMINATION AND REMUNERATION COMMITTEE

Bhavna Doshi - Chairperson

G. N. Bajpai - Member

Devi Singh - Member

Krishan Kant Rath - Member

Abhinandan K. Jain - Member

AUDIT COMMITTEE

Bhavna Doshi - Chairperson

G. N. Bajpai - Member

Devi Singh - Member

Abhinandan K. Jain - Member

CSR COMMITTEE

Devi Singh - Chairman

Krishan Kant Rath - Member

BANKING AFFAIRS COMMITTEE

Krishan Kant Rath - Chairman

Anup Rau Velamuri - Member*

**Inducted as a member on May 14, 2019*

SHARE TRANSFER AND ALLOTMENT COMMITTEE

G. N. Bajpai - Chairman

Anup Rau Velamuri - Member*

Krishan Kant Rath - Member

**Inducted as a Member on May 14, 2019*

REGISTRAR & TRANSFER AGENTS

Link Intime Private Limited

C-101, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai - 400 083

CORPORATE IDENTIFICATION NUMBER

U66030MH2006PLC165287

IRDAI REGISTRATION NUMBER

132

REGISTERED OFFICE

Indiabulls Finance Centre

Tower 3, 6th Floor, Senapati Bapat

Marg, Elphinstone Road (West),

Mumbai - 400 013

Telephone : 022 - 4097 6666

Fax : 022 - 4097 6900

Email : fgcare@futuregenerali.in

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

STATUTORY AUDITORS

Khandelwal Jain & Co.

Chartered Accountants

M. M. Nissim & Co.

Chartered Accountants

SECRETARIAL AUDITORS

Anish Gupta & Associates

Company Secretaries

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Our unrelenting focus on customer services backed by digital technologies, while building on our parent company's expertise has created an organisation with strong fundamentals and market reputation.

Our business now comprises a range of customer-centric products and processes, extensive multi-channel distribution networks and a team of talented people having a customer-first approach. The consolidation of our strengths is leading to better opportunities and value creation for all stakeholders, especially the customers, who are at the core of our strategy. It has laid a strong foundation for future growth.

We are now scaling our initiatives to accelerate growth profitably and thrust ourselves into the top five general insurance companies. We are doing this by intensifying our digital strategy and adopting a digital-first approach to serve the evolving customer preferences. We are consolidating our distribution strength and adopting novel means of reaching out to masses. We are launching products that are innovative and relevant to customers' needs. And above all, continuously undertaking measures to improve customer experiences across all touchpoints.

We are confident that we shall deliver a strong and balanced performance and meet the expectations of our stakeholders.



A Digital-Led Organisation, Accelerating Growth with Customers in Mind

We are one of India's leading general insurers focussed on meeting the diverse general insurance needs with our customer-centric products and award-winning services. We bring to fore our capabilities to anticipate and exceed customer expectation with superior experiences evident in our industry-low grievance ratio and high Net Promoter Score (NPS) of 53.7*.

*in FY 2018-19



16 Lakhs+

Active customers

125

Branches

1,900+

Employees

250

Products

88%

Claims settlement ratio

12th

Ranked 12th among private general insurers in terms of Gross Direct Premium in FY 2018-19

Our ambition

Vision

To actively protect and enhance people's lives.

Mission

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

Values

1

Deliver on promise

Build trust and long-term relationships by working towards improving customers' lives.

2

Value our people

Promote continuous learning and growth culture to develop people and ensure Company's long-term future.

3

Live the community

Build strong, sustainable and long-lasting relations in markets where we operate.

4

Be open

Always ready to learn and look things from different perspective.

All numbers are as on March 31, 2019

Catalysing our growth is...



Our parentage



- **Generali:**
188-year-old insurance group with a global network



- **Future Group:**
Pioneers and game-changers of organised retail in India



Our multi-channel and multi-location architecture

- Pan-India presence
- Direct marketing
- Agents
- **Corporate partners:**
General Motors, Bharat Petroleum, Bajaj Energy, Schlumberger, Fab India, L&T, Ricoh, JSW Steel, DuPont, Mitsubishi, Renault, Firefox, Yo Bikes, Hyundai, Fiat and Nissan
- **Bancassurance partners:**
Lakshmi Vilas Bank, PMC Bank, Prathama U.P. Gramin Bank, Sarva U.P. Gramin Bank, Bank of Maharashtra and UCO Bank
- **Reinsurance partners:**
GIC, Munich Re, Swiss Re, Scor Re, National Indemnity, Hannover Re, CCR Paris and Generali (Italy)



Our customer-centric approach

- Customer-centric products and processes
- Seamless services across value chain using pioneering technologies
- Promoting customer service culture
- ISO 9001:2008 (quality), ISO/IEC 27001:2013 (information security) and ISO 10002:2014 (grievance redressal) certified

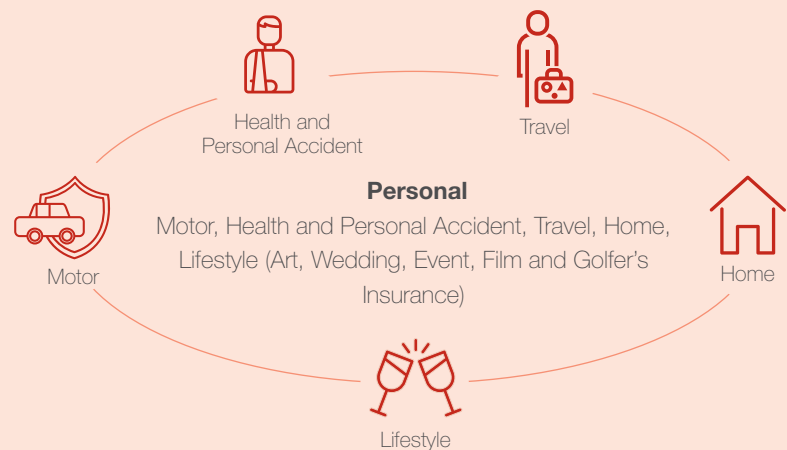


Our IT prowess

- Dedicated team for digital-first strategy
- Pioneering solutions
- Agents Virtual Office: Remote policy issue by agent
- i-MoSS and i-VISS: Virtual vehicle damage assessment



Our diversified portfolio



Commercial

Property – Fire & allied perils, AOG perils, terrorism, burglary, Marine, Engineering – Construction and Operational Insurance, Liability, Employee Risks, Event

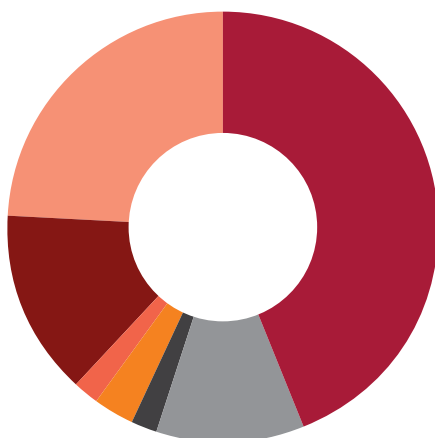


Social/Rural

Farmers' Package, Cattle and Livestock, Janata Personal Accident

Delivering Sustainable High-Quality Performance

Business-wise Gross Written Premium (GWP) break-up, FY 2018-19



Motor	Fire	Liability	Marine	Engineering	Accident and Health (A&H)	Miscellaneous
₹ 1,143 Crore	₹ 300 Crore	₹ 49 Crore	₹ 72 Crore	₹ 42 Crore	₹ 360 Crore	₹ 635 Crore
44%	11%	2%	3%	2%	14%	24%

₹ 2,601 Crore	₹ 1,083 Crore	₹ 3,629 Crore	107%	1.54 times
Gross written premium 33%*	Net Claims Paid 12%*	Assets Under Management 21%*	Combined Ratio 0.10%*	Solvency -0.15 times
↑	↑	↑	↑	↓

Operational performance highlights, FY 2018-19

18 Lakhs No. of policies issued	60 Lakhs No. of transactions managed	53.7 Net Promoter Score
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* % growth over FY 2017-18

Awards endorsing our excellence

- **IES Excellence Award** (April 2018) by the Institute of Economic Studies (IES) for Quality, Innovation and Management
- **Times Network National Award** for Excellence in Healthcare (July 2018) under the category – Best Customer Service in Health Insurance
- **Insurance Asia Awards** (August 2018) under the category – Claims Initiative of the Year, India – recognising efforts to navigate market challenges while keeping clients satisfied and maintaining healthy revenues
- **Won Silver in the most coveted Stevie Awards** for Sales and Customer Service 2019 in the categories of – Best Customer Feedback Strategy (Across All Industries) and innovation In Customer Service (Financial Services Industries)
- **ET Now Sales Champion Award** for the Year 2018 in general insurance category
- **ET Now CSR Leadership Award** under the category of Community Development for the CSR initiative of Comprehensive Day Care Programme for children living at construction sites
- **Medallia Expy Customer Awards** 2018 under the category – Optimise Every Experience – for creating impactful customer experiences
- **Golden Star Awards** for Best Insurance Brand under the categories – Claims Service Leader (Health Insurance) and Best Product Innovation (Health Total)
- **Winner of the prestigious Asia's Banking, Financial Service & Insurance Excellence Awards** under the category – company with Highest Claim Settlement (Health Insurance) at the CMO Asia Awards Ceremony, Singapore
- **Best Product Launch PR Campaign of the Year Award** for 2018 by Corp Comm & PR Excellence Awards for PR campaign around WhatsApp policy delivery system



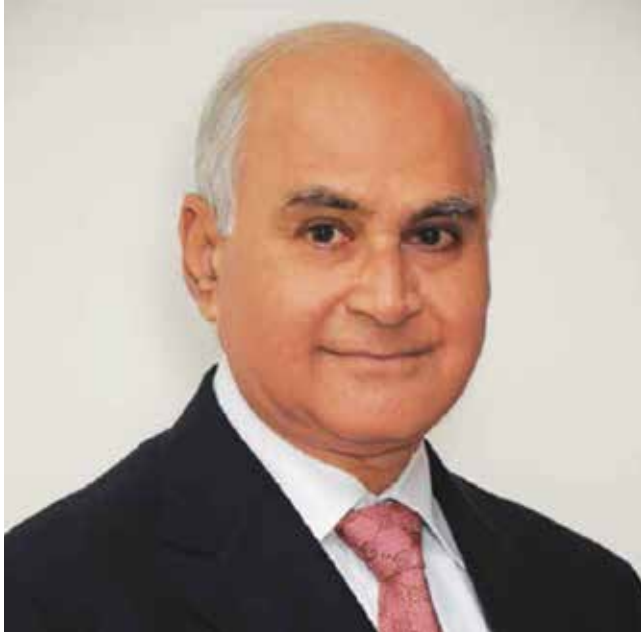
- **Best Customer-centric Company and Customer-centric Team of the Year Award** at Customer Experience Award 2019 for achievements across a cross-section of industries
- **IBAI's – 'Most broker-friendly insurer – 2019 top quartile'** – recognised through extensive e-survey conducted of all broker members to rate insurers on various parameters relevant for policyholders
- **ET Now Banking, Financial Services & Insurance Awards, 2019** under the categories – Claims Technology and Fraud Prevention Initiative in Health Insurance recognising outstanding achievements in the BFSI sector and focusses on best-of-the-best practices based on performance, strategy, and innovations
- **Gold Award for Best-in-Class Contact Centre** (Under 100 Seats) category and a Silver Award for the Best People and Culture category at Customer Contact Week Asia Excellence Awards 2019
- **Best CSR Impact Award** at UBS Forum CSR Summit & Award 2018 for our CSR initiative of village adoption recognising efforts towards customer-centricity, innovation and passion to transform the society
- **Best Claims Team of the Year and Customer Care Initiative** of the Year 2018 under the BFSI category



We are operating in a very competitive environment. Our efforts in cost management, prudent underwriting, and effective capital allocation led to profitable growth and strong Return on Equity at 16%. Our Assets Under Management grew 21% from ₹ 2,992 Crore as on March 31, 2018 to ₹ 3,629 Crore as on March 31, 2019. We owe the healthy performance to our sustained focus on charting out right and profitable business growth. We will continue to build on this momentum.

Devi Dayal Garg, Chief Financial Officer

From the Chairman's Desk



We witnessed strong acceleration in growth across most segments along with improvement in the loss ratio led by disciplined underwriting, re-evaluation of business and geographical strategies, and continuous adoption of technology.

Dear Stakeholders,

We are operating in a volatile external environment. Multiple global events like trade wars, interest rate cuts, capital market fluctuations and geopolitical tensions are unfolding the socio-political-economic uncertainty. Adding on to these are the new age challenges of cybersecurity. We entered the year 2019 with the Global Uncertainty Index reaching record levels.

In India too, there have been rising unfortunate events of natural calamities, cyberattacks and frauds along with threats emanating from the global market interlinkages. As we move forward, there is a probability of rising uncertainties. While the risks remain, a good sign for the Indian economy is the re-election of the existing Central Government with a massive mandate. It entails a stable political environment, regulatory regime and positivity for the economy. Its early impact was evident in the euphoria in the capital markets.

The strong intent of this Government resolving banking and other traditional issues, boosting infrastructural development and undertaking policy reforms has been a key portend of forthcoming development. The intent has been revalidated in the first Union Budget post re-election whereby a roadmap has been laid to make India a USD 5 trillion economy by FY 2024-25. Ambitious as it may sound but considering a force of 400 million millennials armed with a spending power of USD 180 billion, high smartphone adoption and growing broadband availability, this is not far from achievable. Their skilling and consistent Government policy actions give way for a sustained period of high economic growth.

The overall scenario, I think, is conducive for the insurance industry in India to grow. The country has been nixed in very low penetration. However, the rising uncertainty and growing size of its economy hold potent potentials for the sector to grow. This is supported by favourable demographics – a huge and fast-growing young working-class population. Their growing awareness level of recognising insurance as an important tool to hedge their risks including those from financial shocks will be a key catalyst in driving insurance penetration. It will be important for us to ramp-up activities and enhance our capabilities on the back of product and process innovation and better exploitation of digital technology.

Overview of the insurance industry

FY 2018-19 has been a positive year for the general insurance industry. The industry Gross Written Premium increased by 12.91% to ₹ 1.70 trillion. Motor and health segments continued to be top contributors. The Government's drive for financial inclusion and insurance coverage with clarity in regulations, tax incentives and ambitious schemes open the path for higher penetration. Schemes for crop insurance (Pradhan Mantri Fasal Bima Yojana) and health insurance (Pradhan Mantri Jan Arogya Yojana) has enhanced the industry's importance and individuals are now beginning to realise the benefits of insurance.

The year has also seen a positive development in the motor insurance segment with the Hon'ble Supreme Court mandating long-term third-party insurance. All two-wheelers and four-wheelers will now come with a third-party coverage for a period of five and three years, respectively. The landmark move would contribute to convenience for customers, improve insurance penetration and assist insurance players in reducing loss ratio.

In another positive move, the finance ministry has proposed two reforms which will be a welcome change for the industry. The first is to raise FDI for insurance intermediaries from 49% to

100%. Insurance intermediaries are the backbone of the industry, helping in the distribution of policies and assisting customers in better risk management and optimal pricing. Raising their FDI limit would contribute to the long-term and holistic development of the industry. The next possible move of the government is to raise the FDI limit for insurance companies which in turn could lead to a greater depth of the market, drive investment in the sector and help introduction of newer technologies and advanced digital platforms.

Performance review FY 2018-19

Our performance during FY 2018-19 has certainly been one of our best in recent years. We witnessed strong acceleration in growth across most segments along with improvement in the loss ratio led by disciplined underwriting, re-evaluation of business with the other segmented and geographical strategies, and continuous adoption of technology. As a result, our Gross Written Premium (GWP) grew at 33% to ₹ 2,601 Crore which was faster than the average growth of the industry. We also grew our net profit by 50% to ₹ 1,180 million.

Making insurance accessible

One of the key challenges that we and other insurance players face is the resistance of individuals to buy insurance policies. This is not because they do not want insurance or cannot afford, it is more because of lack of product understanding, terminologies and terms and conditions. This has led to a scepticism which discourages some of them from buying and getting the benefit of insurance.

We have focussed on addressing this challenge by undertaking the pioneering initiative of B1. Under this, we have engaged experts who are helping us simplify language across all communication mediums – policy documents, websites, mobile applications, etc. – such that it is easy to comprehend even for a layman. We believe this move will replace hesitation to de-risk through insurance and help spreading the gospel among the masses.

Amplifying strengths

Continuing with our belief that the ongoing pricing war in the industry is unsustainable, we intensified our focus on building on our competencies to differentiate ourselves in the industry. Our strong push towards improving the Net Promoter Score (NPS) across all functions has enabled us to set new standards in customer-centricity with renewals reaching new highs and grievances declining substantially.

We sustained our efforts of diversifying and enriching the product portfolio and services in line with the evolving needs of the

customers. Several new and relevant products were introduced; one amongst them was the pioneering small-ticket size vector disease product that was sold as sachets at Future Group retail outlets. It opened a whole new framework in terms of product and distribution innovation. We look forward to introducing more such initiatives. The idea will be to target customers who are out shopping and provide them with a convenient means to buy insurance.

Digital technology is an area where we are making significant strides. Having launched several pioneering applications for customers, agents and motor service providers in the previous year, our focus this year was on scaling them. With this, we have seen a tremendous rise in policies issued through digital platforms. We became the first Company to issue policies on WhatsApp. A dedicated digital team was set-up during the year to help us create a differentiation in the industry with service excellence. We are now underway with several projects targeted at improving customer experiences, empowering people and driving operational efficiency. We look forward to tapping the areas of artificial intelligence, augmented reality etc.

Being a good corporate citizen

We follow a two-pronged approach to our social commitments. One, through dedicated CSR efforts in the areas of education and community development. The other, through our business where we take up initiatives like educating individuals and spreading awareness about insurance. We reach out to the remotest corners and assist citizens to get the benefits of insurance through various small-ticket sized products as well as crop insurance for farmers. Our unmatched hospital insurance services through a dedicated vertical are contributing to a healthier society.

I thank all the stakeholders, in particular, employees, customers and shareholders for their support. I would like to express my gratefulness to the regulatory authorities for their guidance and assistance. I am happy to state that our exemplary efforts during the year have won us several accolades across multiple platforms. It is a validation of our approach to business and stakeholders that we are moving in the right direction. The future is exciting, and we are preparing for it. We will stay focussed on accelerating growth with profitability to create value for all.

Warm regards,

G. N. Bajpai
 Chairman

Performance Review by the Principal Officer



I am happy to state that we have made exceptional progress in our customer service journey. This is evident in our growing Net Promoter Score (NPS), which increased to all time high to 53.7 in 2019 during the year as compared to 40.5 in the previous year. Our strong customer focus and well-aligned and optimised processes enabled us to ensure resolution of customer grievances within 3.7 days of turnaround time.

Dear Shareholders,

In FY 2018-19, we fully focussed on reinforcing and amplifying our strengths, positioning ourselves to reap the utmost benefits from the reforms of the previous year. This has now set the momentum for robust & profitable growth.

FY 2018-19 has been an excellent year for us, both in terms of financial results and progress made in pursuing strategic objectives. We made customer service and experience a top priority, using a multi-channel distribution network, initiatives in digital technology and growing retail lines of the business.

We recorded a 33% growth in the Gross Direct Premium Income (GDPI) to ₹ 2,554 Crore as against the overall industry growth of 12.86%. This was led by growth in Motor, Marine & Health lines of business and revival of the Crop Insurance business. We continued balancing our portfolio, with all major line of businesses recording positive movement. Our faster-than-industry growth resulted in 24 basis-points increase in market share to 1.50%.

With our strategy of profitable growth, we continued to reduce our loss ratios, manage expenses and underwrite business rationally to ensure healthy and profitable growth. This strategy was adopted across geographies and relationships. As a result, our loss ratio at 69% now stands among the best in the industry. Our profit before tax (PBT) grew by 33% to ₹ 103 Crore and Net profit grew at 49% to ₹ 118 Crore. As on March 31, 2019, we delivered 16% Return on Average Equity and our Assets Under Management (AUM) grew 21% to ₹ 3,629 Crore as on March 31, 2019, from ₹ 2,992 Crore as on March 31, 2018.

I am happy to state that we have made exceptional progress in our customer service journey. This is evident in our growing Net Promoter Score (NPS), which increased to all time high to 53.7 in 2019 during the year as compared to 40.5 in the previous year. Our strong customer focus and well-aligned and optimised processes enabled us to ensure resolution of customer grievances within 3.7 days of turnaround time.

Reinforcing and amplifying strengths

Having recorded a significant acceleration in growth, our ambition now is to sustain it. Several initiatives have been undertaken to achieve this.

We are focussing on strengthening and deepening our distribution. We are capitalising on the massive network of our parent Future Group with carefully developed products and proposition. We have developed several innovative small-ticket products. One such revolutionary product was – Future Vector Care which provides health protection against vector diseases like malaria and dengue.

Amplifying the digital strategy

The role of digital technologies in improving customer services, employee empowerment, and operational efficiency has become indispensable. While we recognised its importance years ago and implemented various critical applications, we have now charted a digital-first strategy and set up a dedicated digital team. In the very first year, the team has done a great job, ranging from enhancing website and mobile application user interface, to launching agent



As we undertake multiple initiatives to capitalise on industry opportunities, simplicity will be the overriding theme. Launching simple, innovative products that are easy to understand and needed by customers. Simplifying network and touchpoints to enable customers to reach us easily and to ensure that benefits are passed on to them.

and insurance distribution applications and driving social media engagement. We believe that our efforts here would create a vital differentiation in an extremely competitive scenario.

We successfully completed two key digital developments, policy issuance via WhatsApp and launch of the i-Insure mobile app - allowing agents to issue policies using mobile phones.

These initiatives are greatly contributing to better experiences for both customers and agents and also improving our service TATs. Going ahead, aligned with our digital-first strategy, we will explore and carve out technology transformation projects aimed towards becoming future-ready with better processes and shorter turnaround times, seamless digital capabilities with analytics and better standardisations.

Outlook

General insurance continues to be an underserved area in India, with extremely low penetration and awareness on its importance to protect one's personal balance sheet from financial shocks. Our aim will be to reach out to more people and spread awareness. We are already undertaking these initiatives as part of our social programme, where we organise health camps, workshops, and engage NGOs. The segment has a lot to offer. With the Government also doing its bit to spread awareness, there are a lot of positives to look forward to.

As we undertake multiple initiatives to capitalise on industry opportunities, simplicity will be the overriding theme. Launching simple, innovative products that are easy to understand and

needed by customers. Simplifying network and touchpoints to enable customers to reach us easily and to ensure that benefits are passed on to them. Simplifying processes for our employees, agents, and business partners to increase productivity and profits.

I thank all our stakeholders for their support and belief in us. I am confident that the future holds good prospects. We are at present ranked at 12th position among the private general insurers in India on the premium written in FY 2018-19. We plan to grow profitably in the years to come and improve our standing among the General Insurance companies.

Warm regards,

Dr. Shreeraj Deshpande

Principal Officer

Business Segment Review

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



Health insurance

We serve the diverse needs of retail customers and corporates across health, personal accident and travel insurance portfolios. Our understanding of the urgency of claims in health insurance has enabled us to establish a dedicated health unit to provide fast and hassle-free services to our clients.

₹ 360 Crore*

Gross written premium 7%**



14%*

Contribution to overall GWP



73%*

Net Loss ratio 14%**



77,045*

Claims settled



94%*

Claim settlement ratio



5,506#

Empanelled hospitals 348**



Health portfolio

- ✓ Health Total (Comprehensive Health Insurance Product)
- ✓ Future Health Suraksha (Individual and Floater)
- ✓ Accident Suraksha (Personal Accident)
- ✓ Future Criticare (Critical Illness)
- ✓ Future Hospicash (Hospital Cash)
- ✓ Future Health Surplus (Top-up)
- ✓ Group Health Insurance (Revised)
- ✓ Group Personal Accident (Revised)
- ✓ Future Travel Suraksha (Worldwide, Schengen & Asia)
- ✓ Future Travel Suraksha Select
- ✓ Future Easy Travel (Worldwide & Schengen)
- ✓ Future Student Suraksha
- ✓ Future Vector Care
- ✓ Future Varishta Bima
- ✓ Future Aarogya Bima (Individual and Floater)
- ✓ Future Advantage Top-up (Individual and Floater)
- ✓ Travel Suraksha
- ✓ Surakshit Loan Bima
- ✓ Sukshma Hospi-Cash Group
- ✓ Janata Personal Accident – Group
- ✓ Group Loan Bima
- ✓ Future Vector Care – Group
- ✓ Alpa Bima – Group
- ✓ Shubh Yatra – Group
- ✓ Future Health Protect – Group

*In FY 2018-19 #As on March 31, 2019

**Change over FY 2017-18

Our differentiators

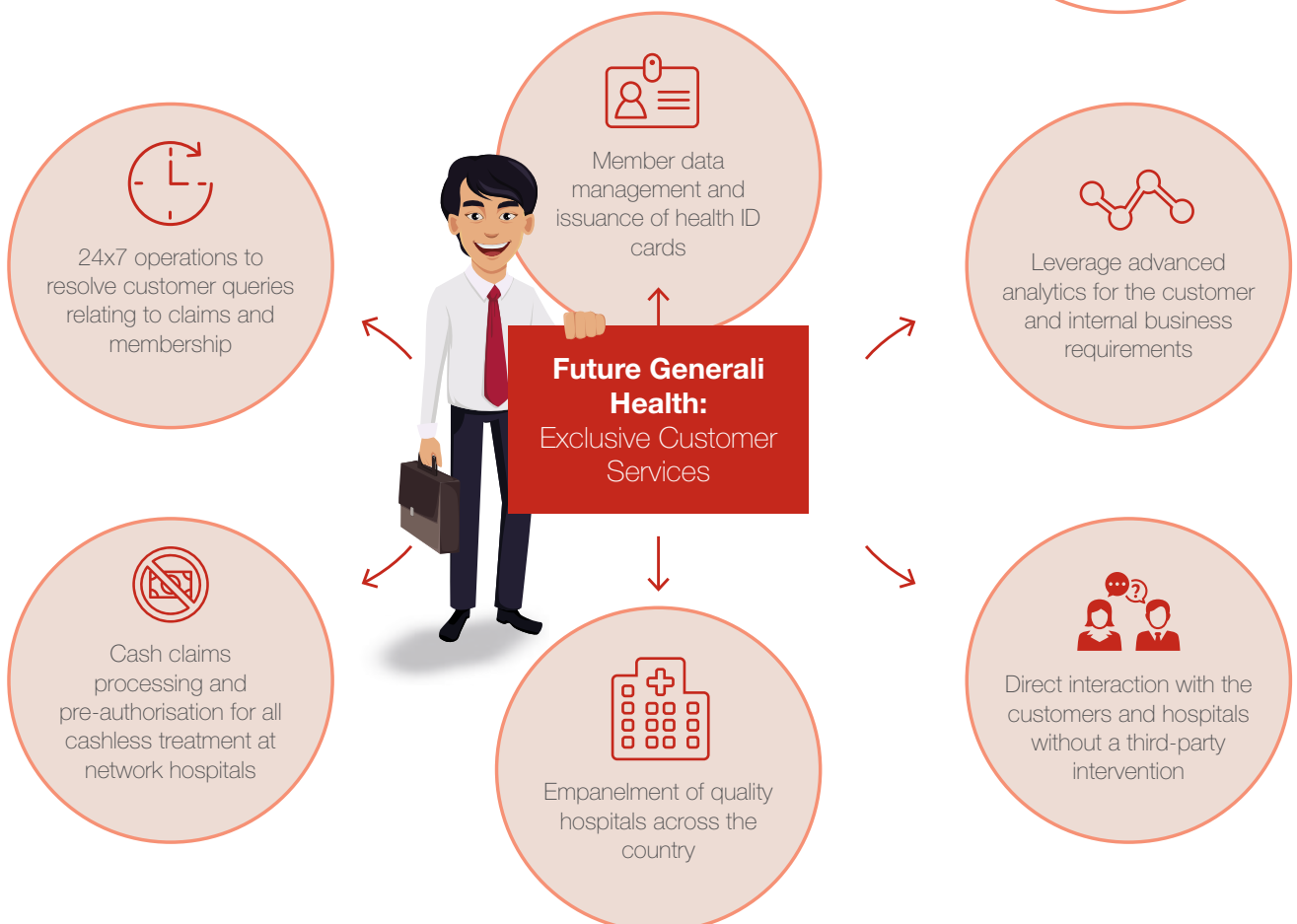
- 1 **Dedicated health vertical Future Generali Health:**
- 2 **In-house end-to-end solutions**
- 3 **Multi-product / location / channel, platform / hospital and medical coverage**
- 4 **Cashless services**
- 5 **Fast and hassle-free claim processing**
<1 hour for cashless requests post request receipt
<7 days for reimbursing claims post receipt of complete documents
- 6 **Online purchases**

Hassle-free services with Future Generali Health (FGH)

Our in-house unit FGH, set-up exclusively for health insurance, enables us to provide uncompromised services to customers with a fast turnaround time. With its dedicated team, it undertakes underwriting, claims servicing and direct interaction with customers and hospitals without third-party intervention. This ensures faster servicing with human touch and empathy.



The unit is ISO 9001:2015 certified for quality and ISO 27001:2013 certified for information security management



Launching innovative products

In FY 19, we introduced the following advanced health insurance products, which are innovative and are designed to cater to the specific customer needs and requirements:

1. Future Advantage Top-up
2. Alpa Bima - Group
3. Future Vector Care
4. Future Vector Care - Group
5. Surakshit Loan Bima
6. Shubh Yatra - Group

Innovative marketing

We have used the extensive retail network of our parent Future Group for distributing this product. Launched in an innovative sachet, the products were stocked in Future Group's retail outlets and could be easily purchased from the billing counters, providing customers unmatched ease and convenience.

Highlights, FY 2018-19

- Recorded a 7% growth in overall health business with a strong growth of 27% in the retail segment
- Improved NPS further to 72, the highest across divisions, led by increased involvement of leaders and managers in servicing customers and grievance follow-ups in addition to customer service team
- Launched multiple new products in coordination with marketing team to meet market requirements
- Initiated text and email triggers to customers and relationship managers during the pre-policy and health check-up phase. This ensured that everyone is in the loop and enabled us to deliver seamless servicing and better experience
- Rationalised hospital network by removing the ones with poor services and grading the others focussed on improving service standards



Strategies for the future

- Balanced approach to underwriting of risk to grow profitably with focus on retail segment
- Improve claim decision-making matrix with multiple personnel involvement and nurturing a philosophy of fulfilling claims and considering it as opportunity to service customers and build brand equity
- Standardisation of all documents including the policies to make it simpler, easier to comprehend and bring in more transparency
- Undertake efforts to make pre-policy health check-ups cashless to deliver seamless experience for customers



We have made a steady progress supported by our dedicated in-house health unit delivering truly world-class experience to our customers. Our exclusive health unit is enabling us to deliver seamless services with empathy to make lasting impact on the customers and enhance their stickiness. We have the best of products and are rated as the best health insurer in the country. We have won various industry awards for our customer service and product range that we offer to our customers. Our focus now is to capitalise on this foundation to grow profitably with higher focus on the retail segment. We are motivated to cover and benefit more citizens.

Dr. Shreeraj Deshpande, Principal Officer

Motor insurance

We offer a comprehensive motor insurance product portfolio with add-ons. Our products cater to the regulatory requirements of insuring every vehicle against third-party risk as well as against physical damages and theft. With growing manufacturer tie-up and increase in commercial vehicle business, the segment is witnessing strong growth.



₹ 1,143 Crore*	44%*	69%*	1,14,934*	2,600+ [#]
Gross written premium	Contribution to overall GWP	Net Loss ratio	Claims settled	Future Convenient Workshops Partnered
↑ 13%**	↓ -9%**	↓ 7%**	↑ 101%**	↑ 100%**

*In FY 2018-19 #As on March 31, 2019

**Change over FY 2017-18



Our motor portfolio

- Car damage**
 Wide coverage against accidental damage and risk of theft of the vehicle
- Add-on Covers**
 Add-on covers to protect NCB, to cover depreciation cost, to cover consumable, to cover engine and transmission, to provide roadside assistance, etc.
- Personal accident cover**
 Compulsory personal accident cover of ₹ 15 Lakhs for individual vehicle owner
- Third-party liability**
 Covering customer's legal liability due to death/bodily injury/property damage of third-party while driving, along with legal expenses incurred

Highlights FY 2018-19

Recorded strong growth of

22%
in the third-party liability

Improved loss ratio from 74% to

69%
led by rationalising loss-making business

Improving customer experience



34.2+ ↑
points Increase in NPS from 34.3 in FY 2017-18 to 68.5 in FY 2018-19

45% ↓
Decline in customer complaints

Strategies for the future

- Simple and automated processes to improve the speed of underwriting and claims settlements
- Focus on business which helps in achieving both topline and bottomline

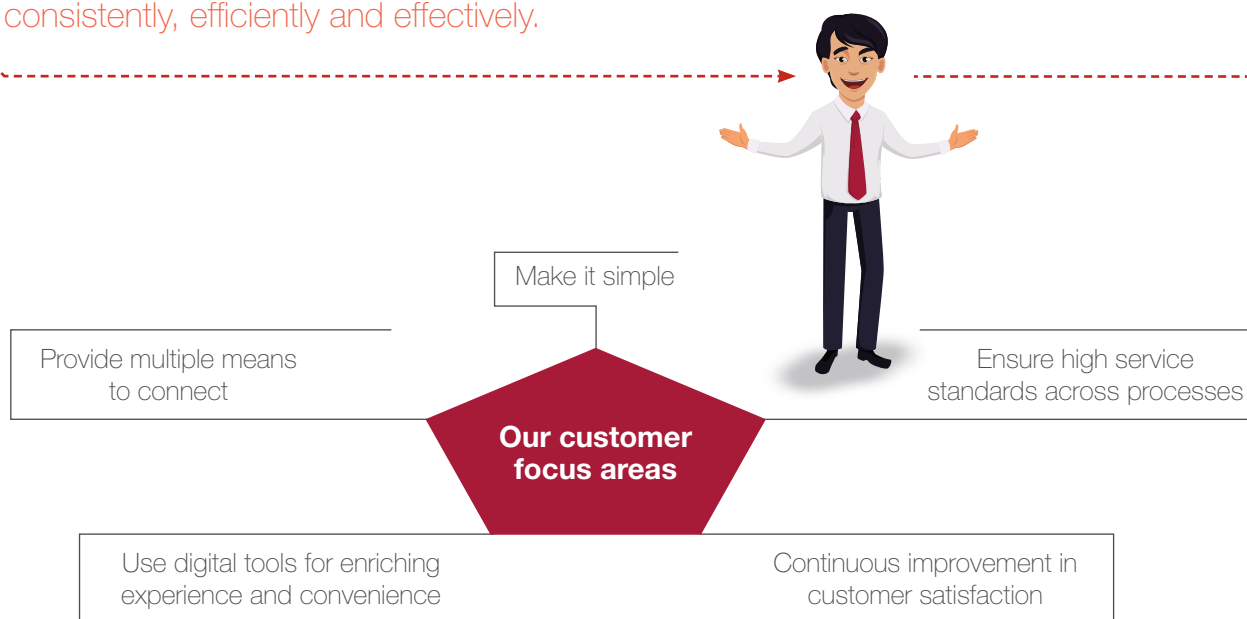


We have made significant strides in the motor business growing our premiums and controlling loss ratio. Measures were taken to identify and reduce exposure in loss making areas. Staying away from loss-making segments, we continued focus on improving customer experience, evident in a drastic decline in customer complaints and doubling NPS. We will continue to nurture our core strength of claim servicing, while undertaking a calculated approach to grow profitably.

Prasad Kulkarni, Head, Motor Claims and Underwriting

Amplifying Customer Experiences

Customer needs are at the core of our strategy. We undertake proactive measures and adopt digital technology to provide them support and excellent services consistently, efficiently and effectively.



Deploying digital tools

We continue to deploy digital tools and platforms on an ongoing basis to enhance the overall experience of our customers and enable self-service. Our aim is to make our processes clear, convenient and easy for customers to do business with us. We are also targeting multiple touchpoints through which the new-age customers are trying to reach us – website, social media sites, aggregator platforms, etc.

2,25,056

policies sent to customers via
WhatsApp in FY 2018-19

14,558

self-service transactions
by customers

Simplifying products and processes

We are undertaking initiatives to offer products and services in the most simple and easy to understand manner for each customer, while making the entire customer journey seamless and fuss-free. Towards this, we have embarked on a B1 programme, whereby experts have been engaged to rework on the language of all customer-related communications. We are focussing on re-writing entire documentation and simplifying policy wordings, product terms and claim communication.

Customer service culture

We have imbibed a customer-centric culture in the organisation and every employee is motivated to think and act as a CEO (Customer Experience Officer). The end goal is to improve customer satisfaction.

Net Promoter Score (NPS) programme

We take direct feedback from customers to understand our customer-facing and orientation levels, and proactively address gaps. This ensures continuous improvement in service standards.



Grievance redressal and claim settlement

We have an ISO 10002:2014 certified grievance redressal mechanism that ensures quick customer complaint resolution. We also have a robust infrastructure for a quick and hassle-free claim settlement. Dedicated people are appointed, service desk and call centres established, and digital systems implemented to improve outcomes of these processes.

+13.2 points

Increment in NPS over FY 2017-18 to 53.7

<48 hours

Time to contact detractor customer

46%

Decline in customer complaints in FY 2018-19

3.7 days

Average customer complaint resolution time in FY 2018-19

We continuously strive to enhance customer experiences across our markets. In FY 2018-19, we undertook the following measures to strengthen our customer proposition:

- Overhauling of the website to make it clean, user-friendly and more transactional to enable self-servicing
- Policy delivering on WhatsApp
- Product feature explanation and product promotion through innovative means



Digital initiatives underway

- Customer app with features like checking, buying and seeing policies; launching claims; locating branches, network hospitals and garages
- Use of artificial intelligence for data analysis
- Chatbot for customer servicing
- Sending all transaction-related claims, purchases and statuses on WhatsApp



Motor Claims

"I have had insurance policies from several companies but the experience and satisfaction that I got from Future Generali is outstanding. The whole team, especially Mr. Ramesh Babu was very professional and yet customer friendly. They guided me properly, ensured everything was alright and have done their best to retain the customer. This is the reason I bought a new car policy in my mother's name for the new car that we booked. The claim is not important for me, but I have made yet another policy for your outstanding customer support. It is appreciative."

Mr. Kartick Ramu

Chennai, December 29, 2018



FGH – HO Pune

"I want to put on records that my interaction with all Future Generali Service agents has been very good. The support provided by Dilbagh was superb. While the third-party administrator desk at the hospital was making me run around even after receiving approvals from FG; it is Dilbagh who took the pain of reaching out to their administrative seniors to resolve the issue and help discharge the patient. He was considerate, demonstrated empathy and was professional. This is what I call "Excellent Customer Service". Thank you Dilbagh. I appreciate your efforts, keep it up. Your attitude will take you places."

Gagan Munjal

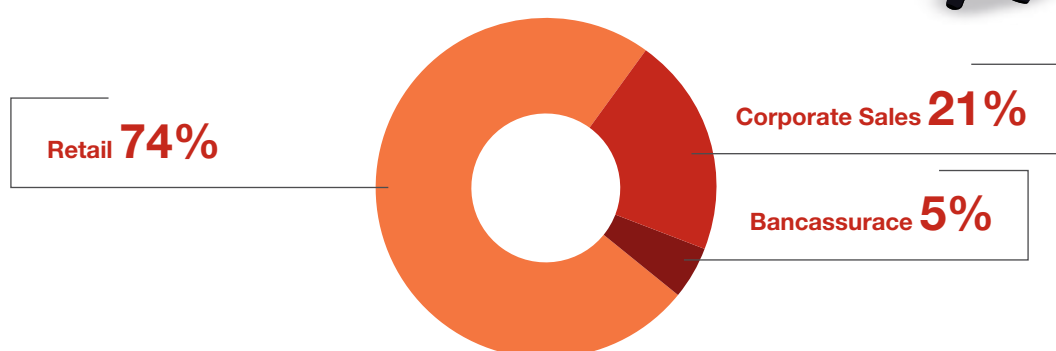
Gurugram, October 18, 2018

Amplifying Multi-Channel Distribution Architecture

Our multi-channel architecture is critical to servicing customers efficiently. It ensures superior customer experiences and higher retention ratio. We are undertaking efforts to effectively balance our distribution mix to maximising reach and optimise costs.



Well-balanced distribution mix



Retail

Retail, comprising agencies/agents, motor dealerships, insurance brokerages and direct marketing is our primary channel accounting for 74% of FY 2018-19 GWP. We are making a differentiation in the channel by scaling digital technologies (Agent's Virtual Office, i-MoSS and i-ViSS) for empowering our partners and help them to achieve unmatched efficiency.

Key highlights, FY 2018-19

- Added 1,306 agents and 32 motor dealers taking the total network to 6,524 and 53 respectively
- Empanelled with Tata Motors and M&M to grow business at the motor dealers end
- Trained agents on key digital technologies

Strategy for the future

- Double agent base by 7,500, increase their productivity and activation, and introduce new tools for seamless onboarding and training
- Build sales managers capabilities for cross and upselling opportunities
- Empanel with auto OEMs and undertake measures to optimise dealer acquisition costs and enhance relations



The Retail channel continues its healthy performance. The drive to improve customer service parameters and the use of digital technologies are making a difference. We have made a breakthrough in the motor segment by adding key motor dealers. Expanding agent network and improving their productivity is on the anvil for which advanced tools for onboarding and training them are being explored. We are now focussing on pacing the momentum and are targeting to improve sales manager capabilities to drive upselling and cross-selling opportunities.

M. Raghavendra Rao, Head, Retail Sales

Corporate Sales

Our corporate business is all about managing relationships through efficient underwriting, prompt claim settlement and unmatched service standards. This is evident in our high renewal ratio of over 95%. Our core team of 30-odd people have been managing the same accounts for the last five years and have maintained strong relationships with their clients. We maintain a relatively prudent underwriting approach ensuring profitable growth and have a balanced portfolio mix across property, marine, liability, miscellaneous and engineering segments. We operate in the top ten metro cities where majority of Indian corporates are based. Experienced local zonal heads manage our corporate accounts.

Key highlights, FY 2018-19

- Gross Written Premium increased by 7% to ₹ 523 Crore supported by high customer retention
- Rationalised business by trimming loss-making accounts

Strategy for the future

- Maximise productivity
- Capitalise on parent Generali's global network to assist customers in insuring their global operations



We delivered strong performance nurturing the business on the back of strong relationships and talented people. We are committed to customers and will always strive to live up to their expectations and maintain the confidence that they have reposed in us. We will look forward to providing them service differentiation, including supporting them towards insurance solutions for their global operations through our parent Generali's network. We want to grow sensibly without compromising business health and shareholders' value.

Deepak Prasad, Head, Corporate Sales

Bancassurance

Our network comprises 116 partners, including private, public and regional rural banks and microfinance institutions allowing us to have widespread reach. We have a strong presence in Maharashtra, Uttarakhand, Uttar Pradesh, Punjab and Rajasthan. We target savings account customer of banks and offer them relevant products. We efficiently serve bank customers to create win-win relations. As a result, majority of our partnership contracts get renewed without hassles.

Key highlights, FY 2018-19

- Business grew 11% and loss ratio stood healthy at 51.23%
- Focussed on consolidating strategy, improving productivity and distribution system and launching new products
- Added IDFC First Bank (erstwhile IDFC Bank) to network

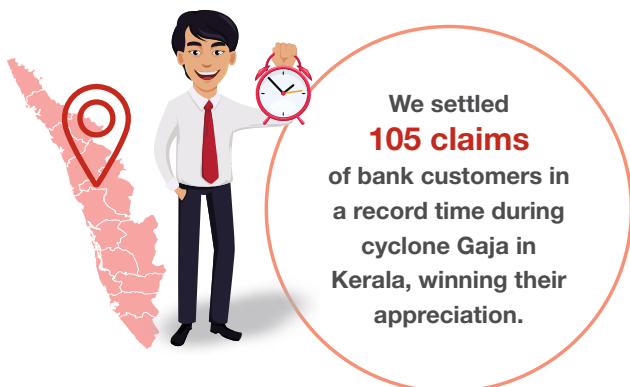
Strategy for the future

- Rationalise network focussed on larger and profitable partners to achieve cost efficiencies
- Touch lives in rural areas and promote financial inclusion by securing their assets



FY 2018-19 saw consolidation in the financial services sector with the Government initiating mergers and RBI directing banks for prompt corrective actions. This impacted their operations. The good news is that the challenges are now behind us. The banks and financial institutions have emerged bigger and are in a better position. We will now target network rationalisation to drive cost efficiencies and dedicate resources to partners who are profitable. We will also focus on strengthening rural presence to touch more lives and promote financial inclusion.

Anurag Sinha, Head, Bancassurance



Amplifying Execution Excellence

Execution excellence is critical in a growing competitive era marked by rising pricing wars. Even as we are differentiating with our service standards, we are also undertaking efforts to ensure disciplined underwriting and managing costs to ensure business sustainability and profitability.

Disciplined underwriting

We have a robust underwriting mechanism, built around our years of experience and supported by advanced forecasting tools, prediction technologies and expertise of our people including skilled insurance actuaries and underwriters. The process is also overviewed by the senior management. We are focussed on deploying better tools and technologies like data analytics and machine learning to improve results.

Managing costs

We are undertaking initiatives like footprint, business area and manpower optimisation to control costs. We have also digitised and automated several processes and made them lean, leading to higher efficiency and lower paperwork.



Amplifying Innovation with Customers in Mind

Technology is key to our performance and customer satisfaction improvement journey. We are leveraging its power to undertake pioneering initiatives that can drive our competitive edge in the industry.

Agents' Virtual Office (AVO)

Empowering agents

Allows agents to remotely access information, issue and renew policies online. It reduces turnaround time and hassles, making the entire experience smoother for both agents and customers.

3,56,124

policy issuance by agents in FY 2018-19 through AVO, resulting in time savings of 40% of man-hours.

Improve operational technology capabilities

Our innovation focus

Enhance partner and customer satisfaction

Simplify core platform architecture

79%

Motor claims settled via i-MoSS in FY 2018-19

i-ViSS (Intelligent Video Streaming and Survey)

It allows eligible customers to conduct a live video chat with claims adjudicator officer during which uploaded documents are verified, vehicle inspection and damage assessment is done, and repair cost is mutually agreed upon and sent for processing. The platform reduces the time spent across the entire process and increases efficiency by 45% while driving customer engagement and satisfaction. This is a newly-launched technology and is expected to be a game-changer in the future.

i-MoSS (Instant Mobile Settlement and Survey)

It allows surveyors to process motor claims online and assess vehicle damage using uploaded pictures. This automates and expedites multiple processes. It enables the surveyor to

estimate liabilities on the spot at the garage, provide approval for repairs and transfer funds directly to the customer's account. It enables claim file movement to be paperless, thus facilitating faster settlement of claims.

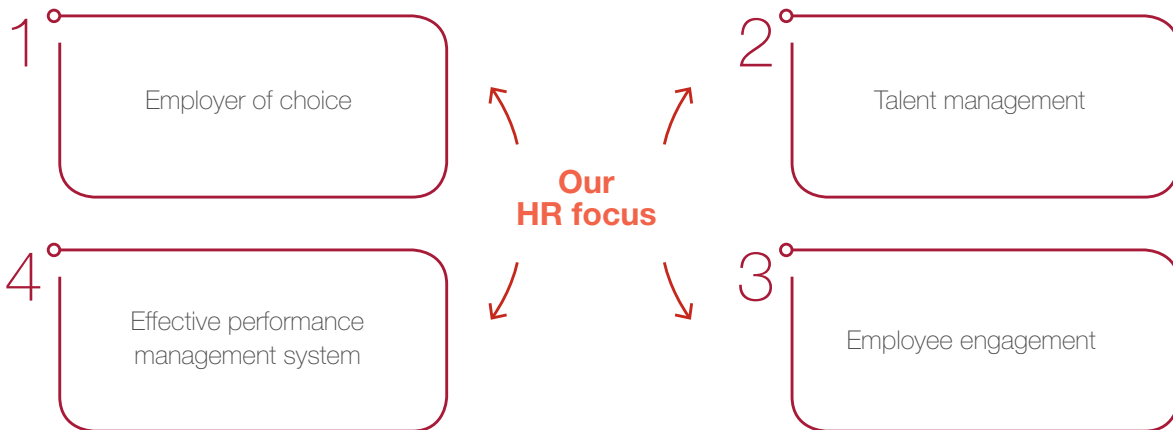
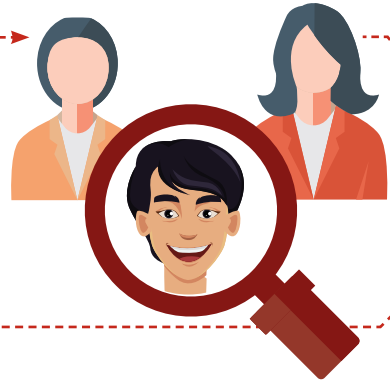


Digital initiatives at Future Generali are all about recreating customer experience in a manner to make their journey with us exceptional. The intent is to generate a wow factor across all customer touchpoints. Swiftness and clarity will be the two most important themes going forward. We want to create a robust platform that enables swift linkage between customers and us and facilitate hassle-free services. We want our communication to be extremely simple and easy to understand. Our focus is on developing systems and building abilities to enable these.

Ramit Goyal, Head, Digital Initiatives

Amplifying Employee Potential

We are instilling a high-performance, customer-centric culture within the organisation focused on outperformance to ensure sustained growth acceleration. We are simplifying processes and empowering it with better technologies to enable this.





Training and development

We nurture employee skills by putting in sincere and dedicated efforts towards developing their behavioural, technical and domain competencies based on the Company's vision, mission and goals. Senior managers, as well as middle and junior management, were provided competency development trainings through e-learning modules and gamification apps. Several employees were deputed, and others incentivised to undertake professional development and skill enhancement programmes conducted by the Insurance Institute of India/external agencies and institutions. A career-linked programme – SAKSHAM – was initiated for Executives, Senior Executives and Assistant Managers focussed on professional development. Further, Anti-Money Laundering and Know Your Customer programmes were conducted for employees and intermediaries.



Encouraging high-performance culture

We encourage employees to continuously improve their performance. We have interaction sessions with customers to understand areas of improvement and work on developing competencies for the same. We also undertook a Talent Mapping programme to identify and nurture high-potential employees as future leaders. This will ensure a steady pipeline for succession planning.



Digitalising employee communication

We have initiated the process of digitalising employee communications to enhance its impact and empower more employees. We have started using contemporary means like mobile applications for e-learning, learning modules with gamification and learning validation to ensure larger coverage and effective learning retention.



Employee engagement

We undertake employee engagement surveys on a periodical basis to understand their level of engagement and expectations. Based on its findings in FY 2018-19, we have developed employee strategies and implemented engagement programmes. These initiatives were critical in aligning employees with the Company's objectives, vision and values as well as driving more collaborations within the organisation.



Driving customer experiences

Employees are encouraged to become Customer Experience Officers by deeply ingraining in them service-skills and a customer-centric attitude. We also recognise and reward employees for their exceptional customer services.



Enriching Lives, Empowering the Nation

Our inspiration for CSR is derived from one of our core values – Live the community and our vision of actively protecting the people and enhancing their lives. Our activities are directed towards bringing a positive difference in the communities and improving the living standards of people.

Measurable impact
to the society
+
Positive change in
people's lives



Environment



Education



Health

Adopting the Generali global CSR initiative

During the year, we adopted our pioneering global CSR initiative of our joint venture partner Generali – The Human Safety Net (THSN). Running across 19 countries, it works on the principle that communities of 'people helping people' can bring about sustainable change. We are supporting programmes focussed on promoting equal life chances for underprivileged children.

Promoting education with sanitation and safe water

Inadequate safe water and sanitation facilities is a key school dropout factor, especially for girls. With our WASH initiative in Ghotsai's Zilla Parishad school, we have focussed on countering this challenge by constructing toilet units, urinals, and handwash facilities as well as installing a water filtration unit. 136 boys and 153 girl students have directly benefited from the initiative. We have further constructed a terrace and donated computers to facilitate better learning.

Supporting migrant children

Indian children are extremely vulnerable due to lack of proper care and protection. While millions die under the age of 6, majority of those surviving do not reach their full potential. The situation worsens for the children at construction sites. We have undertaken a comprehensive day care programme through which we are supporting education, health, nutrition and holistic development needs of 130 migrant at sites in Dharavi and Pendhar. We provide crèches, pre-schools and after school support to children besides theme-based learning, regular doctor's visits, nutritious food and training of teachers. We ensure the programme's sustainability by reaching out to the parents in matters relating to the child's health and progress.

Driving agriculture and income generation

Water is an overexploited resource in India, the availability of which is impacted by climate change, deforestation and degraded catchments. This is impacting agriculture. We have undertaken construction of 25 check dams to solve the challenge and restore the water table in the drought-prone area of Pindval, Taluka – Dharampur (Valsad, Gujarat). These dams are facilitating water conservation and helping in enhancing vegetation cover and agricultural productivity. Small and marginal rural/tribal farmers have benefited with an increase in produce and income. Furthermore, the labour-intensive check dam construction is providing productive work to villagers and an additional income source.



8,529

Individuals are benefiting from our check dam projects by acquiring water for basic requirements such as drinking, cooking and sanitation, leading to greater improvements in their lifestyle



Workshops and other social benefit projects

Continuous engagement with beneficiaries is the key to long-term partnerships. We support various workshops, awareness programmes, health camps, employee volunteering, and disaster relief programmes. During the year, we conducted clay modelling sessions for family-deprived children and celebrated Mothers' Day with women in an old-age home. Water and sanitation awareness programmes were arranged for students in Government schools.

In the interiors of Bihar, Kolkata and Assam, we conducted health camps benefiting over 1,000 underprivileged people. We contributed towards Kerala's flood relief response by distributing household, water and hygiene kits to the affected families. We have also motivated our employees to undertake social work through which they fulfilled wishes of differently-abled children, tribal girls at shelter homes and tribal families.



An Evolving Customer-Centric World

Indian economy overview

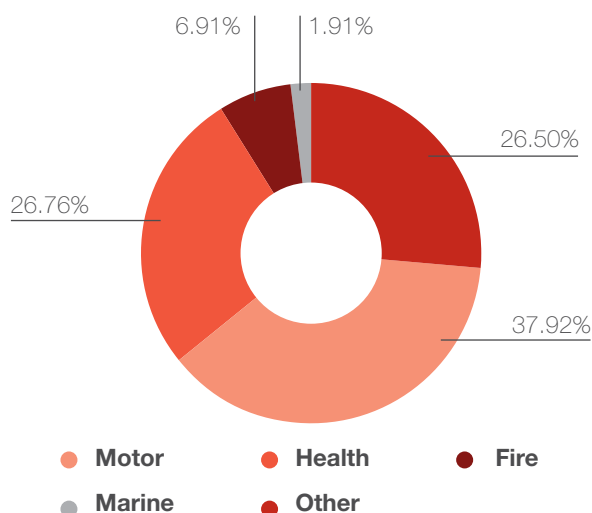
Strong policy support and emphasis on public-private business partnerships were the key enablers for increasing the pace of economic growth in India. As per CSO estimates, India's GDP at constant prices has achieved a subdued growth of 6.8% in FY 2018-19 as compared to 6.7% in FY 2017-18 due to the global economic slowdown. Going forward, Government reforms such as Goods and Services Tax (GST) and measures to strengthen infrastructure will fuel overall economic growth. Furthermore, the Indian economy is expected to reach the third position in the world through digitisation, globalisation, favourable demographics and other reforms over the next 10-15 years. India is emerging as an important player in the world economy as reflected in World Bank's Ease of Doing Business 2019 Report, which has seen India's rank leapfrog 23 positions to 77th rank in 2018.

Source: http://www.mospi.gov.in/sites/default/files/press_release/Press%20Note%20PE%202018-19-31.5.2019-Final.pdf

General insurance overview:

As per the Insurance Regulatory and Development Authority of India (IRDAI), Gross Direct Premium of general insurance companies in FY 2018-19 stood at ₹ 1.70 trillion from ₹ 1.51 trillion in FY 2017-18, registering a growth rate of 12.91%. The public sector and private sector accounted for 45.3% and 54.7% respectively of the total general insurance market share. The Gross Direct Premium of private companies increased from ₹ 701.78 billion in FY 2017-18 to ₹ 929.63 billion in FY 2018-19, representing a growth rate of 32.5%. The growth rate of gross direct premium of public general insurance companies was almost flat. Motor Insurance, driven by strong growth in the automobiles sector, remains the most opted insurance product, although its share dropped from 45% in the previous year to 37.92% in FY 2018-19.

General insurance market by insurance type during FY 2018-19



Industry developments

The Government's role in insuring the uninsured has driven the insurance penetration in the country and expansion of financial schemes. Clarity on rules for insurance, tax incentives and the emergence of insurance IPOs will infuse liquidity in the industry. Schemes like Pradhan Mantri Jan Arogya Yojana (PMJAY), Rashtriya Swasthya Bima Yojana (RSBY), Ayushman Bharat, Senior Citizen Health Insurance Scheme (SCHIS), etc. are expected to increase penetration of health insurance in India. The enrolments under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) touched 15.47 Crore as on 1st April, 2019 with 32,176 claims disbursed an amount of ₹ 64,000 million has been allocated to the Ayushman Bharat Scheme.

Source: <https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/budget-2019-government-increases-allocation-for-ayushman-bharat-to-rs-6400-crore/articleshow/67790705.cms?from=mdr>, <https://economictimes.indiatimes.com/wealth/insure/pradhan-mantri-suraksha-bima-yojana-accidental-death-disability-coverrs-12-p-a/articleshow/54458290.cms?from=mdr>

<https://financialservices.gov.in/sites/default/files/Website%20Major%20Achievements%20March%2C%202019%20PDF.pdf>

Sectoral analysis

Health Insurance

The healthcare sector is one of the largest insurance sectors both in terms of revenue and employment. The sector is expected to generate 40 million jobs in India by 2020. Gross direct premium from health insurance reached ₹ 454.89 billion in FY 2018-19. The introduction of health insurance portability and Government-sponsored programmes are expected to boost the healthcare sector. The absence of a Government-funded health insurance player makes private players prominent in the market. IRDAI is taking concentrated efforts to enhance and expand health insurance coverage through several schemes, viz. in August 2018, IRDAI mandated coverage of mental illness under health policies. Based on Government initiatives and increased private sector participation, private health insurance coverage is anticipated to grow by about 15% annually till 2020.

As on March 2019, the PMJAY scheme reached 35 million beneficiaries and empanelled 15,224 hospitals. Driven by initiatives such as RSBY and ESIC, Government-sponsored programmes are expected to provide coverage to nearly 380 million people by 2020. Under RSBY, health insurance is to be provided to Below Poverty Line (BPL) families and eleven other defined categories of unorganised workers, namely building and other construction workers, licensed railway porters, street vendors, MGNREGA workers, etc.

The Employees' State Insurance Corporation (ESIC) is a self-financing social security and health insurance scheme for Indian workers. The number of employers covered under the scheme has gone up from 0.90 million to 1.03 million registering a growth rate of 15% during FY 2017-18. Furthermore, the number of Insured Persons under ESIC has increased from 31.96 million to 34.33 million, representing a growth rate of 7.41% during

FY 2017-18. Despite of all public and private initiatives, health insurance in India has not penetrated according to its potential, hence there is a huge scope for market opportunities in both urban and rural areas.

The Government's expenditure on the health sector as a percentage of GDP has been estimated to have grown to 1.4% in FY 2017-18 from 1.2% in FY 2013-14 and it is planning to increase it to 2.5% of the country's GDP by 2025.

Source: https://www.esic.nic.in/attachments_publicationfile/5a25e85211f3e0ec069a009f2c3c43fa.pdf, IBEF report, May 2019, National Health authority report 8 June 2019 issue

Motor insurance

Motor Insurance formed the largest market share in India with a 37.92% share in FY 2018-19. In India, there has been a gradual increase in demand of motor insurance as a by-product of the rapidly expanding auto industry. The automobile industry produced a total 31 million vehicles during FY 2018-19 as compared to 29 million, marking a growth of 6.26% as per the Society of Indian Automobile Manufacturers (SIAM) report.

The proposed IRDA draft envisages a rise in FY 2019-20 premium rates for third-party motor insurance with effect from June 16, 2019. The highest increase of over 21% will be for two-wheelers with engine capacities between 150cc and 350cc, whereas there will be no change in rates for two-wheelers above 350cc engine capacity. Premium rates for cars with engine capacity up to 1000cc are hiked by 12%; those between 1000cc and 1500cc will increase by 12.5% with no change for premium for cars having an engine capacity above 1500cc.

Source: <http://www.siamindia.com/pressrelease-details.aspx?mpgid=48&pgidtrail=50&pid=433>

https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo3827&flag=1

<https://economictimes.indiatimes.com/wealth/insure/motor-insurance/irdai-hikes-third-party-motor-insurance-premiums-for-fy19-20-from-june-16-2019/articleshow/69671400.cms>

Micro insurance

Micro Insurance is a public-private partnership that uses a market-based mechanism with a motive of reducing poverty. The micro- insurance business is conducted through Non-Government Organisations, Self-Help Groups, and Micro-Finance Institutions.

Many insurance companies are partnering with NGO's to form a group of micro-agents called Community Rural Insurance Group (CRIG) for direct marketing of Micro insurance policies in untapped markets in rural areas. They prefer to involve unusual distribution mechanisms to increase the distribution network of micro-insurance. The IRDA has proposed to allow cooperative banks, regional rural banks, primary agricultural co-operative societies and individuals such as shopkeepers, medical store owners, petrol pump owner, and public telephone operators to act as micro-insurance agents. Additionally, it has also allowed all types of micro insurance to be sold by a PoS (Point of Sales) channels.

The Government is trying to infuse financial inclusion and promoting micro insurance for increasing the financial security of the lower class to help them to rise to the middle-class level.

Growth drivers

New online distribution channels

The IPPB (India Post Payments Bank) has started selling mutual funds and insurance policies, in which nearly 100 companies have shown keen interest in such non-exclusive tie-ups. More avenues for the insurance sector have been created after the IRDAI permitted online selling of policies. New online distribution channels would reduce costs and gradually increase market penetration for insurance companies.

Robust economy

The per capita GDP of India is expected to reach USD 3,274 in 2023 from USD 2,135 in 2018. A growing population with higher disposable incomes would lead to channelling of funds into different financial savings instruments like insurance and pension policies. Such a robust economy is expected to sustain the growth in insurance premiums written in the future.

Specific segments' growth

Growth in segments such as micro insurance, motor insurance, and health insurance are induced by the Governments' financial inclusion plans, rapid automobile expansion and rising healthcare costs respectively. Additionally, climate change and cyber security insurance are also growing swiftly. Recently, a cyclone in Odisha caused a total loss of ₹ 6,643.63 Crore to public properties. Thus, a well-laid climate change insurance policy would help in reducing the losses while the insurers need to properly assess climate risks. Also, as per a DSCI report, due to widespread ransomware attacks in India, about 350 Cyber insurance policies have been sold in FY 2017-18 as compared to 250 policies in FY 2016-17, registering a growth of 40%.

Increasing commercial activities

India is expected to rank amongst the top three growing economies and manufacturing destinations of the world by the year 2020, with manufacturing activities reaching a potential USD 1000 billion by 2025. India's rapidly growing manufacturing sectors combined with other commercial sectors are projected to increase the demand for insurance considerably in order to safeguard their financial interests.

Public-private partnerships drive

The IRDAI decision to allow private equity investors to become promoters in unlisted insurance companies would result in rising FDI in the sector. In addition, insurance players tying up with banks to expand their distribution network and rising merger and acquisition activities in the insurance sector are making privatisation prominent in the market. Due to continued Government support and rising investors' interest in the sector, the share of the private sector in the life insurance segment has grown from around 2% in FY 2002-03 to 33.8% in FY 2018-19.

Source: <https://www.dsci.in/content/cyber-insurance-in-india>, IBEF report, May 2019

Outlook

The sector is expected to grow by 12-15% annually to reach USD 280 billion by 2020. Several changes in the regulatory framework combined with rising income levels would create a favourable climate for the growth in the insurance sector. Additionally, factors such as a growing middle-class, a young population and growing awareness of the need for protection and retirement planning will aid to the growth of the Indian insurance industry.

Source: IBEF report, May 2019

Promoting an Effective Risk Culture to Protect Customers and Maximise Returns

Strategic risks

Strategic error due to growing competition may negatively impact our business.

Mitigation

We have robust control systems to regulate all processes and maintain double-level scrutiny that ensures each business is managed by dedicated team with supervisory control. The senior management centrally monitors the entire portfolio and business, facilitating a vigorous control mechanism. All risk assumptions going beyond our defined threshold risk is vetoed centrally.

Actuarial/underwriting/pricing risks

The actuarial function is essential in quantifying probable future risk/uncertainty and its financial implication. Their modelling using multiple factors to generate technical price is combined with interventions from underwriting and sales to estimate chargeable premium. Any wrong assumptions may lead to losses.

Mitigation

We have invested in advanced software like Freeware, Clickview, R Software, EMBLEM and VBA modelling for analysing emerging scenarios, developing predictive modelling and viewing developments in real-time. This ensures high accuracy and reinforces our actuarial function. They also assist us in competitively pricing products and building right portfolio with which we can meet claims. Our policy-driven and regulatory compliant underwriting approach further reduces probable losses from unpredictable events.

Solvency risks

A low solvency ratio may stress the Company's balance sheet in case of significant unforeseen exigencies.

Mitigation

We adhere to all regulatory requirements under the supervision of our Risk Management Committee and undertake rigorous risk management practices to ensure improving balance sheet health. Our solvency ratio at 154% in FY 2018-19 (169% in FY 2017-18) was well above the regulatory mandate. Our strategic investments in liquid debt instruments ensures enough liquidity to meet our short-term obligations.

Regulatory risks

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

Mitigation

Our parent companies are highly reputed corporates with strong corporate governance and ethical practices. Taking inspiration from their legacy, we maintain high ethical and governance principles and adhere to regulatory compliance, focussed on securing stakeholders' interests. Our management regularly remains updated on regulatory developments and ensures necessary process changes are promptly adopted.

Investment risks

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

Mitigation

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

This has enabled us to maintain a track record of no default in any fixed income exposures. Our Assets Under Management as on March 31, 2019 stood at ₹ 3,629 Crore.

Catastrophe risks

The Company is exposed to the risk of occurrence of unpredictable events.

Mitigation

We regularly evaluate zonal risk accumulation and implement preventive measures to keep risks associated under check. We actively engage in reinsurance arrangements to partly mitigate risks from unforeseen catastrophic events. On a continual basis, we also estimate loss probability arising out of various emerging risks such as terrorist attacks, personal accidents, death and asset destruction among others.



Directors' Report

Dear Members,

Your Directors are pleased to present the Thirteenth Annual Report of your Company along with the audited statement of accounts for the financial year ended March 31, 2019 ("year under review").

1. FINANCIAL HIGHLIGHTS

The highlights of financial results of the Company for the financial year 2018-19 and 2017-18 are as under:

(Amount in ₹ '000)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Gross Direct Premium	25,539,377	19,063,750
Gross Written Premium	26,009,628	19,507,884
Net written Premium	17,214,582	15,110,829
Net earned Premium	15,747,148	12,801,833
Net Incurred Claims	10,830,490	9,693,520
Net Commissions	734,825	64,845
Management Expenses	5,881,259	4,633,898
Income from Investment	2,725,250	2,376,712
Profit /Loss Before Tax	1,025,824	786,281
Profit /Loss After Tax	1,178,155	786,281
Number of Policies Issued	1,869,901	2,012,574
Number of employees	1,953	1,769

2. OPERATIONAL REVIEW:

2.1. Industry Overview

The Gross Direct Premium of the industry for the period April 1, 2018 to March 31, 2019 grew from ₹ 150,593 Crore to ₹ 169,965 Crore on a year-on-year basis, a growth of about 13%.

2.2. Company Overview

Your Company has completed its eleventh full year of operations. During the year under review, your Company achieved a Gross Direct Written Premium of ₹ 2,554 Crore against ₹ 1,906 Crore in the previous year, registering a growth of 34% over the previous year. The Company earned a net profit of ₹ 117.82 Crore against net profit of ₹ 78.63 Crore in the last year.

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

2.3. Regional and Branch Office Network

During the year under review, the Company has opened one new Back office (IT Hub) at Thane and had optimized 9 branch offices to ensure productivity is increased. Your Company has a network of 126 offices (Including HO) spread through the length and breadth of the country. The Company is further focused on expanding its geographical reach in order to increase its penetration in retail and rural business segments across the country.



2.4. Training and Development

During the Financial Year 2018-19, the L & D department put in sincere & committed efforts towards development of domain, technical & behavioral competencies of employees & intermediaries. The company's vision, mission & goals formed the basis of L & D initiatives during the year under review. Branch Trainings & E - Learning Programs formed the mainstay of competency development. Employees were also deputed for programs conducted by Insurance Institute of India/ other external agencies and institutions. Employees were incentivized to pursue professional development & skills enhancement through qualifying exams of Insurance Institute of India. Anti-Money Laundering & Know Your Customer (AML/KYC) Programs were conducted for the employees and intermediaries of the Company. **SAKSHAM (Professional Development)** career linked programs were conducted on self-nomination basis for Executives, Senior Executives & Assistant Managers of the company.

2.5. Solvency Ratio

Your Company has been continuously monitoring its solvency margins in complying with the requirements of Insurance Regulatory and Development Authority of India (Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016 and has maintained the required solvency margin as at March 31, 2019 at 1.54, which is above the requirement of 1.50 prescribed by the Insurance Regulatory and Development Authority of India (IRDAI).

2.6. Investments and Investment Income

The investment philosophy of the Company is 'Safety, Liquidity and Sustainable Returns'. All the investments are made in accordance with IRDAI regulations and the Investment Policy of the Company. Against the book value of investments of ₹ 3628.53 Crore, the market value of the investments as on March 31, 2019 was ₹ 3632.66 Crore. The weighted average return on Investments for the period ended March 31, 2019 was at 8.05% p.a. The Company has earned total Investment income of ₹ 266.14 Crore during the year ended March 31, 2019.

As per the IRDAI (Investment) Regulations, 2016, your Company had appointed M/s. AMK & Associates, Chartered Accountants to carry out the Concurrent Audit of the Investment functions of the Company for the financial year 2018-2019.

2.7. Human Capital

Your company appreciates the importance of human resources and had taken continual efforts to strengthen its people processes and practices with an intent to improve efficiency and accountability within the organisation.

Your company, to understand employee engagement levels and expectations, continues to conduct regular Engagement Surveys to assess the gaps. Based on the

findings, employees' strategies were built and various engagement programs were implemented to align Company's objectives, vision and values, and create alignment and collaboration across the organisation.

To impact and empower a larger population of employees, learning and also employee communication is going digital in your company. Modern delivery vehicles like mobile applications that drive e-learning and bite size learning modules with gamification and learning validation are being used for a larger coverage and effective learning retention. Talent Mapping was done across the organization to identify and nurture HiPos for focused development and to create a robust talent pipeline for future readiness.

As on March 31, 2019, your Company had a workforce of 1,953 to meet the growing needs, due to entering into new business lines and also to strengthen the existing channels.

2.8. Operations

During the Financial Year 2018-19, your Company has taken various initiatives to accelerate the policy issuance system. The major initiatives undertaken inter-alia were as under –

- **"Health buzz"** launched as the policy admin system for Retail Accident and Health products.
- **Agent's Virtual Office** portal has been upgraded to include the new variants of Motor products. Retail Health-Vector policy issuance was also enabled.
 - Private car & Two Wheeler (1+3 & 1+5 Bundle Motor product)
 - Private car & Two Wheeler (3+3 & 5+5 Package Motor Product)
 - Future Health Vector
- **Mobile App based Vehicle Inspection Module** has been developed empowering the Intermediaries and Customers to themselves inspect the vehicle to be insured thereby reducing the dependency of external inspection agencies.
- **Business Log in and Policy Issuance Module** introduced for **Virtual Sales Offices**, a new channel where the Sales officers will operate mainly from areas where we do not have a physical branch presence. Transaction processing and policy issuance has been made easier for such business.
- **Robotic Process Automation** has been introduced in many processes to eliminate manual intervention and to handle large volume of transactions (checking previous claim history, postal dispatch details, sending emails to intermediaries and sales managers to intimate pending business).

2.9. Claims

For the second year in a row, Future Generali's claim handling capabilities in the commercial lines

of business has received recognition from Insurance Brokers Association of India (IBAI). In their annual ranking of all insurance companies, Future Generali has been rated in the top quartile on Corporate Claims Handling.

The health claims team of Future Generali has won various awards and recognitions in 2018-19 for its empathetic and customer centric approach to claims. These include the coveted Asia Pacific Gold Stevie Awards for surpassing customer expectations and the Times Network Award for best customer service. With the best in industry NPS score of more than 70, the health claims team strives to maintain the highest standards of customer service.

During the financial year 2018-19, your Company witnessed 2,17,267 claims being reported of which motor and health insurance claims accounted for 90% of the claim reported. There was a reduction of 11% in claims reported in comparison to the previous financial year. In terms of claimed amount, the figures were ₹ 990 Crore in financial year 2018-19 as compared to ₹ 919 Crore in financial year 2017-18. Your Company has settled 2,36,078 claims out of 50,283 outstanding claims from previous years and 2,17,267 claims reported in the current financial year, resulting in 88% settlement ratio.

2.10. Information Technology

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

Dashboard of Power Management Solution

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

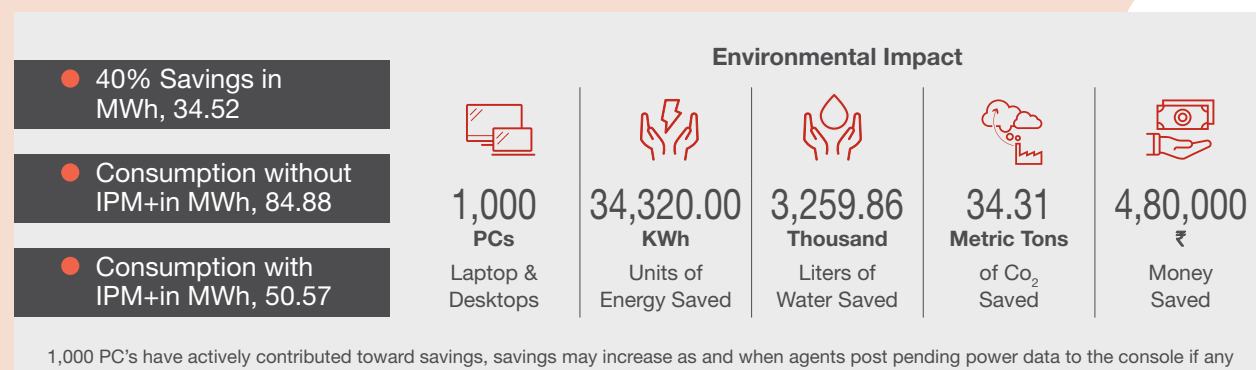
2.11. Re-insurance

The reinsurance program of the Company is formulated in accordance with the Reinsurance program approved by the Board of Directors and as per the relevant regulations of the Insurance Regulatory and Development Authority of India (IRDAI). The Reinsurance program aims to adhere to the objectives of increasing retention and building automatic capacity with adequate risk coverage. There is adequate protection for the retained risk against any risk or catastrophic loss. The program is structured considering the business plans of the Company.

2.12. Rural and Social Business

Like all the preceding years, your Company has overachieved the rural and social obligation during the financial year. In Rural Sector, the Company achieved a total of ₹ 801.66 Crore premium against the required obligation of ₹ 135.09 Crore. In the social sector, your Company has provided coverage of 15.58 lac people as against the regulatory coverage of 0.49 lac. Your Company has generated ₹ 4.95 Crore this year against 1.15 Crore premium in our first year of a tie-up with them. CSC-SPV is a project of Government of India under National e-governance Program, well supported by IRDAI to have technology enabled insurance distribution services in the rural areas of the Country.

The Insurance Regulatory and Development Authority of India ("IRDAI" or "the Authority") had notified the Obligations of Insurers to Rural and Social Sectors Regulations, 2015 on August 24, 2015, which was applicable from the financial year 2016-17. The said Regulation specifies the minimum business commitment to be achieved by a general insurance company in the rural and social sector depending upon the period of operation of the Insurance Companies. This gradual business penetration would help your Company in effectively expanding into the rural markets, which will progressively increase the micro insurance business of your Company over the next few years. The total business for the purpose of the said regulations is the total policies issued for individual insurance and the number of lives covered in case of group insurance. In particular, health insurance in the rural sector could also play a major role in the



development of this line of business considering the frequency of people visiting hospitals in rural areas is much lesser compared to urban areas and most importantly the overall cost may be lower than costs incurred at multi-specialty hospitals.

Further to the development of new Product “Sukshma Hospicash”, your Company have developed one more product in the FY 2018-19 named “Alpa Bima”. The product offers multiple coverages to further penetrate the MFI & NGO markets. Your Company has signed 3 more MFI partners in the FY 2018-19 and working to have more partners to distribute the products.

2.13. Share Capital

The Authorized Share Capital of the Company stands at ₹ 1,000 Crore. During the year under review, the Company has not issued any shares.

The shareholding pattern of the Company as on March 31, 2019 is as below:

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

The Issued and Paid up equity share capital of your Company as on March 31, 2019 is ₹ 810 Crore. The existing Shareholders continue to remain committed to support the business operations of the Company.

During the year under review, Generali Participations Netherlands NV (Formerly known as Participatie Maatschappij Graafschap Holland NV) has increased its shareholding in the Company to 49% i.e. through direct holding of 25.51% and indirect holding of 23.49% by virtue of its holding in Shendra Advisory Services Private Limited. The Application for the aforementioned change in the shareholding of the Company was made to the Insurance Regulatory and Development Authority of India and the Company received the approval on October 17, 2018.

2.14. Corporate Governance

Your Company has taken structured initiatives towards Corporate Governance and its practices are valued by various stakeholders. A detailed report on Corporate Governance in accordance with the Corporate Governance Guidelines issued by IRDAI vide circular dated May 18, 2016 is annexed and forms part of this report as “Annexure - I” along with a Certificate

Net Profit after Tax (PAT) is

₹ 1,178
Million in FY 2019

from the Company Secretary & Principal Compliance Officer.

2.15. IRDAI Registration

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

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

3. Audit Committee

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

4. Management report

Pursuant to the provisions of Regulation 3 of the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, the Management Report forms part of the Financial Statements of the Company.

5. Extract of Annual Return

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

6. Meetings of the Board

The Board of Directors met four (4) times during the financial year 2018-19. The intervening gap between the meetings was within the period prescribed under

the provisions of Companies Act, 2013 and Corporate Governance Guidelines, 2016. The details of the Board Meeting and the attendance of the Directors are provided in the Corporate Governance Report.

7. Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures (if any);
- b) such accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give true & fair view of the state of affairs of the Company as on March 31, 2019 and of the profit and loss of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for prevention and early detection of fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Declaration by Independent Directors under section 149(6) of the Companies Act, 2013 and Statement on Compliance of code of conduct.

The Company has received declarations from Dr. Devi Singh (DIN: 00015681), Mrs. Bhavna Doshi (DIN: 00400508) and Mr. Abhinandan Kumar Jain (DIN: 00351580), Independent Directors of the Company as per Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

The Code of Conduct for Independent Directors prescribed *vide* Schedule IV of the Companies Act, 2013 provides for an evaluation mechanism for the Board/Chairperson/ Non-executive Directors which would need to be done at a separate meeting of Independent Directors, without the attendance of Non-independent Directors and members of management. The Independent Directors of the Company met on March 29, 2019 to review the performance of non-

independent directors and the Board as a whole, the performance of the Chairman of the Company and to assess the quality, quantity and timeliness of the flow of information between the company management and the Board.

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

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

9.1 Criteria for selection of Non- Executive Directors

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

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

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



The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013, IRDAI Corporate Governance Guidelines, 2016 and other applicable laws.

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

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

Objectives of the Remuneration Policy

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

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

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

Design and structure of Remuneration processes

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

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

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

may be approved by the Board of Directors within the overall limits prescribed under the IRDAI Guidelines on Non-Executive Directors and Managing Director/Chief Executive Officer/Whole time directors of Insurers, 2016, the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

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

Remuneration of the Managing Director & CEO

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

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

11. Auditors

11.1 Auditors and their Report

In accordance with the IRDAI Regulations/Guidelines, your Company had appointed M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Registration No. 105049W) and M.M. Nissim & Co., Chartered

Accountants (Firm Registration No. 107122W) as the Joint Statutory Auditors of the Company for a period of five years at the Annual General Meeting ('AGM') held on June 03, 2016 and August 11, 2017 respectively. They hold office up to the conclusion of the 15th and 16th AGM of the Company respectively.

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

11.2 Secretarial Auditor and Secretarial Audit Report

M/s. Anish Gupta & Associates, Company Secretaries in Whole Time Practice carried out the Secretarial audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2018-19.

The Secretarial Audit report in form MR-3 annexed to this report as "**Annexure - III**".

The Secretarial Audit Report for the year under review does not contain any qualifications.

The Board of Directors based on the recommendations of the Audit Committee, have re-appointed M/s. Anish Gupta & Associates, Company Secretaries in Whole Time Practice to carry out the Secretarial audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-20.

11.3 Internal Auditors

As per the Corporate Governance Guidelines, 2016, Audit Committee is required to oversee the efficient functioning of the Internal Audit Department of the Company. The Internal Audit reports are submitted to the Audit Committee of your Company on a quarterly basis.

12. Particulars of Loans, Guarantees or Investments

In terms of the provisions of sub-section 11 of Section 186 of the Companies Act, 2013, as amended by the Companies (Removal of Difficulties) Order, 2015 dated 13th February 2015, issued by the Ministry of Corporate Affairs, the provisions of Section 186, except sub-section 1 is not applicable to your Company.

13. Dividend & Reserves

In order to conserve the resources of the Company, the Directors do not recommend any dividend for the financial year ended March 31, 2019.

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

14. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds specified under section 125 of the Companies Act, 2013 lying

unpaid or unclaimed. Accordingly, there were no funds which were required to be transferred to the Investor Education and Protection Fund (IEPF).

15. Future Outlook

With favourable demographics, rising income level & insurance awareness the industry is poised to grow sustainably and meaningfully. Favourable government policies and increased focus on healthcare & agriculture also boosted the growth in the industry at large. Aligned with the government's drive towards financial inclusion and protection, your company has also started participating in sectors like Crop insurance.

India has enormous unmet needs for health care and a huge population of uninsured residents. Even among emerging markets, India is one of the least insured countries, with a health insurance penetration rate of only about 20%. Your company has renewed its strategic focus on retail health insurance which in future will bring sustainable growth and value for the stakeholders.

On the technology front, Digital technologies are rapidly changing every aspect of human life. "Insurtech" is having a similar impact on the insurance industry around the globe. Your company is poised to build & develop a conducive ecosystem aimed to enhance customer experience, reduce claims response time, provide data-driven insights and support both customers and management to make informed decisions.

Aligned with the vision to "actively protect and enhance people's lives", the company is also focusing on reaching out to the rural India where majority of country resides and need protection. Our core values, clear business fundamentals and deeper customer connects have created a robust foundation for growth. It is this foundation and values which will make your company succeed despite market uncertainties, economic volatilities & other threats.

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

There were no material changes or commitments, affecting the financial position of the Company between March 31, 2019 and the date of this report.

17. Particulars Regarding Conservation of Energy and Technology Absorption

Considering the nature of the business of the Company, the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy and technology absorption do not apply to the Company. Your Company has, however, taken extensive steps pertaining to the below:



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

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

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

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

(iii) The capital investment on energy conservation equipment;

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

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

Earnings in foreign currency - ₹ 198,720/-

Expenditure in foreign currency - ₹ 405,369/-

19. Development and Implementation of Risk Management Policy

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

• **Risk Governance**

The Risk Governance structure of the Company is based on Three Lines of Defense: The operational structures (Risk Owners) are the first line of defense. The Risk Management and the Compliance represent the Second Line of Defense and finally Internal Audit is the Third Line of Defense. The Company has in place a documentation tree based on different levels of policies and guidelines i.e. Risk Management Policy, Asset and Liability Management Policy, Underwriting Policy, Investment Policy, Anti-Money Laundering policy, Whistle Blowing Policy, IT Security Guidelines etc.

• **Risk Management Controls and Limits**

The Company has an independent Enterprise Risk Management function, which is headed by Chief Risk Officer. The Company monitors and controls the risks evolution at different levels of the operating structures. Risk Observers support Risk Takers and Risk Owners in their monitoring activities. The limits defined in Delegation of Authority document are incorporated in respective standard operating procedures and guidelines. Some critical limits are inbuilt in the system to ensure 100% compliance. Monitoring reports (MIS) are generated from

systems and reported to concern authority on a regular basis. The limits/indicators defined for monitoring operating objectives of the strategic plan and solvency position are monitored by the management on the monthly/quarterly basis.

• **Risk Measurement and Models**

There is no common measurement methodology and model applicable to all the risks. ERM team and risk owners discuss jointly the risks incorporated in the Risk Map. The risk map comprises of Financial Risks, Credit Risks, Operational Risk, Insurance Risk, Strategic Risk, Emerging Risk, Liquidity Risk and Regulatory Risk. These risks are further classified (Risk Level 2) in order to map risks with risk scenarios appropriately. The Company risk profile is prepared on the basis of severity and probability of risks. The Company risk profile depicts high, medium and low levels of risks. This helps us set priorities on risk mitigations. The risks are identified, credible loss scenarios are developed, impacts on the Company's performance and results are assessed. Adequacy of existing risk control measures are reviewed and recommended controls if not adequate. ERM function has developed a tool to monitor limits associated with investment function. ERM has also developed a tool to assess the impact of various risks results on solvency. Prior to renewal of reinsurance program, catastrophic risk is modeled after taking into account proposed strategic plan. Assets and Liability Management is carried out using LOB wise gap analysis. The impact of the stress test results is assessed. The technical reserves are estimated using CLM (Chain Ladder Method) and considering premium deficiency reserve, outstanding claims, unearned premium and IBNR (incurred but not reported).

• **Embedding in Business Processes**

- Incorporated limits in IT systems i.e. Mfund for investments, reinsurance retention and treaty, underwriting authority limits in Policy Asia, Performance measurement evaluation on RACE etc.
- Operating limits approved by the Board of Directors are incorporated in Standard Operating Procedures.
- Risk Champions nominated by business units are trained in Key Risk Indicators and Key Control Indicators monitoring. They participate in various risk management activities.
- Risk assessment of outsourced vendors is carried out according to IRDAI outsourcing guidelines.
- Update Business Continuity Management and conduct process test drills periodically.

- Trainings are conducted on risk management, underwriting, products, IT system, selling skills, Fraud Control, insurance domain customer service etc.

- **Risk Reporting**

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

20. Annual Performance Evaluation

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

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

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

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

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

A] Directors

Directors retiring by rotation

Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Vijay Laxminarayan Biyani (DIN: 00005827) and Mr. Krishan Kant Rathi (DIN: 00040094), Non - Executive Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Appointments:

- **Mr. Sanjay Jain- Additional Director**

Pursuant to Section 152 and Section 161 of the Companies Act, 2013 and applicable rules and provisions made thereunder and Corporate Governance Guidelines, Mr. Sanjay Jain (DIN:

02055254) was appointed as an Additional Non-Executive Director of the Company *vide* circular resolution passed by the Board of Directors of the Company on October 4, 2018. Mr. Sanjay holds office up to the ensuing Annual General Meeting.

As per the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from a member signifying its intention to propose the appointment of Mr. Sanjay Jain as a Director of the Company. The resolution seeking shareholders' approval for his appointment forms part of the Notice.

Mr. Sanjay Jain is a MBA in Finance and has nearly 25 years of experience with leading business houses. Mr. Sanjay has served as the Group CFO of Future Group and Zee Group. He was also the CFO of international operations of Avantha Group. Mr. Sanjay is a BSE Gold Medallist. He has been a part of leading consolidation in the retail industry by acquiring Bharti Retail (Walmart India Operations), Heritage, Nilgiri's, Hypercity, Sangam Retail, FabFurnish. Besides, he also helped augment the portfolio of brands and product offerings by acquiring Kara from Grasim and strengthened back-end supply chain logistics through the acquisition of cold chain as part of Brattle Foods and last-mile delivery through Vulcan from Snapdeal. He has been instrumental in the acquisition of companies in Belgium, Canada, US, Ireland, France and Indonesia. Mr. Sanjay has been honored with multiple awards including Best CFO for "Capital Restructuring" by IMA in 2016, Best CFO for "M & A" by Businessworld, Yes Bank in 2018 and Overall Champion CFO by Businessworld.

- **Mr. Anup Rau Velamuri- Additional Director and Managing Director & Chief Executive Officer ("MD & CEO")**

Pursuant to Section 152 and Section 161 of the Companies Act, 2013 and applicable rules and provisions made thereunder and Corporate Governance Guidelines, Mr. Anup Rau Velamuri (DIN: 06511806) was appointed as an Additional Director of the Company w.e.f May 14, 2019. Mr. Anup Rau holds office up to the ensuing Annual General Meeting.

As per the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from a member signifying its intention to propose the appointment of Mr. Anup Rau as a Director of the Company. The resolution seeking shareholders' approval for his appointment forms part of the Notice.

Subject to the approval of the Insurance Regulatory and Development Authority of India and shareholders at the General Meeting, Mr.



Anup Rau was also appointed as the MD & CEO of the Company by the Board of Directors at their Meeting held on May 14, 2019,

Necessary resolution for seeking shareholders' approval for his appointment as the MD & CEO forms part of the Notice of the ensuing Annual General Meeting.

Mr. Anup Rau has done MMS (Marketing) from University of Mumbai and has been associated with Industry since 2000. He has worked for 3.5 years as Executive Director (ED) & CEO in Life Insurance Industry and 2.5 years in General Insurance. Mr. Anup Rau was the ED & CEO of Edelweiss General Insurance Co. Ltd. from December 2016 to May 2019. During his stint at Edelweiss, he helped in developing the Strategy and products and took the Company "live", delivering over 100 Crs. of topline in the first full year of operations. Mr. Anup Rau was also associated with Reliance Nippon Life Insurance, HDFC Life, ICICI Prudential Life. At HDFC Life, as a Chief Distribution Officer, he was credited for moving the Company's market position from 4th to 2nd amongst private insurers. Mr. Rau was selected as India's best young CEOs in 2014 by Business Today.

Resignations:

- **Mr. K.G. Krishnamoorthy Rao- Managing Director & CEO**
Mr. K.G. Krishnamoorthy Rao (DIN: 02795933) resigned as the Managing Director & CEO of the Company with effect from November 17, 2018. Your Directors place on record their appreciation for the invaluable contribution made by him during his tenure as Managing Director & CEO.
- **Mr. Hayden Seach- Director**
Mr. Hayden Seach (DIN: 07409596), resigned as the Director of your Company w.e.f. May 14, 2019. Your Directors place on record their appreciation for the invaluable contribution made by him during his tenure as the Director.

B] Key Managerial Personnel

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

Appointments:

- **Mr. Ashwani Kumar Arora - Appointed Actuary**
During the year under review, Mr. Ashwani Kumar Arora was re-appointed as the Head - Actuarial of the Company and Mr. G N Agarwal as the mentor to Mr. Ashwani Kumar Arora. The appointment was approved by the Insurance Regulatory and Development Authority of India (IRDAI) on July 03, 2018 and was intimated to the Insurance

Regulatory and Development Authority of India (IRDAI) in accordance with the IRDAI Corporate Governance Guidelines, 2016.

- **Mr. Shreeraj Deshpande- Principal Officer & CEO (Officiating)**
At the Board Meeting held on November 02, 2018, Mr. Shreeraj was appointed as the Principal Officer of the Company for a period, till the new Managing Director & CEO is appointed.
- **Mr. Ajinkya Bannore- Company Secretary**
Mr. Ajinkya Bannore was appointed as the Company Secretary of the Company on November 02, 2018.
- **Mr. Devi Dayal Garg- Chief Financial Officer**
Mr. Devi Dayal Garg was appointed as the Chief Financial Officer of the Company with effect from February 15, 2019.
- **Mr. Rajiv Joshi- Principal Compliance Officer, Company Secretary & Head- Legal**
Mr. Rajiv Joshi was appointed as the Principal Compliance Officer, Company Secretary & Head- Legal of the Company with effect from February 15, 2019.

All the aforementioned appointments were intimated to the Insurance Regulatory and Development Authority of India (IRDAI).

Resignations:

- **Mr. Krishnan Gopalakrishnan- Compliance Officer, Company Secretary and Head- Legal**
During the year under review, Mr. Krishnan Gopalakrishnan resigned as the Compliance Officer, Company Secretary and Head- Legal with effect from May 12, 2018.
- **Mr. Ritesh Jiwarajka - Chief Financial Officer**
During the year under review, Mr. Ritesh Jiwarajka was re-designated as the Head of Finance of the Company with effect from February 15, 2019.
- **Mr. Ajinkya Bannore- Company Secretary**
Mr. Ajinkya Bannore resigned from the services of the Company as the Company Secretary with effect from February 15, 2019.

22. Subsidiary Companies, Joint Venture or Associate Companies

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

23. Public Deposits

During the year under review, your Company has not accepted any deposits from the public within the

meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

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

There were no significant and material orders passed by the regulators or courts or tribunals against the Company impacting its status as going concern status and operations.

25. Internal Financial Controls with reference to the Financial Statements

Your Company has put adequate internal financial control systems and procedures in place to ensure authenticity with reference to the Financial Statements.

26. Policy on Corporate Social Responsibility

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

The Annual Report on Corporate Social Responsibility (CSR) Activities is annexed to the Report as "Annexure - IV".

27. Related Party Transactions

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

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

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

28. Particulars of Employees

Particulars of employees pursuant to the provisions of Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 and applicable provisions of the Companies Act, 2013, the particulars of employees are set out in the

"Annexure - V" to the Directors' Report. The Directors Report is being sent to all the Shareholders of the Company excluding the said information. The annexure is available for Inspection by the shareholders of the Company during business hours on working days up to the date of ensuing Annual General Meeting. Any Shareholder interested in obtaining a copy of the same, may write to the Company Secretary of the Company.

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

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

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

30. Secretarial Standards

During FY 2019, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings. The same has also been confirmed by the Secretarial Auditor of the Company in Form MR-3.

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

• **Whistle Blower Policy/ Vigil Mechanism**

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

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

- **Code of Conduct**

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

- **Anti-Fraud Policy**

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

32. Disclosure of unclaimed amount on website

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

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

Your Company is committed to creating a healthy working environment in which all employees can work together free from sexual harassment. The Company has adopted a Policy on Sexual Harassment in accordance with the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has also set up an internal committee to consider and address the complaints of its employees as and when received under the sexual harassment policy. The Company believes that all employees and other

persons dealing with the Company have a right to be treated with dignity. Sexual harassment is an offense and is punishable under law.

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

No. of complaints received : 0

No. of complaints disposed of : 0

34. Appreciation and Acknowledgment

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

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

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

On behalf of the Board of Directors

Future Generali India Insurance Company Limited

G. N. Bajpai

Chairman

DIN: 00946138

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

Dated: May 14, 2019

Place: Mumbai

Report on Corporate Governance

1. INTRODUCTION

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

2. PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

3. BOARD OF DIRECTORS

The Board has been constituted in a manner which results in an appropriate mix of Executive and Non-Executive Directors to ensure proper governance and management.

The Corporate Governance principles of the Company ensure that the Board remains informed, independent

and activity involved in the Company and that there are ongoing efforts towards better Corporate Governance to mitigate "Non-Business" risks.

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

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

3.1 Composition of the Board


As at March 31, 2019, the Board of Directors of your Company consisted of Ten (10) Directors comprising of three (3) Non – Executive Independent Directors including a Woman Director and seven (7) Non – Executive Directors. The Directors are elected based on their qualification and experience in related fields of your Company's business needs and/or having expertise in numerous fields including marketing, management & finance etc.

3.2 Information on Directors

- **Mr. G. N. Bajpai (DIN: 00946138) - Chairman**
Mr. Ghyanendra Nath Bajpai is a Non-Executive Director and Chairman of the Company. Mr. Bajpai is a distinguished leader in Indian business and has been the Chairman of the Securities and Exchange Board of India (SEBI) and Chairman of the Life Insurance Corporation of India (LIC).

Mr. Bajpai is known for his visionary leadership and exemplary integrity. He has served as Non-Executive Chairman and a Director on corporate boards in India and other countries. He has been Chairman of the Corporate Governance Task Force of International Organization of Securities Commissions, Insurance Institute of India & served on the Governing Boards of Indian Institute of Management, Lucknow and National Insurance Academy. He has also received awards for contribution to business and has authored several books, the latest being 'The Essential Book of Corporate Governance' released in 2016.

Mr. Bajpai has delivered lectures at London School of Economics (LSE), Harvard University and MIT and also addressed Stanford University, OECD & IMF seminars. He has received among others the



outstanding contribution to the Development of Finance award from the then Prime Minister Dr. Manmohan Singh.

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

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

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

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

Mr. Kishore Biyani holds a Bachelor's Degree in Commerce and also possess Post Graduation in Diploma in Marketing. He was appointed as the Director on March 16, 2007.

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

Mr. Vijay Biyani is a Non-Executive Director on the Board of the Company. Mr. Vijay Biyani has more than 36 years of experience in manufacturing, textiles and retail industry.

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

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

Mr. Krishan Kant Rathi is a Non-Executive Director on the Board of the Company. He has approximately 31 years of professional experience in corporate finance, strategic business planning and investment advisory. He has worked in organizations such as KEC International, H&R Johnson and Motilal Oswal Private Equity Advisors. He has previously worked as Group CFO with Pantaloon Retail.

Mr. Krishan Kant Rathi is a qualified Chartered Accountant and a Company Secretary. He was appointed as the Director on October 30, 2006.

- **Mr. Hayden Seach (DIN: 07409596) - Director**

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

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

Mr. Seach studied Business and holds a Master's degree in Leading Innovation and Change through York St. John University in the UK. He was appointed as the Director on February 1, 2016.

Mr. Hayden Seach (DIN: 07409596), resigned as the Director of your Company w.e.f. May 14, 2019. Your Directors place on record their appreciation for the invaluable contribution made by him during his tenure as the Director.

- **Ms. Jennifer Sparks (DIN: 07111138) - Director**

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

Ms. Sparks has over 33 years of international experience in insurance and financial services across Australia, Japan and Korea. Prior to joining Generali, she was CEO of Hartford Life Insurance KK. Between 2003 and 2011, she held various senior management positions within AIG, including Chief Financial Officer for AIG Edison Life in Japan and Regional Controller for AIG Life Companies in Japan and Korea. Ms. Sparks started her career with AMP in Australia before moving to Japan in 1997.

Ms. Sparks is a graduate from the University of Adelaide and holds a Bachelor of Science with First Class Honours in Applied Mathematics. She is also a Fellow of the Institute of Actuaries of Australia. She was appointed as the Director on February 1, 2016.

- **Mr. Sanjay Jain (DIN: 02055254) - Director**

Mr. Sanjay Jain is a Non-Executive Director on the Board of the Company. Mr. Sanjay is a MBA in

Finance and has nearly 25 years of experience with leading business houses. Mr. Sanjay has served as the Group CFO of Future Group and Zee Group. He was also the CFO of international operations of Avantha Group. Mr. Sanjay is a BSE Gold Medallist. He has been a part of leading consolidation in the retail industry by acquiring Bharti Retail (Walmart India Operations), Heritage, Nilgiri's, Hypercity, Sangam Retail, FabFurnish. Besides, he also helped augment the portfolio of brands and product offerings by acquiring Kara from Grasim and strengthened back-end supply chain logistics through the acquisition of cold chain as part of Brattle Foods and last-mile delivery through Vulcan from Snapdeal. He has been instrumental in acquisition of companies in Belgium, Canada, US, Ireland, France and Indonesia. Mr. Sanjay has been honored with multiple awards including Best CFO for "Capital Restructuring" by IMA in 2016, Best CFO for "M & A" by Businessworld, Yes Bank in 2018 and Overall Champion CFO by Businessworld.

- **Ms. Bhavna Doshi (DIN: 00400508) - Independent Director**

Ms. Bhavna Doshi is an Independent Director on the Board of the Company. She is a fellow member of the Institute of Chartered Accountants of India and was ranked second in the merit list. She has over 28 years of wide-ranging experience which includes handling of varied assignments across sectors for domestic and multinational entities involving accounting, taxation and regulatory matters. She holds a Masters Degree in Commerce from the University of Mumbai. She is actively involved in proposed goods and service tax related matters and interacts with government and businesses on matters of policy. She has served as Chairperson of Accounting Standards Board and as a member of Board for many years. She has also served as Chairperson and member of the Research Committee of the Institute of Chartered Accountants of India.

She serves as an Independent Director on the Boards of listed companies where she brings her expertise and exposure of having worked on several matters and committees nationally and internationally. A former partner of member firm of KPMG in India, she is currently providing advisory services. She was appointed as the Director on March 24, 2015.

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

Dr. Devi Singh is an Independent Director on the Board of the Company. He has served as the Vice Chancellor of FLAME University, Pune. He spent about a year in Jaipur setting up a new University before moving to Pune in August 2016.

Dr. Devi Singh was a Director of the Indian Institute of Management, Lucknow for more than ten years. Before joining IIM-L, he was a Director of Management Development Institute (MDI) Gurgaon for four and a half years. He is a well-known Professor of International Finance and Management.

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

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

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

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

Dr. Singh has served as a Member on the RBI'S Appointments Board for two years (2011 & 2012). He was also a Member of the UPSC Committee Constituted for Designing CSAT (2009-2010).

Dr. Singh was on the Board of India Fulbright for two years (2005-07) and was nominated by the International Accreditation Advisory Board of Association of MBAs for three years. He served as



Member of the Nomination Committee of AACSB for the year 2014-15.

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

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

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

Dr. Singh holds Ph.D. in International Finance from Indian Institute of Management, Ahmedabad (1984). He was appointed as the Director on November 15, 2010.

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

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

He is an Adjunct Professor since 2011 after retiring as Professor in 2010 completing 41 years of service at Indian Institute of Management, Ahmedabad (IIMA). Also, as a visiting faculty, he has taught at IIM Udaipur, IIM Shillong, IPMI Jakarta, Indonesia, Multi-Media University, Malaysia and Pokhara and Tribhuvan, Nepal.

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

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

He has Published three books including (Co-author) Marketing Management: Cases and Concepts;

several articles/papers in national and international journals and conferences on media planning, advertising and case method; and large number of cases in books and journals. Published/ presented several papers in national and international journals/ conferences and written more than one hundred learning materials (cases and technical notes) on marketing and general management.

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

- **Mr. Anup Rau Velamuri (DIN: 06511806) – Managing Director & Chief Executive Officer**

Mr. Anup Rau Velamuri (DIN: 06511806) was appointed as an Additional Director of the Company with effect from May 14, 2019. Subject to approval of the Insurance Regulatory and Development Authority of India and shareholder's at the General Meeting, Mr. Rau was also appointed as the Managing Director & Chief Executive Officer of the Company.

Mr. Anup Rau has done MMS (Marketing) from University of Mumbai and has been associated with Industry since 2000. He has worked for 3.5 years as Executive Director (ED) & CEO in Life Insurance Industry and 2.5 years in General Insurance. Mr. Anup Rau was the ED & CEO of Edelweiss General Insurance Co. Ltd. from December 2016 to May 2019. During his stint at Edelweiss, he helped in developing the Strategy and products and took the Company "live", delivering over 100 Crs. of topline in the first full year of operations. Mr. Anup Rau was also associated with Reliance Nippon Life Insurance, HDFC Life, ICICI Prudential Life. At HDFC Life, as a Chief Distribution Officer, he was credited for moving the Company's market position from 4th to 2nd amongst private insurers. Mr. Rau was selected as India's best young CEOs in 2014 by Business Today.

4. ANNUAL EVALUATION OF THE BOARD

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

Performance evaluation of the Independent Directors is done by the Board of Directors excluding the Director being evaluated. The Board reviews and assesses the

performance of Independent Directors by way of a peer to peer review i.e. each of the Independent Directors shall be assessed by the other directors based on the criteria prepared by the Board of Directors from time to time. The Board shall share the findings of the performance evaluation with the Independent Directors and discuss and analyze the areas for improvement.

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

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

Name of the Director	Amount (in ₹)
Mr. G.N. Bajpai	4,40,000
Dr. Devi Singh	2,90,000
Ms. Bhavna Doshi	2,70,000
Mr. Abhinandan K. Jain	2,80,000
Mr. K. K. Rathi	3,60,000
Mr. Kishore Biyani	1,50,000
Mr. Vijay Biyani	1,50,000
Mr. Sanjay Jain	50,000

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

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

6. ATTENDANCE RECORD OF THE DIRECTORS

During the year under review, Four meetings of the Board of Directors were held on May 12, 2018, August 09, 2018, November 02, 2018 and February 14, 2019. The maximum time gap between any two consecutive meetings during this period did not exceed an interval of one hundred and twenty (120) days at any point in time.

The details of the Board Meetings held and attended by the respective Directors are given below along with their attendance at the last AGM held on September 24, 2018:

Name of Director	Category	Attendance Particulars		
		Meetings held during tenure of Director	Meetings attended	Attendance at the AGM
Mr. G. N. Bajpai	Non-Executive Director, Chairman	4	4	Yes
Mr. Kishore Biyani	Non-Executive Director	4	3	No
Mr. Vijay Biyani	Non-Executive Director	4	3	No
Mr. Krishan Kant Rathi	Non-Executive Director	4	4	Yes
Dr. Devi Singh	Independent Director	4	4	Yes
Ms. Bhavna Doshi	Independent Director	4	4	Yes
Mr. Abhinandan K Jain	Independent Director	4	4	No
Mr. K.G. Krishnamoorthy Rao*	Managing Director & CEO	3	3	Yes
Mr. Hayden Seach	Non-Executive Director	4	3	No
Ms. Jennifer Sparks	Non-Executive Director	4	3	No
Mr. Sanjay Jain**	Non-Executive Director	2	1	NA

* Resigned as the Managing Director & CEO with effect from November 17, 2018.

** Appointed as Non-Executive Director with effect from October 04, 2018.

The Appointed Actuary and the mentor to the Appointed Actuary are invited to attend all the meetings of the Board of Directors.



7. AUDIT COMMITTEE

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

Apart from the requirements of Section 177 and/or other relevant provisions of the Companies Act, 2013 the provisions of the IRDAI (Corporate Governance Guidelines, 2016) and any other guidelines, rules or regulations prescribed by the Insurance Regulatory & Development Authority of India or any other Statutory Body/ Authority, the Committee assists and provides advice to the Board of Directors in relation to the internal control & risk management system of the Company.

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

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

7.1 Composition and Attendance at Meetings:

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

As on the date of this report, the Audit Committee consists of four (4) members, all being Non-executive Directors, three (3) of them being Independent Directors.

During the year under review, the Audit Committee met four (4) times on May 11, 2018, August 09, 2018, November 02, 2018, and February 13, 2019 and reviewed operations and accounts of the Company.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Meetings attended
Ms. Bhavna Doshi	Independent Director and Chairperson	4	3
Mr. G.N. Bajpai	Non-Executive Director	4	4
Dr. Devi Singh	Independent Director	4	4
Mr. Abhinandan K. Jain	Independent Director	4	4

All the members of the Committee have a good experience and strong knowledge of Finance, Accounts and Company Law. Ms. Bhavna Doshi who has served as Chairperson and member of the research committee of the Institute of Chartered Accountants of India is the Chairperson of the Audit Committee.

Mr. K.K. Rathi is the permanent invitee to the Audit Committee.

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

8. INVESTMENT COMMITTEE

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

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

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

1. The general direction for the management of the investment funds and investment strategies;
2. The overall investment policy, guidelines and operational framework for the portfolio and the investment operations of the Company;
3. The internal control system supporting the investment policy of the Company, including but not limited to investment mandates, schedules of delegations to management, allowable investments, investment benchmarks, empanelment of brokers, appointment of the custodian and investment managers and risk control limits;
4. Policies and guidelines involving the use of derivatives and structured products;
5. Any large and/or non-standard investment transactions upon completion of the review and comments by the Risk Management Department and the Investment Department;
6. The degree of attention given to a prudential asset liability management (ALM) in the investment policy and the models used to steer efficiently in the direction pointed out by the Board;
7. The risks that the investment activity brings to the portfolios of the Company;
8. The performance of investments made by or on behalf of the Company or the policyholders and its impact on the Company's products;
9. The evaluation of dynamic market conditions, including the future outlook and its impact on the investment policy of the Company;
10. The quality of investment-related assessments by the Investment Department and the advice of third parties supported by the findings of the due diligence process and the credit ratings provided by external agencies;
11. The quality and performance of the financial intermediaries and other financial service providers that the Company employs to carry out its investment operations; and
12. Effective standalone reporting systems (i.e. independent from any audit mechanisms, either internal or concurrent) to ensure compliance with the investment policy for a sustained and ongoing monitoring of investment operations.

8.1 Composition and Attendance at Meetings:

The Company has constituted an Investment Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

As on the date of this report, the Investment Committee consists of seven (7) members. Chairman, one (1) Non-Executive Director, Principal Officer & CEO (Officiating), Chief Financial Officer, Chief Risk Officer, Chief of Investments and Appointed Actuary, which is in compliance with IRDA (Investment Regulations) and Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India.

During the year under review, the Investment Committee met four (4) times during the year on May 11, 2018, August 08, 2018, November 01, 2018 and February 13, 2019.



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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/KMP	Meetings attended
Mr. G.N. Bajpai	Non-Executive Director, Chairman	4	4
Mr. Krishan Kant Rathi	Non-Executive Director	4	4
Mr. Ritesh Jiwarajka [#]	Head of Finance/ Chief Financial Officer	4	4
Mr. Milan P. Shirodkar	Chief of Investments	4	4
Mr. K. G. Krishnamoorthy Rao ^{##}	Managing Director & CEO	3	3
Mr. Ashwani Kumar Arora	Appointed Actuary	4	4
Mr. Ajay Panchal	Chief Risk Officer	4	3

[#] Mr. Ritesh Jiwarajka was re-designated as the Head of Finance and Mr. Devi Dayal Garg was appointed as the Chief Financial Officer with effect from February 15, 2019. Accordingly, Mr. Devi Dayal Garg was inducted as a Member of the Committee at the Board Meeting held on May 14, 2019 in place of Mr. Ritesh Jiwarajka.

^{##} Resigned as the Managing Director & CEO with effect from November 17, 2018.

Note: Mr. Shreeraj Deshpande was appointed as the Principal Officer of the Company with effect from November 17, 2018. Accordingly, he attended the Meeting held on February 13, 2019 as an invitee and was inducted as a member of the Committee at the Board Meeting held on February 14, 2019.

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

9. POLICYHOLDERS PROTECTION COMMITTEE

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

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

The terms of reference of the Policyholder's Protection Committee, inter-alia, includes the following:

- 1) Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including misselling by intermediaries.
- 2) Ensure compliance with the statutory requirements as laid down in the regulatory framework.
- 3) Review of the mechanism at periodic intervals.
- 4) Ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall, for the present, comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals.
- 5) Review the status of complaints at periodic intervals to the policyholders.
- 6) Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority.
- 7) Provide details of insurance ombudsmen to the policyholders.

9.1 Composition and Attendance at Meetings

The Company has constituted a Policyholders Protection Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

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

Mr. Sandip Tarkas, Expert Representative of Customer is the permanent invitee to the Committee. The Committee has duly invited Mr. Tarkas to attend the meetings of the Committee and out of Four (4) meetings Mr. Tarkas has attended One (1).

During the year under review, the Policyholders Protection Committee met four (4) times on May 11, 2018, August 08, 2018, November 01, 2018 and February 13, 2019.

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

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

10. ETHICS AND COMPLIANCE COMMITTEE

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

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

- 1) Review and recommend to the Board of Directors for approval the codes and standards of conduct that apply to the directors, officers and employees of the Company;
- 2) Review the procedures established by the Board of Directors to resolve conflicts of interest and handle related party transactions, including techniques for the identification of potential conflict situations and for restricting the use of confidential information;
- 3) Periodically (at least annually) assess the adequacy and effectiveness of the Compliance Function of the Company and its compliance risk management system;
- 4) Review and recommend the appointment, removal, evaluation and compensation of the Principal Compliance Officer to the approval of the Board of Directors. For this purpose, the Ethics & Compliance Committee shall examine the curriculum vitae, professional and educational background and qualifications of the candidate. In addition, the Ethics & Compliance Committee shall periodically review and evaluate the performance of the Principal Compliance Officer (at least once a year) and propose any salary increase and/or adjustment that is deemed appropriate;
- 5) Review the Annual Compliance Activity Plan prepared and proposed by the Compliance Function before it is submitted to the Board of Directors for final approval;
- 6) Review and recommend for approval by the Board of Directors the compliance programs of the Company which are intended to foster compliance with applicable laws and regulations, review their effectiveness on a regular basis and sign off on any material compliance issues or matters;
- 7) Receive and review periodic reports from the Compliance Function in respect of compliance with external laws and regulations and internal policies and on compliance risks, identified weaknesses, lapses, breaches or violations and the corrective controls and other measures which have been put in place to help detect and address the same;

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

10.1 Composition and Attendance at Meetings

The Company has constituted the Ethics and Compliance Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

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

During the year under review, the Ethics and Compliance Committee met four (4) times on May 11, 2018, August 08, 2018, November 01, 2018 and February 13, 2019.



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

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

11. RISK MANAGEMENT COMMITTEE

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

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

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

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

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

11.1 Composition and Attendance at Meetings:

The Company has constituted the Risk Management Committee pursuant to the provisions of Corporate Governance Guidelines issued by IRDAI.

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

During the year under review, the Risk Management Committee met four (4) times on May 11, 2018, August 08, 2018, November 01, 2018 and February 13, 2019.

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

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

12. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Ensure that CSR policy is implemented as per the Act and the Rules;
- Funds are strictly utilized for the purposes of the CSR activities as approved by the Board;
- CSR expenditure to be audited independently for a better level of transparency;
- Evaluating the CSR Activities undertaken by the Company on an annual basis;
- Prepare the Annual CSR Report to be filed by the Company upon obtaining approval of the Board.

12.1 Composition and attendance at meetings

The Company has constituted the Corporate Social Responsibility (CSR) Committee pursuant to the provisions of Companies Act, 2013 and Corporate Governance Guidelines issued by IRDAI.

The CSR Committee shall consist of three (3) members, all being Non - Executive Directors and the Chairman of the Committee being an Independent Director.

During the year under review, the Corporate Social Responsibility (CSR) Committee met once on May 12, 2018.

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

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

13. NOMINATION AND REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Company was constituted with the Board Members of the Company to review and fix the remuneration of the Executive Directors of the Company in pursuant to the provisions of section 178 of the Companies Act, 2013.

The terms of reference of the Committee are as follows:

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

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

13.1 Composition and Attendance at Meetings:

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



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

During the year under review, the Nomination & Remuneration Committee met four (4) times on May 12, 2018, August 09, 2018, November 02, 2018 and February 14, 2019.

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

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

14. NOMINATION AND REMUNERATION POLICY

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

14.1 Appointment

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

14.2 Remuneration

- The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.
- The Directors, Key Management Personnel and other senior official's salary shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily if any.
- The Committee determines individual remuneration packages for Directors, KMP's and senior officials of the Company by taking into consideration, factors like the market, business performance and practices in comparable companies, having due regard to the financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

15. BANKING AFFAIRS COMMITTEE

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

The terms of reference of the Committee are as follows:

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

- (b) Approve the proposals presented by the Management for opening\closure\operations of bank accounts and change in authorized signatories, due to the increase in business activities and
- (c) Recommend and set authority limits for operations of the Company's Bank Accounts and modify them, from time to time.

15.1 Composition and Attendance at Meetings:

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

As on the date of this report, the Banking Affairs Committee consists of two (2) members, Principal Officer & CEO (Officiating) and One (1) Non-Executive Director who shall act as the Chairman.

During the year, the Banking Affairs Committee met three (3) times on May 11, 2018 and August 09, 2018 and November 02, 2018.

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

Name of Director	Category	Attendance Particulars	
		Meetings held during tenure of Director/Member	Meetings attended
Mr. Krishan Kant Rathi	Non-Executive Director, Chairman	3	3
Mr. K.G. Krishnamoorthy Rao ^{\$}	Managing Director & CEO	3	3

^{\$} Resigned as the Managing Director & CEO with effect from November 17, 2018.

16. SHARE TRANSFER AND ALLOTMENT COMMITTEE

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

The terms of reference of the Committee are as follows:

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

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

16.1 Composition and Attendance at Meetings:

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

As on the date of this report, the Share Transfer and Allotment Committee consist of two members, Mr. G.N. Bajpai as the Chairman and Mr. Krishan Kant Rathi- Non-Executive Director.

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

17. OTHER COMMITTEES CONSTITUTED UNDER THE IRDAI REGULATIONS

17.1 PRODUCT UNDERWRITING AND REINSURANCE MANAGEMENT COMMITTEE

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

During the year under review, the Product Underwriting and Reinsurance Management Committee met Nine (9) times on April 23, 2018, June 14, 2018, June 27, 2018, August 06, 2018, August 31, 2018, October 24, 2018, January 03, 2019, January 23, 2019 and January 31, 2019.



17.2 OUTSOURCING COMMITTEE

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

During the year, there were no occasion of calling and conducting the meeting of the Outsourcing Committee.

18. WHISTLE BLOWER POLICY

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

The whistle blower policy covers inter alia the following:

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

19. GENERAL BODY MEETINGS:

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

Year	No. of AGM	Date and Time of AGM	Venue
2015-16	10th	3rd day of June, 2016 at 04:00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013
2016-17	11th	11th day of August, 2017 at 05:00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013
2017-18	12th	24th day of September, 2018 at 04:00 p.m.	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013

19.1 Extraordinary General Meeting

During the year under review, one Extra-Ordinary General Meeting of the members of the Company was held on December 24, 2018.

DISCLOSURES:

i) Related Party Transactions

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

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

ii) Penalty or strictures

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

iii) Onsite Inspection

During the year under review, an onsite inspection was carried out by the Authority for Motor Insurance Service Providers from July 30, 2018 to August 01, 2018.

iv) Disclosure of accounting treatment

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

v) Disclosures on Risk Management

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

vi) Code of Conduct

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

vii) Re-appointment of Directors

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

Based on the above, at the ensuing Annual General Meeting, Mr. Vijay Laxminarayan Biyani (DIN: 00005827) and Mr. Krishan Kant Rath (DIN: 00040094), Non-Executive Directors of your Company, retire by rotation and are eligible for re-appointment. Necessary resolutions are being placed at the ensuing AGM for the approval of the members.

viii) Actual solvency margin details vis-à-vis the required margin as on March 31, 2019

Particulars	Amount (₹ lacs)
Available Assets	428,980
Liabilities	368,437
Available Solvency Margin (ASM)	60,543
Required Solvency Margin (RSM)	39,264
Solvency Ratio	1.54

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

The Company has gross written premium of ₹ 2,601 Crore against ₹ 1,951 Crore in the previous year.

During the year under review, the Company has not made any allotment of equity shares during the year. The paid-up share capital of the Company remains at ₹ 809.8 Crore as at the end of the Financial Year.

x) Risk Management:

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

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

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

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

Particulars	Total no. of Claims
Outstanding at the beginning of year	50,283
Reported during the year	2,17,267
Settled during the year	2,36,078
Outstanding at the end of the year	31,472

Your Company's conservative approach in accepting the risk in FY 2018-19 has resulted in less claims being reported and achieving 88% claims settlement ratio.

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

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

Annexure - II

Extract of Annual Return

MGT -9

Financial year ended on March 31, 2019

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

I. REGISTRATION & OTHER DETAILS:

CIN	U66030MH2006PLC165287
Registration Date	October 30, 2006
Name of the Company	Future Generali India Insurance Company Limited
Category/Sub-category of the Company	Company limited by Shares/ Non- Government company
Address of the Registered Office & contact details	Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013 Tel : +91 22 4097 6666
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: Link Intime India Pvt. Ltd. Address: Link Intime India Pvt. Ltd, C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083, Maharashtra. Contact Details: 022 - 4918 6000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SI No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	General Insurance	6512	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	206549994	396703711	603253705	74.49	206549994	396703711	603253705	74.49	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	206549994	396703711	603253705	74.49	206549994	396703711	603253705	74.49	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	206550000	206550000	25.51	0	206550000	206550000	25.51	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	206550000	206550000	25.51	0	206550000	206550000	25.51	0
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	206549994	603253711	809803705	100.00	206549994	603253711	809803705	100.00	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	206549994	603253711	809803705	100	206549994	603253711	809803705	100	0

ii) Share Holding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Future Enterprises Limited	206550000*	25.50	0	206550000*	25.50	0	0
2	Shendra Advisory Services Pvt. Ltd.	396703705	48.99	0	396703705	48.99	0	0
3	Generali Participations Netherlands N.V. (Formerly known as Participatie Maatschappij Graafschap Holland NV)	206550000	25.51	0	206550000	25.51	0	0
	Total	809803705	100.00	0	809803705	100.00	0	0

* Includes 6 shares held jointly with Future Enterprises Limited as mentioned below:

- Future Enterprises Limited jointly with Mr. Krishan Kant Rath
- Future Enterprises Limited jointly with Mr. Chandra Prakash Toshniwal
- Future Enterprises Limited jointly with Mr. Rajesh Kalyani
- Future Enterprises Limited jointly with Mr. Deepak Tanna
- Future Enterprises Limited jointly with Mr. Sanjay Rath
- Future Enterprises Limited jointly with Mr. Vimal Dhruve



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

Sl. No	Name of Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1.	Future Enterprises Limited				
	At the beginning of the year	206550000*	25.50	206550000*	25.50
	Allotment during the year	0	0	0	0
	At the end of the year	206550000	25.50	206550000	25.50
2.	Shendra Advisory Services Private Limited				
	At the beginning of the year	396703705	48.99	396703705	48.99
	Allotment during the year	0	0	0	0
	At the end of the year	396703705	48.99	396703705	48.99
3.	Generali Participations Netherlands N.V. (Formerly known as Participatie Maatschappij Graafsschap Holland NV)				
	At the beginning of the year	206550000	25.51	206550000	25.51
	Allotment during the year	0	0	0	0
	At the end of the year	206550000	25.51	206550000	25.51

*Includes 6 shares held jointly with Future Enterprises Limited as mentioned below:

- Future Enterprises Limited jointly with Mr. Krishan Kant Rath
- Future Enterprises Limited jointly with Mr. Chandra Prakash Toshniwal
- Future Enterprises Limited jointly with Mr. Rajesh Kalyani
- Future Enterprises Limited jointly with Mr. Deepak Tanna
- Future Enterprises Limited jointly with Mr. Sanjay Rath
- Future Enterprises Limited jointly with Mr. Vimal Dhruve

iv) Shareholding Pattern of top ten Shareholders

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

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

v) Shareholding of Directors & KMP

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



V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

A. Remuneration to Managing Director, Whole-Time Director and/or Manager

Sl. No.	Particulars of Remuneration	Name of the Managing Director/ Whole-Time Director/ Manager
		Mr. K.G. Krishnamoorthy Rao (Managing Director & CEO upto November 16, 2018)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.)	1,70,97,885
	(b) Value of perquisites (u/s 17(2) of the Income-tax Act, 1961	26,400
	(c) Profits in lieu of salary (u/s 17(3) of the Income Tax Act, 1961)	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	
	as % of profit	-
	others (specify)	-
5	Others, please specify	
	Annual Bonus	2,58,61,500
	Total (A)	4,29,85,785
	Ceiling as per the Act	N.A.

B. Remuneration to other Directors

(₹)

Sl. No	Particulars of Remuneration	Name of the Directors										Total
		Mr. G. N. Bajpai	Dr. Devi Singh	Ms. Bhavna Doshi	Mr. Abhinandan K. Jain	Mr. Kishore Biyani	Mr. Vijay Biyani	Mr. K.K. Rathi	Mr. Hayden Seach	Ms. Jennifer Sparks	Mr. Sanjay Jain**	
1	Independent Directors											
	(a) Fee for attending Board/ Committee meetings	N.A	2,90,000	2,70,000	2,80,000	N.A	N.A	N.A	N.A	N.A	N.A	8,40,000
	(b) Commission	N.A	0	0	0	N.A	N.A	N.A	N.A	N.A	N.A	0
	(c) Others, please specify	N.A	0	0	0	N.A	N.A	N.A	N.A	N.A	N.A	0
	Total (1)	N.A	2,90,000	2,70,000	2,80,000	N.A	N.A	N.A	N.A	N.A	N.A	8,40,000
2	Other Non-Executive Directors											
	(a) Fee for attending Board/ Committee meetings	4,40,000	N.A	N.A	N.A	1,50,000	1,50,000	3,60,000	0	0	50,000	11,50,000
	(b) Commission	0	N.A	N.A	N.A	0	0	0	0	0	0	0
	(c) Others, please specify.	0	N.A	N.A	N.A	0	0	0	0	0	0	0
	Total (2)	4,40,000	N.A	N.A	N.A	1,50,000	1,50,000	3,60,000	0	0	50,000	11,50,000
	Total (B)=(1+2)											19,90,000
	Total Managerial Remuneration (A+B)											
	Overall Ceiling as per the Act.	N.A										

** Mr. Sanjay Jain was appointed as an Additional Director with effect from October 04, 2018

Note: - The Company has not made any payment to Directors, except sitting fees as specified under section 197(5) of the Companies Act, 2013. Further, the Sitting fee is in accordance with the provisions of Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

C. Remuneration to Key Managerial Personnel other than Managing Director/ Whole Time Director/Manager

(₹)

Sl. No	Particulars of Remuneration	Key Managerial Personnel					Total
		Mr. Krishnan Gopalakrishnan	Mr. Ritesh Jiwarajka	Mr. Ajinkya Bannore	Mr. Devi Dayal Garg	Mr. Rajiv Joshi	
		Principal Compliance Officer, Company Secretary and Head- Legal (upto May 12, 2018)	Chief Financial Officer (upto February 14, 2019)	Company Secretary (w.e.f November 02, 2018 upto February 14, 2019)	Chief Financial Officer (w.e.f February 15, 2019)	Principal Compliance Officer, Company Secretary and Head- Legal (w.e.f February 15, 2019)	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,77,419	38,42,874	2,88,888	15,87,499	8,50,001	68,46,681
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	as % of profit						
	others, specify						
5	Others, please specify	-	10,00,000	-	-	-	10,00,000
	Annual Bonus						
	Total	2,77,419	48,42,874	2,88,888	15,87,499	8,50,001	78,46,681



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

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

G. N. Bajpai
Chairman
DIN: 00946138

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

Dated: May 14, 2019
Place: Mumbai



Annexure - III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in "Annexure A", for the Financial Year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder, as may be applicable;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; and

We have also examined the books, papers and records on other specific laws applicable to the company and based on the representation made by the Company and its officers, the Company has adequate system and process in place for compliance under the other specific applicable Laws, Acts,

Rules, Regulations, Guidelines and Standards application to the company including the compliance of provisions of:

- (i) Insurance Act, 1938 and The Insurance Law (Amendments) Act, 2015; and
- (ii) Insurance Regulatory and Development Authority Act, 1999 ("IRDA") and the rules, regulations, circulars, guidelines, instructions etc. issued by IRDAI;

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

- (i) Maharashtra Shops and Establishments Act, 1948; and Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017.
- (ii) Maharashtra Labour Welfare Fund Act, 1953;
- (iii) The Minimum Wages Act, 1948;
- (iv) Payment of Wages Act 1936 and Payment of Wages (Amendment) Act, 2017;
- (v) The Equal Remuneration Act, 1976;
- (vi) The Maternity Benefits Act, 1961 and The Maternity Benefit (Amendment) Act 2017
- (vii) Contract Labour (Regulation and Abolition) Act, (for branches where ever applicable), 1970;
- (viii) Payment of Bonus Act, 1965 ;
- (ix) Professional Tax Act, 1975;
- (x) Maharashtra State Tax on Profession, Trade, Callings and Employments Act 1975
- (xi) Payment of Gratuity Act, 1972; The Payment of Gratuity (Amendment) Act, 2018
- (xii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013;
- (xiii) The Provident Fund Act, 1952;



Provisions of the following Regulations and Guidelines prescribed are not applicable to the Company, since the company is not listed on any of the Stock Exchange(s) in India, for the financial year ended March 31, 2019 under report:-

- (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

The Company is an unlisted Company and therefore compliance with listing regulations is not applicable.

The Institute of Company Secretaries of India has prescribed Secretarial Standards on Meeting of Board and Committees (SS-1) and on General Meetings (SS-2) which are mandatory for the financial year 2018-19.

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

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

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

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

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

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

For **Anish Gupta & Associates**
Company Secretaries

Anish Gupta
Proprietor

Place: Mumbai,
Date: 14.05.2019

FCS: 5733, CP No. 4092

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

Annexure “A”

List of documents verified:

Under Companies Act, 2013:-

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2019.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer and Allotment Committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year ended March 31, 2019 under report.
5. Statutory Registers as per Companies Act 2013 viz.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 149(6) & (7), Section 164 and Section 184 of the Companies Act, 2013.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Video Conferencing recording.
10. Various Policies framed by the company required under the Companies Act, 2013 viz. Nomination and Remuneration Policy, Corporate Social Responsibility Policy, Board Evaluation Policy etc.
11. Documents pertaining to Appointment, Resignation of Directors and KMP and approvals received from IRDAI.
12. Other relevant documents as required to be maintained and published on website by the company.

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

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

Under Foreign Exchange Management Act, 1999:-

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



Annexure “B”

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

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

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

For **Anish Gupta & Associates**
Company Secretaries

Place: Mumbai,
Date: 14.05.2019

Anish Gupta
Proprietor
FCS: 5733, CP No. 4092



Annual Report on Corporate Social Responsibility (CSR) Activities

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

Our CSR policy

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

Please refer to the link given below to access our CSR policy –

<http://general.fgparivaar.in/FGGI%20Policies/MARKETING%20&%20COMMUNICATIONS/MARKETING%20&%20COMMUNICATIONS/CorporateSocialResponsibility.pdf>

CSR initiatives: an overview

FGII fulfills its social and environmental responsibility through various CSR initiatives. The very essence of sustainability is reflected in its 'Triple Bottom Line' approach. This approach showcases FGII's focus on not just making profits, but on generating profits in a way that is better for both people and the planet.

FGII, under three key pillars of Education, Health and Environment, aims to create a measurable impact in the society by bringing a positive change in people's lives.

The company derives its inspiration for CSR from one of its core values - 'Live the community'. Community is the social, economic and environmental fabric of the society, the very foundation on which Generali Group has built its history. Being a part of this global Group, FGII has imbibed a global perspective which reflects in the way it operates. The company's vision statement - 'to actively protect and enhance people's lives' places emphasis on the impact that the company has on the community and on the quality of people's lives.

In addition to its existing CSR program, FGII has also adopted a global CSR initiative - The Human Safety Net (THSN) in September 2018. THSN is a movement pioneered by the company's joint venture partner - Generali.

THSN is currently running across 19 countries and is based on the idea that communities of 'people helping people' can bring about sustainable change.

Under the aegis of THSN, the company is supporting various programs to meet the objective of 'promoting equal-life chances for children who grow up in poverty'.

Our CSR initiatives for the period from April 2018 to March 2019 are as follow:

The CSR activities / projects are implemented using internal resources or through collaborating with NGOs / specialized agencies / trusts / institutions / foundations / societies / Government bodies etc. in accordance with the provision of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The details of major CSR initiatives undertaken by the Company during the financial year 2018-19 are given below –

- WASH project to improved access to adequate sanitation and safe water facility in a Government school in Ghotsai village (Thane, Maharashtra)**

Inadequate safe water and sanitation facilities are one of the major factors causing the dropout rate among students, especially girls. To counter this, FGII undertook WASH initiative in a Zila Parishad school in Ghotsai village. This initiative directly benefitted 136 boys and 153 girls studying in the school. Under this project, the company constructed toilet units, urinals, and handwash facilities. Also, to ensure access to safe drinking water to the children, water filtration unit is installed in the school premises.

Lastly, as part of our continued intervention in the school, we have also contributed towards the construction of the terrace and donated computers for the school computer lab.



2. Comprehensive day care program for children of migrant laborers living at construction sites in Dharavi and Pendhar (Navi Mumbai)

In India, every year millions of children die before reaching the age of 6 due to lack of care and protection. Those children, who survive, don't reach their full potential. The situation is worse for the children on construction sites who are even more vulnerable.

Therefore, through our intervention, we ensure education, health, nutrition and holistic development for 130 children on the sites of Dharavi and Pendhar.

We support creches for children of 0-3 years, pre-schools for 3-6 years and after school for 6-14 years. Theme-based learning, regular doctor's visit, nutritious food and teacher training are some of the main components of our program.

To ensure sustainability, we keep community outreach at the heart of our program. We reach out to the parents regarding matters concerning their child's health and progress through interactive and innovative methods.

3. Check dam construction project to ensuring access to water for agriculture purpose and water table restoration in Pindval, Taluka – Dharampur (Valsad, Gujarat)

In recent years, a major decline in the non-monsoon flow in rivers in India has been observed. This is more pronounced in over exploited (ground water) areas having deforested and degraded catchments with negligible soil cover.

Check dams are a cheap method to conserve water, rejuvenate falling water tables, support the ecology and fight the ever-present threat of drought.

As part of FGII's intervention, the company constructed 25 check dams in the drought-prone area of Pindval. The aim is to keep the water at the source itself thus making way for groundwater recharging, which acts as a crucial route for water restoration. This water, upon reaching the ground, can be utilised through hand pumps and wells.

The dams are facilitating optimum water conservation and helping in raising the vegetation cover and agricultural productivity. This has enabled small and marginal rural/tribal farmers of the district who were living below the poverty line to have a significant increase in their produce and income. Being labour intensive, check dam construction provides productive work for villagers that leads to a further increase in their income.

The project also allows 8,529 people to fulfill their basic water requirements such as drinking, cooking and sanitation, leading to great improvements in their lifestyle.

4. Workshops and other projects for social benefits

FGII believes that key to long term partnerships with its beneficiaries is continuous engagement. As part of its CSR, the company supports various workshops, awareness programs, health camps, employee volunteering, and other areas such as disaster relief.

The company conducted, clay modeling session for family deprived children, celebrated Mother's day with women in old age home and water and sanitation awareness program for students in government schools, etc.

Various health camps were conducted in interior regions of Bihar, Kolkata and Assam benefitting more than 1,000 people coming from the underprivileged communities.

FGII employees generously participated in the company's Joy to the World initiative across Kolkata, Bangalore, Mumbai, and Delhi. Through this initiative, employees fulfilled wishes of differently abled children, tribal girls at shelter homes and tribal families.

The company also contributed towards Kerala's flood relief response by distributing Household, Water and Hygiene Kits to the affected families.

Please refer to the below link to access details regarding our CSR activities –
<https://general.futuregenerali.in/corporate-social-responsibility>

2. The Composition of the CSR Committee.

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

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

(₹ in '000)

FY 2017-18 (₹)	FY 2016-17 (₹)	FY 2015-16 (₹)	Average Profit / Losses of Last 3 Financial Year (₹)
7,86,279	4,27,972	(52,549)	3,87,234

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

Pursuant to section 135(5) of Companies Act, 2013, the CSR obligation of your company for the FY 2018-2019 was ₹ 77,44,680.

5. Details of CSR spent during the financial year: ₹ 98,74,506/-

- (a) Total amount to be spent for the financial year: ₹ 77,44,680/-
- (b) Amount unspent: Nil
- (c) The amount spent during the financial year has been detailed below in the following manner:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	WASH project	Education and health Water and sanitation	Ghotsai village, District - Thane, Maharashtra	₹ 9,36,588/-	Direct expenditure	₹ 9,36,588/-	Implementing agency
2.	Comprehensive day care program	Education, health and nutrition	Dharavi, Mumbai and Pendhar, Navi Mumbai	₹ 35,76,900/-	Direct expenditure + overhead	₹ 35,76,900/-	Implementing agency
3.	Check dam construction project	Environment Water table restoration	Pindval Village, Taluka - Dharampur, District - Valsad, Gujarat	₹ 21,00,000/-	Direct expenditure + overhead	₹ 21,00,000/-	Implementing agency
4.	Village adoption (Outstanding budget from the previous year's project)	Holistic development of adopted tribal hamlets	Palghar district, Maharashtra	₹ 7,25,332/-		₹ 7,25,332/-	Implementing agency
5.	Workshops and other projects for social benefits	Education, health, social welfare, awareness programmes and disaster relief	PAN India	₹ 25,35,686/-	Direct expenditure + overhead	₹ 25,35,686/-	Implementing agency

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

The amount spent by the Company in FY 2018-19 was ₹ 98,74,506/- which is higher than the total amount to be spent by the Company of ₹ 77,44,680/- being 2% of the average net profits of the previous three financial years.

7. Responsibility statement of the CSR Committee:

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

Dr. Devi Singh
Chairman CSR Committee
DIN: 00015681

Mr. Krishan Kant Rathie
Member
DIN: 00040094

Independent Auditor's Report

To
The Members of
Future Generali India Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

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, 2019, the Revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue account'), the Profit and Loss account and the Receipts and Payments account for the year then ended, the schedules annexed there to, a summary of the significant accounting policies and other explanatory notes thereon.

In our opinion and to the best of our information and according to the explanations given to us, we report that the aforesaid financial statements prepared in accordance with the requirements of Accounting Standards as specified under Section 133 of the Companies Act, 2013 (the 'Act'), the Act, Insurance Act, 1938 read with Insurance Laws (Amendment) Act, 2015 (to the extent notified) (the Insurance Act"), the Insurance Regulatory and Development Act, 1999 (the "IRDAI Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDAI Financial Statement Regulations"), give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:

- a. in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2019;
- b. in the case of Revenue Accounts, of the operating profit in Marine and Miscellaneous business and operating loss in Fire business for the year ended on that date;
- c. in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- d. in case of Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the

Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that is relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note no.37 to Schedule 16 to the Financial Statements relating to recoverability of dues aggregating to ₹ 1,098,060 thousands from other entities carrying on insurance business, where the Company has initiated legal process for the recovery of dues. The management is of the view that the said dues are fully recoverable and no provision is considered necessary for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises of Directors' Report including Annexures to Directors' Report, and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We confirm that we have nothing material to report in this regard.

Responsibilities of the Management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, underwriting results, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act, the Insurance Act, the IRDAI Act, the IRDAI Financial Statement Regulations and orders / directions prescribed by the Insurance Regulatory and Development Authority of India ('IRDAI') in this behalf and current practices prevailing within the insurance industry in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but it not a guarantee that an audit conducted in accordance with Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, that could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The actuarial valuation of liabilities in respect of Incurred But Not Reported (the "IBNR"), Incurred But Not Enough Reported (the "IBNER") and Premium Deficiency Reserve (the "PDR") is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at March 31, 2019 has been duly certified by the Appointed Actuary and in his opinion, the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claims reserves and the PDR contained in the financial statements of the Company.

Report on Other Legal and Regulatory Requirements

1. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated May 14, 2019 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statement Regulations.
2. As required by the paragraph 2 of Schedule C to the IRDAI Financial Statement Regulations and Section 143(3) of the Act, in our opinion and according to the information and explanations give to us, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. As the Company's accounts are centralized and maintained at the corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company.
 - c. Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- d. The Balance sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payments account dealt with by this report are in agreement with the books of account.
- e. The aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act and with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDAI in this regard.
- f. the Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are prepared in accordance with the requirements of the Insurance Act, the IRDAI Act and the Act to the extent applicable and the manner so required.
- g. Investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and orders/directions issued by IRDAI in this regard.
- h. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- i. The actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR'), Incurred But Not Enough Reported ('IBNER') and Premium Deficiency Reserve (the "PDR") as at March 31, 2019 has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Actuarial Society of India in concurrence with the IRDAI.
- j. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- k. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 34 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any outstanding long term derivative contracts – Refer Note no. 35 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note no. 36 to the financial statements.
3. With respect to the other matters to be included in the Auditor's report, in terms of the requirements of Section 197(16) of the Act, we report that managerial remuneration payable to the Company's Directors is governed by the provisions of Section 34A of the Insurance Act, 1938 and requires approval of IRDAI. Accordingly, the managerial remuneration limits specified under Section 197 of the Act do not apply.

For Khandelwal Jain & Co.

Chartered Accountants
 (Firm Registration No. 105049W)

(Narendra Jain)

Partner
 Membership No.048725

Place: Mumbai
 Date : May 14, 2019

For M. M. Nissim & Co.

Chartered Accountants
 (Firm Registration No.107122W)

(Sanjay Khemani)

Partner
 Membership No. 044577

Place: Mumbai
 Date : May 14, 2019



Annexure “A”

Referred to in paragraph ‘j’ of Section ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of **Future Generali India Insurance Company Limited** (“the Company”) on the financial statements as of and for the year ended March 31, 2019

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

We have audited the internal financial controls over financial reporting of **Future Generali India Insurance Company Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For Khandelwal Jain & Co.

Chartered Accountants
(Firm Registration No. 105049W)

(Narendra Jain)

Partner
Membership No.048725

Place: Mumbai
Date : May 14, 2019

Other Matter

The actuarial valuation of liabilities in respect of Incurred But Not Reported (the “IBNR”), Incurred But Not Enough Reported (the “IBNER”) and Premium Deficiency Reserve (the “PDR”) is the responsibility of the Company’s Appointed Actuary (the “Appointed Actuary”). The actuarial valuation of these liabilities, that are estimated using statistical methods as at March 31, 2019 has been duly certified by the Appointed Actuary and in his opinion, the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. The said actuarial valuations of liabilities for outstanding claims reserves and the PDR have been relied upon by us as mentioned in Other Matters paragraph in our Audit Report on the financial statements for the year ended March 31, 2019. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the adequacy and operating effectiveness of the internal controls over the valuation and accuracy of the aforesaid actuarial liabilities.

For M. M. Nissim & Co.

Chartered Accountants
(Firm Registration No.107122W)

(Sanjay Khemani)

Partner
Membership No. 044577

Place: Mumbai
Date : May 14, 2019



Independent Auditors' Certificate

To,
The Board of Directors,
Future Generali India Insurance Company Limited,
Indiabulls Finance Centre, Tower 3
6th Floor, Senapati Bapat Marg,
Prabhadevi (W), Mumbai – 400 013

Dear Sirs,

(Referred to in paragraph 1 of our Independent Auditors' Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated May 14, 2019)

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

Management's Responsibility

The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act 2015) (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Auditors' Responsibility

It is our responsibility to obtain reasonable assurance and form an opinion based on our audit and examination of books and records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C of the Regulations read with regulation 3 of Regulations.

We audited financial statements of the Company as of and financial year ended March 31, 2019 on which we issued an unmodified audit opinion vide our report dated May

14, 2019. Our audit of these financial statements were conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

Opinion

In accordance with 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 the Company for the year ended March 31, 2019, we certify that:

- a) We have reviewed the Management Report attached to the financial statements for year ended March 31, 2019, 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 that causes us to believe that the Company has not complied with the terms and conditions of registration as stipulated by the IRDAI;
- c) We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments by actual inspection

or on the basis of certificates/confirmations received from the Heads of Branches or custodian and/or Depository Participants appointed by the Company, as the case may be;

- d) The Company is not the trustee of any trust; and
- e) No part of the assets of the policyholders' fund has been directly or indirectly applied in contravention to the provisions of the Insurance Act relating to the application and investment of the policyholders' funds.

Restriction to use

This certificate is addressed to and provided to the Board of Directors of the Company, solely for inclusion in the annual accounts of the Company as per the Regulations and should not be used by any other person or for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Khandelwal Jain & Co.

Chartered Accountants
(Firm Registration No. 105049W)

(Narendra Jain)

Partner
Membership No.048725

Place: Mumbai
Date : May 14, 2019

For M. M. Nissim & Co.

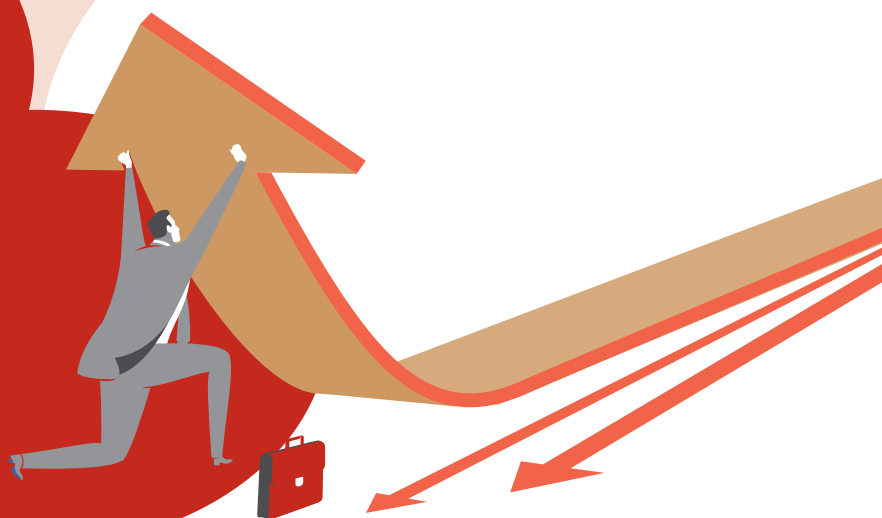
Chartered Accountants
(Firm Registration No.107122W)

(Sanjay Khemani)

Partner
Membership No. 044577

Place: Mumbai
Date : May 14, 2019

Management Report



With respect to the operations of Future Generali India Insurance Company Ltd. for the year ended 31st March 2019 and results thereof, the Management of the Company confirms and declares that:

1. The Company obtained Regulatory approval to undertake General Insurance business on 4th September 2007 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration.
2. We certify that all dues payable to the statutory authorities have been generally paid to the extent they have fallen due.
3. The shareholding pattern is in accordance with the statutory and regulatory requirements as required under the Insurance Act, 1938 (as amended thereafter) and the IRDAI (Registration of Indian Insurance Companies) Regulations, and there was no transfer of shares during the year.
4. The Management has not invested directly or indirectly outside India any funds of its policyholders in India.
5. We confirm that the required solvency margin has been maintained.
6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in Management's belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the headings – "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts" except debt securities which are shown at amortised cost as per IRDAI Regulations.
7. The Company is exposed to a variety of risks associated with its insurance business and the investment portfolio. The Company strives to maintain a diversified portfolio of insurance products across various lines of business and between personal and commercial lines of business. The Company is also adequately covered by Reinsurance including a "Catastrophe Excess of Loss Insurance". The limits of the reinsurance treaty are set based on estimated accumulations of risk and business projection. The reinsurance treaties have been filed with IRDAI. The investment portfolio is diversified and has been made as per the limits set under the IRDAI regulations.

The Company has adopted an integrated approach to risks management and has constituted Risk Management Committee with the members of the Board of Directors with an objective to outline the risk profile of the Company and develop a strong risk management system and sound mitigation strategies. The Risk Management Committee assists the Board of Directors to formulate, monitor and revise strategies to achieve the financial objectives of the Company.
8. The Company does not have insurance operations outside India.
9. In the Financial Year 2018-19 a total of 2,17,267 claims were reported and 2,36,078 were settled with an overall settlement ratio of 88%. The average claims settlement time during the preceding five years are given in Annexure 1 and the ageing analysis of claims registered and not settled during the same period is given in Annexure 2.

10. We certify that the values, as shown in the Balance Sheet, of the investments which consists of fixed income securities, equities and mutual fund units have been valued as per accounting policies prescribed by IRDAI. Fixed income securities are valued at historical cost adjusted for amortization of premium/discount. The investments in equities listed and actively traded are valued at the last quoted closing prices on the National Stock Exchange of India Limited. The investments in the Mutual Funds are valued at the Net Asset Values (NAV) of the Mutual funds as on the Balance Sheet date.
11. The Company follows the Investment philosophy of 'Safety, Liquidity and sustainable Returns'. Accordingly the portfolio is primarily composed of high quality assets i.e. Government securities, high quality Corporate Bonds with a minimum rating of AA, Commercial Papers, Bank Deposits, liquid Mutual Funds and Equity.

Last year an unfortunate and unprecedented event occurred with default by ILFS group companies. The ILFS group companies' defaults which began in September 2018 created strong effects across the lending and investing community in India.

ILFS group was downgraded sharply by rating agencies from AAA to D as on 17th September 2018. Such a sharp cut in ratings of a AAA rated paper in such a short time is unprecedented in India.

The total debt of ILFS at a consolidated level is ₹ 91,091 crore. Your Company has an exposure of ₹ 22.23 crore i.e. 0.61% of Investment Assets, to the ILFS group. Provisioning to the extent of ₹ 3.63 crore has been done till 31st March 2019 in accordance with extant regulatory guidelines (IRDAI and RBI). The Company has stopped accrual of interest on all the NCDs held.
12. The investment portfolio is monitored on a dynamic basis to optimize returns while keeping the risk at the minimum. 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, 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 affairs of the Company at the end of the financial year and of the operating profit and of the profit of the Company for the year;
 - c. The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (as amended thereafter) and Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d. The financial statements have been prepared on a going concern basis;
 - e. The management has set up an internal audit system commensurate with the size and nature of the business and the same is operating effectively.
14. The schedule of payments, which have been made to individuals, firms, companies and organizations in which the Directors of the Company are interested is given in Annexure 3.

For and on behalf of Board of Directors

G.N Bajpai
Chairman

K.K Rath
Director

Shreeraj Deshpande
Principal Officer

Devi Dayal Garg
Chief Financial Officer

Rajiv Joshi
Company Secretary

Place: Mumbai
Date: 14th May 2019



Annexure 1

Average Claims Settlement Time during preceding five years

Line of Business	2018-19		2017-18		2016-17		2015-16		2014-15	
	No of Claims	Average settlement Time (days)	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)	No of Claims	Average Settlement Time (days)
Aviation	0	0	2	528	0	0	0	0	0	0
Marine Cargo	5,501	141	4,525	128	4,291	105	4,870	104	9,022	91
Engineering	597	189	597	218	645	198	618	191	759	148
Fire	1,483	178	1,352	229	1,600	187	1,173	163	1,235	139
Health	80,831	18	75,587	24	63,659	28	56,209	23	41,184	25
Liabilities	50	347	54	359	68	300	48	269	88	165
Motor-OD	1,10,740	25	1,09,219	36	1,43,036	32	1,40,873	30	1,19,962	30
Motor-TP	4,194	856	2,032	880	2,976	645	3,737	542	4,021	517
Personal Accident	3,158	99	3,645	146	3,513	137	3,385	171	3,644	131
Overseas Medical	799	88	712	158	848	130	661	103	772	125
Workmen Compensation	1,098	182	1,081	178	940	163	825	188	681	189
Others	27,627	135	18,259	83	3,603	113	4,299	97	2,974	124
Grand Total	2,36,078	47	2,17,065	50	2,25,179	46	2,16,698	44	1,84,972	48



Annexure 2

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

As at 31st March 2019

(₹ in lakhs)

Line of Business	Aviation		Marine Cargo		Engineering		Fire	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	0	-	386	511	34	78	81	682
30 days – 6 months	0	-	468	1,520	90	1,442	240	9,054
6 months – 1 year	0	-	190	490	83	644	225	7,291
1 year – 5 years	0	-	235	853	670	1,047	321	13,541
More than 5 years	0	-	32	575	15	195	14	108
Grand Total	0	-	1,311	3,949	892	3,406	881	30,676

As at 31st March 2019

(₹ in lakhs)

Line of Business	Health		Liabilities		Motor-OD		Motor-TP	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	2,222	906	5	6	2,847	1,893	270	1,731
30 days – 6 months	1,460	517	12	32	1,855	3,311	1,004	6,724
6 months – 1 year	229	78	9	51	176	539	1,077	9,703
1 year – 5 years	582	85	14	93	228	722	3,520	31,098
More than 5 years	1	6	-	-	246	1,249	1,814	10,462
Grand Total	4,494	1,592	40	182	5,352	7,714	7,685	59,718

As at 31st March 2019

(₹ in lakhs)

Line of Business	Personal Accident		Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	150	228	49	168	89	77	680	693	6,813	6,973
30 days – 6 months	292	518	77	94	266	323	754	1,046	6,518	24,581
6 months – 1 year	155	301	26	40	75	210	127	287	2,372	19,634
1 year – 5 years	124	589	29	86	62	388	7,791	1,885	13,576	50,387
More than 5 years	10	82	-	-	9	30	52	381	2,193	13,088
Grand Total	731	1,718	181	388	501	1,028	9,404	4,292	31,472	1,14,663



As at 31st March 2018

(₹ in lakhs)

Line of Business	Aviation		Marine Cargo		Engineering		Fire	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	0	-	218	350	47	192	101	1,828
30 days – 6 months	0	-	486	903	419	933	260	4,490
6 months – 1 year	0	-	550	660	68	445	158	8,065
1 year – 5 years	0	-	148	917	663	1,066	249	5,947
More than 5 years	0	-	25	345	8	18	6	65
Grand Total	0	-	1,427	3,175	935	2,654	774	20,395

As at 31st March 2018

Line of Business

Line of Business	Health		Liabilities		Motor-OD		Motor-TP	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	6,698	1,256	3	1	2,674	1,677	393	3,343
30 days – 6 months	885	376	17	28	1,810	3,044	1,225	10,259
6 months – 1 year	181	64	4	11	294	917	1,013	7,447
1 year – 5 years	95	63	19	65	305	1,061	4,031	30,999
More than 5 years	6	8	0	-	198	1,025	1,744	9,560
Grand Total	7,865	1,767	43	105	5,281	7,724	8,406	61,608

As at 31st March 2018

(₹ in lakhs)

Line of Business	Personal Accident		Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	178	433	31	21	77	58	458	340	10,878	9,499
30 days – 6 months	442	1,420	99	58	187	229	22,530	1,187	28,090	22,927
6 months – 1 year	192	578	38	84	85	194	451	835	3,034	19,300
1 year – 5 years	127	348	25	165	55	277	493	1,947	6,210	42,855
More than 5 years	41	195	3	10	7	24	33	200	2,071	11,450
Grand Total	980	2,974	196	338	411	782	23,965	4,509	50,283	1,06,031

As at 31st March 2017

(₹ in lakhs)

Line of Business	Aviation		Marine Cargo		Engineering		Fire	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	-	-	267	285	48	135	124	1,106
30 days – 6 months	-	-	331	721	140	637	363	5,328
6 months – 1 year	-	-	127	788	57	360	134	8,005
1 year – 5 years	1	4	88	909	656	1,004	155	4,032
More than 5 years	-	-	12	339	4	14	3	52
Grand Total	1	4	825	3,042	905	2,150	779	18,523

As at 31st March 2017

Line of Business	Health		Liabilities		Motor-OD		Motor-TP	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	2,521	666	7	18	3,347	2,038	282	1,507
30 days – 6 months	608	261	8	18	2,230	3,619	945	5,522
6 months – 1 year	28	20	16	107	430	1,151	1,071	7,690
1 year – 5 years	19	31	13	76	377	1,354	3,688	24,529
More than 5 years	7	11	-	-	144	796	1,191	6,069
Grand Total	3183	989	44	219	6,528	8,958	7,177	45,317

As at 31st March 2017

(₹ in lakhs)

Line of Business	Personal Accident		Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	301	232	27	28	84	116	381	230	7,389	6,361
30 days – 6 months	283	299	67	239	230	383	351	769	5,556	17,796
6 months – 1 year	36	79	43	101	64	274	146	482	2,152	19,057
1 year – 5 years	165	405	36	58	49	219	640	2,135	5,887	34,756
More than 5 years	25	150	2	2	3	9	9	52	1,400	7,494
Grand Total	810	1,165	175	428	430	1,001	1,527	3,668	22,384	85,464

As at 31st March 2016

(₹ in lakhs)

Line of Business	Aviation		Marine Cargo		Engineering		Fire	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	-	-	228	381	66	218	166	1,821
30 days – 6 months	1	1,940	345	1,229	103	1,140	346	7,952
6 months – 1 year	-	-	124	568	351	499	115	2,014
1 year – 5 years	-	-	183	1,208	372	803	141	4,100
More than 5 years	-	-	7	176	2	2	2	36
Grand Total	1	1,940	887	3,561	894	2,661	770	15,924

As at 31st March 2016

Line of Business	Health		Liabilities		Motor-OD		Motor-TP	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	3,219	941	1	4	4,935	2,344	292	1,886
30 days – 6 months	1,332	176	10	47	4,036	5,661	941	5,750
6 months – 1 year	10	3	19	18	557	1,115	853	5,961
1 year – 5 years	26	27	16	85	445	1,543	3,787	19,126
More than 5 years	4	3	0	-	91	431	664	2,736
Grand Total	4,591	1,151	46	155	10,064	11,094	6,537	35,459

As at 31st March 2016

(₹ in lakhs)

Line of Business	Personal Accident		Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	162	145	36	54	56	75	160	370	9,321	8,239
30 days – 6 months	138	173	96	211	169	216	717	1,219	8,234	25,714
6 months – 1 year	51	92	34	161	54	141	183	1,052	2,351	11,624
1 year – 5 years	194	500	31	53	40	155	268	1,377	5,503	28,977
More than 5 years	14	26	0	-	1	4	8	55	793	3,469
Grand Total	559	935	197	479	320	591	1,336	4,073	26,202	78,023

As at 31st March 2015

(₹ in lakhs)

Line of Business	Marine Cargo		Engineering		Fire		Health	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	360	497	94	132	66	425	1,242	502
30 days – 6 months	468	794	154	997	158	4,249	296	201
6 months – 1 year	279	567	300	600	130	5,251	13	4
1 year – 5 years	140	870	47	301	68	2,377	20	18
More than 5 years	0	0	1	1	2	36	1	1
Grand Total	1,247	2,728	596	2,031	424	12,337	1,572	726

As at 31st March 2015

Line of Business

Line of Business	Liabilities		Motor-OD		Motor-TP		Personal Accident	
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims
0 - 30 days	6	13	2,656	1,603	203	867	288	165
30 days – 6 months	8	5	1,823	3,352	1,022	4,950	435	383
6 months – 1 year	14	39	367	908	872	4,123	124	190
1 year – 5 years	11	56	412	1,447	4,166	18,560	189	311
More than 5 years	0	0	41	159	216	846	1	7
Grand Total	39	113	5,299	7,469	6,479	29,347	977	1,056

As at 31st March 2015

(₹ in lakhs)

Line of Business	Overseas Medical		Workmen Compensation		Others		Total No of Claims	Total Amount of Claims
Period	No of Claims	Amount of Claims	No of Claims	Amount of Claims	No of Claims	Amount of Claims		
0 - 30 days	37	15	57	31	179	523	5,128	4,774
30 days – 6 months	80	101	183	227	574	1,375	5,201	16,633
6 months – 1 year	21	99	55	120	153	587	2,328	12,487
1 year – 5 years	9	20	37	128	234	1,012	5,333	25,102
More than 5 years	0	0	2	0	1	9	265	1,058
Grand Total	147	235	334	506	1,141	3,505	18,255	60,053

Annexure 3

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

Sr. No	Entity in which Director is interested	Name of the Director	Interested As	Payment during the Year
1	Future Generali India Life Insurance Company Limited (Two of the Joint Venturers having Joint control)	G.N. Bajpai Kishore Biyani K.K. Rathi Devi Singh Bhavna Doshi A K Jain Jennifer Sparks	Director	Insurance Premium Paid : ₹ 4,095,496
2	Future Retail Ltd	Kishore Biyani	Director	Operating expenses: ₹ 3,109,514

Form A - RA

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

Revenue Account For the Year ended 31st March 2019

Fire Insurance Business				(₹ ' 000)
Particulars	Schedule	For Year ended 31 st March 2019	For Year ended 31 st March 2018	
1. Premiums earned (Net)	1	6,49,348	5,35,634	
2. Profit/(Loss) on sale/redemption of Investments		7,334	16,630	
3. Others-Miscellaneous Income		693	970	
4. Interest, Dividend & Rent - Gross		2,75,444	2,81,806	
Total (A)		9,32,819	8,35,040	
1. Claims Incurred (Net)	2	4,47,138	3,06,055	
2. Commission	3	15,330	(24,983)	
3. Operating Expenses related to Insurance Business	4	7,33,764	4,07,115	
4. Premium deficiency		-	-	
Total (B)		11,96,232	6,88,187	
Operating Profit / (Loss) from Fire Business		(2,63,413)	1,46,853	
Appropriations				
Transfer to Shareholders' Funds		(2,63,413)	1,46,853	
Transfer to Catastrophe Reserve		-	-	
Transfer to Other Reserves		-	-	
Total (C)		(2,63,413)	1,46,853	

Significant Accounting Policies and Notes to Financial Statement 16

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

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

As per our report of even date

For and on behalf of

M. M. Nissim & Co.

Chartered Accountants

FRN 107122W

Sanjay Khemani

Partner

Membership No. 044577

Place : Mumbai

Dated : 14th May, 2019

For and on behalf of

Khandelwal Jain & Co.

Chartered Accountants

FRN 105049W

Narendra Jain

Partner

Membership No. 048725

For and on behalf of the Board of Directors

G N Bajpai

Chairman

Devi Dayal Garg

Chief Financial Officer

K K Rathi

Director

Rajiv Joshi

Company Secretary

Shreeraj Deshpande

Principal Officer

Form A - RA

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



Marine Insurance Business

(₹ ' 000)

Particulars	Schedule	For Year ended 31 st March 2019	For Year ended 31 st March 2018
1. Premiums earned (Net)	1	4,82,705	4,38,930
2. Profit/(Loss) on sale/redemption of Investments		1,748	3,497
3. Others-Miscellaneous Income		434	579
4. Interest, Dividend & Rent - Gross		60,235	53,887
Total (A)		5,45,122	4,96,893
1. Claims Incurred (Net)	2	3,52,959	2,44,765
2. Commission	3	80,399	62,823
3. Operating Expenses related to Insurance Business	4	89,720	84,261
4. Premium deficiency		-	-
Total (B)		5,23,078	3,91,849
Operating Profit / (Loss) from Marine Business		22,044	1,05,044
Appropriations			
Transfer to Shareholders' Funds		22,044	1,05,044
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		22,044	1,05,044

Significant Accounting Policies and Notes to Financial Statement 16

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

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

As per our report of even date

For and on behalf of

For and on behalf of

For and on behalf of the Board of Directors

M. M. Nissim & Co.

Chartered Accountants
FRN 107122W

Khandelwal Jain & Co.

Chartered Accountants
FRN 105049W

G N Bajpai

Chairman

K K Rathi

Director

Shreeraj Deshpande

Principal Officer

Sanjay Khemani

Partner
Membership No. 044577

Narendra Jain

Partner
Membership No. 048725

Devi Dayal Garg

Chief Financial Officer

Rajiv Joshi

Company Secretary

Place : Mumbai

Dated : 14th May, 2019



Form A - RA

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

Miscellaneous Insurance Business

(₹ ' 000)

Particulars	Schedule	For Year ended 31 st March 2019	For Year ended 31 st March 2018
1. Premiums earned (Net)	1	1,46,15,095	1,18,27,269
2. Profit/(Loss) on sale/redemption of Investments		54,409	95,438
3. Others-Miscellaneous Income		14,250	18,655
4. Interest, Dividend & Rent - Gross		18,79,980	14,76,110
Total (A)		1,65,63,735	1,34,17,472
1. Claims Incurred (Net)	2	1,00,30,393	91,42,700
2. Commission	3	6,39,096	27,005
3. Operating Expenses related to Insurance Business	4	50,01,835	41,38,681
4. Premium deficiency		-	-
Total (B)		1,56,71,324	1,33,08,385
Operating Profit / (Loss) from Miscellaneous Business		8,92,410	1,09,087
Appropriations			
Transfer to Shareholders' Funds		8,92,410	1,09,087
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		8,92,410	1,09,087

Significant Accounting Policies and Notes to Financial Statement 16

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

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

As per our report of even date

For and on behalf of

For and on behalf of

For and on behalf of the Board of Directors

M. M. Nissim & Co.

Chartered Accountants
FRN 107122W

Khandelwal Jain & Co.

Chartered Accountants
FRN 105049W

G N Bajpai

Chairman

K K Rathi

Director

Shreeraj Deshpande

Principal Officer

Sanjay Khemani

Partner
Membership No. 044577

Narendra Jain

Partner
Membership No. 048725

Devi Dayal Garg

Chief Financial Officer

Rajiv Joshi

Company Secretary

Place : Mumbai

Dated : 14th May, 2019



Form B - PL

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

Profit & Loss Account For the Year ended 31st March 2019

(₹' 000)			
Particulars	Schedule	For Year ended 31 st March 2019	For Year ended 31 st March 2018
1. Operating Profit / (Loss)			
(a) Fire Insurance		(2,63,413)	1,46,853
(b) Marine Insurance		22,044	1,05,044
(c) Miscellaneous Insurance		8,92,410	1,09,087
2. Income from investments			
(a) Interest, Dividend & Rent - Gross		4,37,912	4,29,548
Add/Less : Amortization on Securities		(4,392)	(7,589)
(b) Profit on sale of investments		15,737	29,027
Less : Loss on sale of investments		(3,158)	(1,642)
3. Other Income		10,492	9,083
Total (A)		11,07,633	8,19,411
4. Provisions (Other than taxation)			
(a) For diminution in the value of investments		36,250	-
(b) For Doubtful Debts		-	-
(c) Others		-	-
5. Other Expenses			
(a) Expenses other than those related to Insurance Business (\$)		35,654	30,789
(b) Bad Debts written off		30	237
(c) Others-CSR*		9,875	2,104
Total (B)		81,809	33,130
Profit before Tax (A-B)		10,25,824	7,86,281
Provision for Taxation		(3,34,672)	(1,66,765)
Minimum Alternate Tax-Credit		1,054	1,66,765
Deferred Tax		4,85,949	-
Profit after tax		11,78,155	7,86,281
Appropriations			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to any Reserves or Other Accounts		-	-
Balance of profit / (loss) brought forward from last year		(13,89,495)	(21,75,776)
Balance carried forward to Balance Sheet		(211,340)	(13,89,495)

*Refer note no. 32 to schedule 16

\$Refer note no. 31 to schedule 16

Significant Accounting Policies and Notes to Financial Statement

16

Earning per Share- Basic (₹)

1.45

0.97

(Face Value ₹ 10 per share)

Earning per Share-Diluted (₹)

1.45

0.97

(Face Value ₹ 10 per share)

As per our report of even date

For and on behalf of

For and on behalf of

For and on behalf of the Board of Directors

M. M. Nissim & Co.

Chartered Accountants
FRN 107122W

Khandelwal Jain & Co.

Chartered Accountants
FRN 105049W

G N Bajpai

Chairman

K K Rathi

Director

Shreeraj Deshpande

Principal Officer

Sanjay Khemani

Partner
Membership No. 044577

Narendra Jain

Partner
Membership No. 048725

Devi Dayal Garg

Chief Financial Officer

Rajiv Joshi

Company Secretary

Place : Mumbai

Dated : 14th May, 2019

Form B - BS

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

Balance Sheet as at 31st March 2019

(₹' 000)

Particulars	Schedule	As at 31 st March 2019	As at 31 st March 2018
Source of Funds			
Share Capital	5	80,98,037	80,98,037
Stock Options Outstanding		8,222	-
Reserves and Surplus	6	-	-
Fair Value Change Account			
Policy holder		(60,869)	(50,467)
Shareholder		(12,161)	(9,663)
Borrowings	7	-	-
Total		80,33,229	80,37,907
Application of Funds			
Investments			
Investments-Shareholders	8	60,42,435	47,11,503
Investments-Policyholders	8A	3,02,42,852	2,52,08,762
Loans	9	-	-
Fixed Assets	10		
Gross Block		9,48,464	8,52,560
Less :- Accumulated Depreciation		7,90,143	6,89,206
Net Block		1,58,321	1,63,354
Capital Work in Process		10,601	2,424
		1,68,922	1,65,778
Deferred Tax Assets		4,85,949	-
Current Assets			
(i) Cash and Bank balances	11	6,40,808	11,43,444
(ii) Advances and Other Assets	12	70,84,611	41,29,449
Total (A)		77,25,418	52,72,894
Current Liabilities	13	2,69,84,580	2,03,73,411
Provisions	14	98,59,108	83,37,114
Total (B)		3,68,43,688	2,87,10,525
Net Current Assets (A - B)		(2,91,18,270)	(2,34,37,631)
Miscellaneous Expenditure	15	-	-
(to the extent not written off or adjusted)			
Debit balance in Profit and Loss Account		2,11,340	13,89,495
Total		80,33,229	80,37,907

Significant Accounting Policies and Notes to Financial Statement

16

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

As per our report of even date

For and on behalf of

For and on behalf of

For and on behalf of the Board of Directors

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

Khandelwal Jain & Co.
Chartered Accountants
FRN 105049W

G N Bajpai
Chairman

K K Rathi
Director

Shreeraj Deshpande
Principal Officer

Sanjay Khemani
Partner
Membership No. 044577

Narendra Jain
Partner
Membership No. 048725

Devi Dayal Garg
Chief Financial Officer

Rajiv Joshi
Company Secretary

Place : Mumbai

Dated : 14th May, 2019

Schedules

forming part of Financial Statements

SCHEDULE - 1 | Premium Earned (Net) For the Year ended 31st March 2019

Particulars	Fire		Marine		Miscellaneous*		Total	
	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
Premium from direct business written	25,55,687	24,18,763	7,06,618	5,83,066	2,22,77,072	1,60,61,921	2,55,39,377	1,90,63,750
Add : Premium on reinsurance accepted	4,48,899	3,88,449	9,400	7,290	11,952	48,395	4,70,251	4,44,134
Less : Premium on reinsurance ceded	22,01,303	20,58,657	2,13,730	1,43,251	63,80,013	21,95,147	87,95,046	43,97,055
Net Premium	8,03,283	7,48,555	5,02,288	4,47,105	1,59,09,011	1,39,15,169	1,72,14,582	1,51,10,829
Adjustment for change in reserve for unexpired risks	1,53,935	2,12,921	19,583	8,175	12,93,916	20,87,900	14,67,434	23,08,996
Total Premium Earned (Net)	6,49,348	5,35,634	4,82,705	4,38,930	1,46,15,095	1,18,27,269	1,57,47,148	1,28,01,833

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

*Refer Schedule 1(A)

SCHEDULE - 2 | Claims Incurred (Net) For the Year ended 31st March 2019

Particulars	Fire		Marine		Miscellaneous*		Total	
	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
Claims Paid								
Direct	8,42,410	9,02,752	4,39,556	3,32,089	85,70,926	78,86,696	98,52,892	91,21,537
Add : Reinsurance accepted	43,921	69,121	1,393	-	667	1,705	45,981	70,826
Less : Reinsurance ceded	6,17,016	7,38,354	1,33,526	1,04,125	13,05,728	21,09,312	20,56,270	29,51,791
Net Claims Paid	2,69,315	2,33,519	3,07,423	2,27,964	72,65,865	57,79,089	78,42,603	62,40,572
Add : Claims outstanding at the end of the year	6,37,501	4,59,678	3,54,102	3,08,566	1,84,76,382	1,57,11,855	1,94,67,985	1,64,80,099
Less : Claims outstanding at the beginning of the year	4,59,678	3,87,142	3,08,566	2,91,765	1,57,11,854	1,23,48,244	1,64,80,098	1,30,27,151
Total Claims Incurred	4,47,138	3,06,055	3,52,959	2,44,765	1,00,30,393	91,42,700	1,08,30,490	96,93,520

Note : Refer Note no 2.9 and 2.10 of Schedule 16

*Refer Schedule 2(A)

Schedules

forming part of Financial Statements

SCHEDULE - 3 | Commission Expenses For the Year ended 31st March 2019

Particulars	Fire		Marine		Miscellaneous*		Total	
	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended	For the Year ended
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
Commission Paid								
Direct	2,16,539	1,76,037	1,00,412	77,124	11,67,014	8,88,467	14,83,965	11,41,628
Add : Reinsurance accepted	6,312	13,753	926	544	(2,333)	7,026	4,905	21,323
Less : Commission on reinsurance Ceded	2,07,521	2,14,773	20,939	14,845	5,25,585	8,68,488	7,54,045	10,98,106
Net Commission	15,330	(24,983)	80,399	62,823	6,39,096	27,005	7,34,825	64,845
Break-up of the commission (gross) incurred to procure business								
Agents	23,375	20,691	28,219	24,884	3,35,825	3,29,056	3,87,419	3,74,631
Brokers	1,85,341	90,813	72,181	52,228	6,26,635	3,81,777	8,84,157	5,24,818
Corporate Agency	9,890	62,734	0	23	93,000	1,45,942	1,02,890	2,08,699
Referral	3	26	1	3	126	288	130	316
Others	(2,068)	1,774	10	(14)	1,11,428	31,405	1,09,370	33,164
Gross Commission	2,16,539	1,76,037	1,00,412	77,124	11,67,014	8,88,467	14,83,965	11,41,628

Note : Refer Note no 2.3 and 2.5 of Schedule 16

*Refer Schedule 3(A)

Schedules

forming part of Financial Statements

SCHEDULE - 1(A) | Premium Earned (Net) For the Year ended 31st March 2019

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018
Premium from direct business written	6,51,349	9,17,589	29,49,335	24,59,077	4,15,696	4,20,696	-	826	1,80,097	1,73,479
Add : Premium on reinsurance accepted	264	-	-	-	3,414	45,967	-	-	8,274	2,428
Less : Premium on reinsurance ceded	96,687	1,44,604	7,70,014	6,31,133	2,94,986	3,48,109	-	815	1,17,865	1,08,747
Net Premium	5,54,926	7,72,985	21,79,321	18,27,944	1,24,124	1,18,554	-	11	70,506	67,160
Adjustment for change in reserve for unexpired risks	72,472	(60,683)	2,80,659	99,052	(18,780)	3,986	(5)	(829)	2,011	(7,181)
Total Premium Earned (Net)	4,82,454	8,33,668	18,98,662	17,28,892	1,42,904	1,14,568	5	840	68,495	74,341

Particulars	Motor				Workmen Compensation		Weather/Crop		Others		Miscellaneous-Total	
	For the Year ended 31 st March 2019		For the Year ended 31 st March 2018		For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018
	Motor (OD)	Motor TP	Total	Motor (OD)	Motor TP	Total	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018
Premium from direct business written	49,54,708	64,79,983	1,14,34,691	51,01,967	52,71,433	1,03,73,400	50,00,223	(13,658)	13,50,573	14,75,244	2,22,77,072	1,60,61,921
Add : Premium on reinsurance accepted	-	-	-	-	-	-	-	-	-	-	11,952	48,395
Less : Premium on reinsurance ceded	2,79,937	3,74,857	6,54,794	3,21,957	2,92,441	6,14,398	40,32,691	(12,273)	3,96,660	3,45,814	63,80,013	21,95,147
Net Premium	46,74,771	61,05,126	1,07,79,897	47,80,010	49,78,992	97,59,002	9,67,532	(1,385)	9,53,913	11,29,430	1,59,09,011	1,39,15,169
Adjustment for change in reserve for unexpired risks	(22,029)	6,64,621	6,42,591	7,36,270	8,33,530	15,69,800	1,31,343	-	1,67,265	4,77,380	12,93,916	20,87,900
Total Premium Earned (Net)	46,96,800	54,40,506	1,01,37,306	40,43,740	41,45,462	81,89,202	8,36,189	(1,385)	7,86,648	6,52,050	1,46,15,095	1,18,27,269

Schedules

forming part of Financial Statements

SCHEDULE - 2(A) | Claims Incurred (Net) For the Year ended 31st March 2019

(₹ ' 000)

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018
Claims Paid										
Direct	3,70,179	5,53,401	21,02,619	20,24,126	1,74,155	1,01,025	-	(8,541)	4,797	14,090
Add : Reinsurance accepted	-	-	-	-	667	1,705	-	-	-	-
Less : Reinsurance ceded	1,63,805	34,730	5,23,147	4,75,429	1,39,834	73,134	-	(8,391)	(790)	2,279
Net Claims Paid	2,06,374	5,18,671	15,79,472	15,48,697	34,988	29,596	-	(150)	5,587	11,811
Add : Claims outstanding at the end of the year	3,13,622	3,43,768	3,04,202	3,14,209	91,941	90,914	1,737	1,732	16,998	13,024
Less : Claims outstanding at the beginning of the year	3,43,768	2,73,789	3,14,209	2,11,257	90,914	94,114	1,732	1,322	13,024	17,405
Total Claims Incurred	1,76,228	5,88,650	15,69,465	16,51,649	36,015	26,396	5	260	9,561	7,430

(₹ ' 000)

Particulars	Motor			Workmen Compensation		Weather/Crop		Others		Miscellaneous-Total	
	For the Year ended 31 st March 2019			For the Year ended 31 st March 2018		For the Year ended 31 st March 2019		For the Year ended 31 st March 2019		For the Year ended 31 st March 2019	
	Motor (OD)	Motor TP	Total	Motor (OD)	Motor TP	Total	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2018	For the Year ended 31 st March 2018
Claims Paid											
Direct	31,65,377	20,66,746	52,32,123	31,23,081	9,14,779	40,37,860	32,923	6,52,918	4,19,538	85,70,926	78,86,696
Add : Reinsurance accepted	-	-	-	-	-	-	-	-	-	667	1,705
Less : Reinsurance ceded	2,40,540	1,11,464	3,52,004	8,34,307	51,841	8,86,148	27,922	5,54,980	86,359	13,05,728	21,09,312
Net Claims Paid	29,24,837	19,55,282	48,80,119	22,88,774	8,62,938	31,51,712	5,001	97,938	4,69,888	72,65,865	57,79,089
Add : Claims outstanding at the end of the year	8,05,626	1,53,94,048	1,61,99,674	7,57,822	1,32,93,753	1,40,51,575	5,36,685	21,863	8,71,369	1,84,76,383	1,57,11,855
Less : Claims outstanding at the beginning of the year	7,57,822	1,32,93,753	1,40,51,575	7,09,487	1,02,28,758	1,09,38,245	21,863	2,07,379	7,63,386	1,57,11,855	1,23,48,244
Total Claims Incurred	29,72,641	40,55,577	70,28,218	23,37,109	39,27,933	62,65,042	5,19,823	(87,578)	5,77,871	1,00,30,393	91,42,700

Schedules

forming part of Financial Statements

SCHEDULE - 3(A) | Commission Expenses For the Year ended 31st March 2019

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018
Commission Paid										
Direct	68,589	1,03,990	1,67,702	1,23,250	42,746	43,733	-	10	22,778	20,231
Add : Reinsurance Accepted	-	-	-	-	(3,837)	6,601	-	-	1,504	425
Less : Commission on reinsurance Ceded	18,070	11,712	1,10,564	88,050	51,737	55,116	-	252	21,213	26,509
Net Commission	50,519	92,278	57,138	35,200	(12,828)	(4,782)	-	(242)	3,069	(5,853)
Break-up of the commission (gross)										
incur to procure business										
Agents	14,111	12,963	51,956	49,855	11,621	10,823	-	10	2,647	2,642
Brokers	22,694	44,015	62,369	48,963	28,040	24,935	-	-	20,111	17,497
Corporate Agency	30,986	46,942	47,933	23,783	3,108	7,100	-	-	20	91
Referral	-	1	-	0	0	0	-	-	-	-
Others	797	70	5,444	649	(22)	874	-	-	(0)	1
Gross Commission	68,589	1,03,990	1,67,702	1,23,250	42,746	43,733	-	10	22,778	20,231

Particulars	Motor		Compensation		Weather/Crop		Others		Miscellaneous-Total	
	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018
Commission Paid										
Direct	6,74,399	7,45,188	4,54,367	4,80,846	2	(3,879)	82,397	89,583	11,67,014	8,88,467
Add : Reinsurance Accepted	-	-	-	-	-	-	-	-	(2,333)	7,026
Less : Commission on reinsurance Ceded	37,205	53,418	4,25,032	4,38,216	1,98,389	1,48,691	69,982	98,030	5,25,585	8,68,488
Net Commission	6,37,194	6,91,770	29,335	42,630	(1,98,387)	(1,52,570)	12,415	(8,447)	6,39,096	27,005
Break-up of the commission (gross)										
incur to procure business										
Agents	1,85,362	2,18,314	2,03,529	2,16,309			15,040	17,951	3,35,825	3,29,056
Brokers	4,03,361	4,21,232	2,20,087	2,23,474	2	(3,879)	56,726	14,711	6,26,635	3,81,777
Corporate Agency	164	177	10,249	11,531			10,762	56,362	93,000	1,45,942
Referral	3	0	11	11			123	275	126	288
Others	85,509	1,05,462	20,491	29,520			(254)	283	1,11,428	31,405
Gross Commission	6,74,399	7,45,188	4,54,367	4,80,846	2	(3,879)	82,397	89,583	11,67,014	8,88,467

Schedules

forming part of Financial Statements

SCHEDULE - 4 | Operating Expenses related to Insurance Business For the Year ended 31st March 2019

Sr. No.	Particulars	Fire		Marine		Miscellaneous *		Total	
		For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018
1	Employees' Remuneration & Welfare Benefits	73,650	55,423	46,053	33,104	14,58,647	12,63,461	15,78,350	13,51,988
2	Travel, Conveyance and Vehicle Running Expenses	4,004	3,193	2,504	1,907	79,295	59,364	85,803	64,464
3	Training Expenses	9,311	43,167	5,822	2,125	1,84,407	1,58,690	1,99,540	2,03,982
4	Rents, Rates, and Taxes	11,591	11,130	7,248	6,648	2,29,562	2,06,904	2,48,401	2,24,682
5	Repairs	11,488	9,016	7,183	5,385	2,27,520	1,75,728	2,46,191	1,90,129
6	Printing & Stationery	5,180	3,101	3,239	1,852	1,02,599	57,647	1,11,018	62,600
7	Communication	3,503	3,063	2,191	1,829	69,381	56,934	75,075	61,826
8	Legal & Professional Charges	1,27,408	79,942	3,766	2,675	3,34,289	2,34,718	4,65,463	3,17,335
9	Auditors' Fees, Expenses etc.								
	(a) as auditor	171	165	107	99	3,396	3,073	3,674	3,337
	(b) as adviser or in any other capacity, in respect of		-		-				
	(i) Taxation matters	33	18	21	11	653	339	707	368
	(ii) Insurance Matters	-	-	-	-	-	-	-	-
	(iii) Management services; and	-	-	-	-	-	-	-	-
	(c) in any other capacity	-	-	-	-	-	-	-	-
10	Advertisement and Publicity	1,06,780	81,428	4,311	3,549	3,42,563	1,25,438	4,53,654	2,10,415
11	Interest & Bank Charges	1,843	636	1,153	380	36,506	11,831	39,502	12,847
12	Others								
	(i) Outsourcing Expenses	17,196	45,342	10,753	2,471	3,72,355	2,49,543	4,00,304	2,97,356
	(ii) Business Support	3,53,677	56,257	(9,592)	17,604	14,03,599	13,89,724	17,47,684	14,63,585
	(iii) Entertainment	257	160	161	96	5,097	2,983	5,515	3,239
	(iv) (Gain) / Loss on Foreign Exchange	(256)	29	(160)	17	(5,064)	534	(5,480)	580
	(v) Subscription/Membership	663	392	415	234	13,129	7,285	14,207	7,911
	(vi) Insurance	39	34	24	20	767	630	830	684
	(vii) Pool Expenses	438	7,496	274	-	8,682	1,433	9,394	8,929
	(viii) Miscellaneous-Others	588	747	368	446	11,656	13,891	12,612	15,084
13	Depreciation	5,363	4,557	3,354	2,722	1,06,216	84,707	1,14,933	91,986
14	Service Tax / GST Expenses	837	1,819	525	1,087	16,581	33,822	17,943	36,728
	Total	7,33,764	4,07,115	89,720	84,261	50,01,835	41,38,679	58,25,319	46,30,055

Note: Refer Note no 2.5 and 2.11 of Schedule 16

* Refer Schedule 4(A)

Schedules

forming part of Financial Statements

SCHEDULE - 4(A) | Operating Expenses related to Insurance Business For the Year ended 31st March 2019

Particulars	Personal Accident		Health Insurance		Engineering		Aviation		Liability	
	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018
Employees' Remuneration & Welfare Benefits	50,879	62,972	1,99,815	1,72,929	11,381	8,778	-	1	6,465	4,973
Travel, Conveyance and Vehicle Running Expenses	2,766	3,298	10,862	7,798	619	506	-	-	351	287
Training Expenses	6,432	16,917	25,261	11,367	1,439	10,809	-	23	817	600
Rents, Rates, and Taxes	8,007	11,493	31,448	27,180	1,791	1,763	-	-	1,017	999
Repairs	7,936	11,587	31,167	27,872	1,775	1,428	-	-	1,008	809
Printing & Stationery	3,579	3,202	14,055	7,573	800	491	-	-	455	278
Communication	2,420	3,163	9,504	7,479	541	485	-	-	307	275
Legal & Professional Charges	42,630	51,747	26,814	22,391	20,530	23,421	-	-	529	402
Auditors' Fees, Expenses etc.										
(a) as auditor	118	171	465	404	26	26	-	-	15	15
(b) as adviser or in any other capacity, in respect of		-	-	-	-	-	-	-	-	-
(i) Taxation matters	23	19	89	44	5	3	-	-	3	2
(ii) Insurance Matters	-	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-	-	-
Advertisement and Publicity	12,358	3,707	58,265	18,189	8,834	2,492	16	5	919	343
Interest & Bank Charges	1,273	657	5,001	1,554	285	101	-	-	162	57
Others										
(i) Outsourcing Expenses	11,880	17,840	54,705	17,858	2,657	1,369	-	-	1,509	421
(ii) Business Support	1,20,583	55,470	2,48,218	1,42,192	18,867	18,488	1	-	5,606	6,563
(iii) Entertainment	178	166	698	392	40	25	-	-	23	14
(iv) (Gain) / Loss on Foreign Exchange	(177)	30	(694)	70	(40)	5	-	-	(22)	3
(v) Subscription/Membership	458	405	1,799	957	102	62	-	-	58	35
(vi) Insurance	27	35	105	83	6	5	-	-	3	3
(vii) Pool Expenses	303	-	1,189	-	68	1,433	-	-	38	-
(viii) Miscellaneous-Others	407	772	1,597	1,825	91	118	-	-	52	67
Depreciation	3,705	4,705	14,550	11,127	829	722	-	-	471	409
Service Tax / GST Expenses	578	1,879	2,272	4,443	129	288	-	-	73	163
Total	2,76,363	2,50,235	7,37,185	4,83,727	70,775	72,818	17	29	19,859	16,718

Schedules

forming part of Financial Statements

SCHEDULE - 4(A) | Operating Expenses related to Insurance Business For the Year ended 31st March 2019

Particulars	Motor				Workmen Compensation		Weather/Crop		Others		Miscellaneous-Total	
	For the Year ended 31 st March 2019		For the Year ended 31 st March 2018		For the Year ended 31 st March 2019		For the Year ended 31 st March 2019		For the Year ended 31 st March 2019		For the Year ended 31 st March 2019	
	Motor (OD)	Motor TP	Total	Motor (OD)	Motor TP	Total	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018	For the Year ended 31 st March 2019	For the Year ended 31 st March 2018
Employees' Remuneration & Welfare Benefits	4,28,613	5,59,759	9,88,372	5,43,418	3,68,648	9,12,066	88,710	-	87,463	83,864	14,58,647	12,63,461
Travel, Conveyance and Vehicle Running Expenses	23,300	30,430	53,730	20,392	21,241	41,633	4,822	-	4,755	4,812	79,295	59,364
Training Expenses	54,187	70,767	1,24,954	65,430	17,923	83,353	11,215	21	11,057	33,982	1,84,407	1,58,690
Rents, Rates, and Taxes	67,455	88,095	1,55,550	71,074	74,032	1,45,106	13,961	-	13,765	16,773	2,29,562	2,06,904
Repairs	66,856	87,312	1,54,168	57,571	59,967	1,17,538	13,837	-	13,642	13,586	2,27,520	1,75,728
Printing & Stationery	30,148	39,372	69,520	19,803	20,627	40,430	6,240	-	6,152	4,673	1,02,599	57,647
Communication	20,388	26,625	47,013	19,557	20,372	39,929	4,220	-	4,160	4,615	69,381	56,934
Legal & Professional Charges	35,092	45,776	80,868	40,469	42,065	82,535	79,952	-	80,876	52,777	3,34,289	2,34,718
Auditors' Fees, Expenses etc.	-	-	-	-	-	-	-	-	-	-	-	-
(a) as auditor	998	1,303	2,301	1,056	1,099	2,155	207	-	204	249	3,396	3,073
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	191	251	442	117	121	238	40	-	40	27	653	339
(ii) Insurance Matters	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-	-
Advertisement and Publicity	1,94,572	33,725	2,28,297	77,125	14,061	91,186	2,398	-	28,748	7,825	3,42,563	1,25,438
Interest & Bank Charges	10,728	14,009	24,737	4,064	4,234	8,298	2,220	-	2,188	959	36,506	11,831
Others	-	-	-	-	-	-	-	-	-	-	-	-
(i) Outsourcing Expenses	1,23,806	1,30,696	2,54,502	69,795	1,00,889	1,70,684	20,713	-	20,421	39,867	3,72,355	2,49,543
(ii) Business Support	5,20,378	2,97,279	8,17,657	8,94,602	1,58,706	10,53,308	39,152	6,947	1,21,447	81,258	14,03,599	13,89,724
(iii) Entertainment	1,498	1,955	3,453	1,025	1,067	2,092	310	-	306	242	5,097	2,983
(iv) (Gain) / Loss on Foreign Exchange	(1,488)	(1,944)	(3,432)	183	191	374	(308)	-	(302)	43	(5,064)	534
(v) Subscription/Membership	3,858	5,038	8,896	2,502	2,607	5,109	798	-	788	591	13,129	7,285
(vi) Insurance	225	295	520	217	225	442	47	-	46	51	767	630
(vii) Pool Expenses	2,551	3,332	5,883	-	-	-	528	-	521	-	8,682	1,433
(viii) Miscellaneous-Others	3,425	4,472	7,897	4,772	4,970	9,742	709	-	699	1,126	11,656	13,891
Depreciation	31,210	40,761	71,971	29,098	30,309	59,407	6,460	-	6,369	6,867	1,06,216	84,707
Service Tax / GST Expenses	4,872	6,364	11,236	11,618	12,102	23,720	1,008	-	994	2,742	16,581	33,822
Total	16,22,862	14,85,672	31,08,534	19,33,888	9,55,456	28,89,345	2,97,239	6,968	4,04,339	3,56,929	50,01,835	41,38,679

Note: Refer Note no 2.5 and 2.11 of Schedule 16

* Refer Schedule 4(A)

Schedules

forming part of Financial Statements

SCHEDULE - 5 | Share Capital

(₹ '000)

S. No.	Particulars	As at 31 st March 2019	As at 31 st March 2018
1	Authorized Capital	1,00,00,000	1,00,00,000
	1,000,000,000 (Previous year 1,000,000,000) Equity Shares of ₹ 10 Each		
2	Issued Capital	80,99,937	80,99,937
	809,993,749 (Previous year 809,993,749) Equity Shares of ₹ 10 Each		
3	Subscribed Capital	80,98,037	80,98,037
	809,803,705 (Previous year 809,803,705) Equity Shares of ₹ 10 Each		
4	Called Up Capital	80,98,037	80,98,037
	809,803,705 (Previous year 809,803,705) Equity Shares of ₹ 10 Each		
	Less : Calls Unpaid	-	-
	Add : Equity Shares Forfeited (Amount originally paid up)	-	-
	Less : Par value of Equity Shares bought back	-	-
	Less : Preliminary Expenses	-	-
	Expenses Including commission or brokerage on underwriting or subscription of shares	-	-
	Total	80,98,037	80,98,037

SCHEDULE - 5A | Share Capital

Shareholder	As at 31 st March 2019		As at 31 st March 2018	
	Number of Shares	% of Holdings	Number of Shares	% of Holdings
Promoters				
Indian	60,32,53,705	74.49	60,32,53,705	74.49
Future Enterprises Limited	20,65,50,000		20,65,50,000	
Shendra Advisory Services Pvt Ltd.	39,67,03,705		39,67,03,705	
Foreign	20,65,50,000	25.51	20,65,50,000	25.51
Generali Participations Netherlands N.V.	20,65,50,000		20,65,50,000	
(Formerly known as Participatie Maatschappij Graafschap Holland N.V.)				
Others	-		-	
Total	80,98,03,705	100.00	80,98,03,705	100.00

SCHEDULE - 6 | Reserves and Surplus

(₹ '000)

S. No.	Particulars	As at 31 st March 2019	As at 31 st March 2018
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	-	-
4	General Reserve		
	Less : Debit balance in Profit and Loss Account	-	-
	Less : Amount utilized for Buy - Back	-	-
5	Catastrophe Reserve	-	-
6	Other Reserves	-	-
7	Balance of Profit in Profit & Loss Account	-	-
	Total	-	-

Schedules

forming part of Financial Statements

SCHEDULE - 7 | Borrowings

S. No.	Particulars	(₹ '000)	
		As at 31 st March 2019	As at 31 st March 2018
1	Debenture/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	Total	-	-

SCHEDULE - 8 | Investments-Shareholders

		(₹ '000)	
Particulars		As at 31 st March 2019	As at 31 st March 2018
Long Term Investments			
1.	Government Securities and Government guaranteed bonds including Treasury Bills	19,96,342	18,75,247
2.	Other Approved Securities	-	-
3.	Other Investments	-	-
(a)	Shares	-	-
(i)	Equity (Refer note 4)	46,221	-
(ii)	Preference	-	-
(b)	Mutual Funds	-	-
(c)	Debentures / Bonds	12,28,763	12,39,394
(d)	Investment Property - Real Estate	-	-
(e)	Other Securities (Fixed Deposit)	8,243	7,795
4.	Investments in Infrastructure & Housing	18,83,369	13,70,805
5.	Other than Approved Investments	1,11,992	-
	Less: Provision for diminution in the value of investments	(6,037)	-
	Sub - Total	52,68,894	44,93,241
Short Term Investments			
1.	Government Securities and Government guaranteed bonds including Treasury Bills	1,74,413	23,604
2.	Other Approved Securities	-	-
3.	Other Investments	-	-
(a)	Shares	-	-
(i)	Equity (Refer note 4)	-	41,576
(ii)	Preference	-	-
(b)	Mutual Funds	16,243	1,00,151
(c)	Debentures / Bonds	2,91,498	19,813
(d)	Investment Property - Real Estate	-	-
(e)	Other Securities (incl. fixed deposits)	1,04,008	9,904
4.	Investments in Infrastructure & Housing	1,66,428	23,215
5.	Other than Approved Investments (Refer note 5)	20,953	-
	Sub - Total	7,73,542	2,18,262
	Total	60,42,435	47,11,503

Note: Refer Note no 2.13 & 2.14 of Schedule 16

NOTES :

- All the above investments are performing assets (except IL&FS).
- Aggregate book value of investments (other than listed equities and derivative instruments) is ₹ 59,98,557 thousand (previous year ₹ 46,58,239 thousand).
- Aggregate market value of investments (other than listed equities and derivative instruments) is ₹ 6,005,437 thousand (previous year ₹ 46,67,982 thousand).
- Equity includes investment in equities qualifying for infrastructure and social sector investments of ₹ 2,562 thousand (previous year ₹ 1,785 thousand).
- Long term - Other than Approved Investments includes investment in equities of ₹ 12,067 thousand (previous year ₹ NIL) and in mutual funds of ₹ NIL (previous year ₹ NIL).
- Investment property ₹ Nil (previous year ₹ Nil).
- Value of contracts in relation to investments purchases where deliveries are pending ₹ Nil (previous year ₹ 199 thousand) and in respect of sale of investments where payments are overdue ₹ Nil (previous year ₹ Nil).
- Short term Investments- Other Than Approved Investments include investment in Tata Sons Private Limited of ₹ 16,790 thousand.
- Short term "Other securities" consists of investment in reverse repo amounting to 99,845 thousand (previous year: 'Nil' thousand).
- Long Term "Investments in Infrastructure & Housing" - IL&FS amounting to ₹ 37,025 thousand is regrouped to Long Term "Other Than Approved Investments."
- The Company has considered investment in equity shares as long term investment from the current year.

Schedules

forming part of Financial Statements

SCHEDULE - 8A | Investments-Policyholders

(₹ '000)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Long Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	99,91,843	1,00,33,456
2. Other Approved Securities	-	-
3. Other Investments		-
(a) Shares		-
(i) Equity (Refer Note 4)	2,31,341	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Debentures / Bonds	61,50,051	66,31,342
(d) Investment Property - Real Estate	-	-
(e) Other Securities (Fixed Deposit)	41,257	41,705
4. Investments in Infrastructure & Housing	94,26,408	73,34,451
5. Other than Approved Investments	5,60,529	-
Less: Provision for diminution in the value of investments	(30,213)	-
Sub - Total	2,63,71,216	2,40,40,955
Short Term Investments		
1. Government Securities and Government guaranteed bonds including Treasury Bills	8,72,949	1,26,293
2. Other Approved Securities	-	-
3. Other Investments		-
(a) Shares		-
(i) Equity (Refer Note 4)	-	2,22,449
(ii) Preference	-	-
(b) Mutual Funds	81,295	5,35,854
(c) Debentures / Bonds	14,58,968	1,06,010
(d) Investment Property - Real Estate	-	-
(e) Other Securities (incl. fixed deposits)	5,20,568	52,992
4. Investments in Infrastructure & Housing	8,32,985	1,24,209
5. Other than Approved Investments (Refer Note 5)	1,04,871	-
Sub - Total	38,71,636	11,67,807
Total	3,02,42,852	2,52,08,762

Note: Refer Note no 2.13 & 2.14 of Schedule 16

NOTES :

- All the above investments are performing assets (except IL&FS).
- Aggregate book value of investments (other than listed equities and derivative instruments) is ₹ 3,00,23,236 thousand (previous year ₹ 2,49,23,775 thousand).
- Aggregate market value of investments (other than listed equities and derivative instruments) is ₹ 3,00,57,674 thousand (previous year ₹ 2,49,75,904 thousand).
- Equity includes investment in equities qualifying for infrastructure and social sector investments of ₹ 12,823 thousand (previous year ₹ 9,549 thousand).
- Long term - Other than Approved Investments - includes investment in equities of ₹ 60,399 thousand (previous year ₹ 52,992 thousand) and in mutual funds of ₹ NIL (previous year ₹ NIL).
- Investment property ₹ Nil (previous year ₹ Nil).
- Value of contracts in relation to investments purchases where deliveries are pending ₹ Nil (previous year ₹ 1,065 thousand) and in respect of sale of investments where payments are overdue ₹ Nil (previous year ₹ Nil).
- Short term Investments- Other Than Approved Investments include investment in Tata Sons Private Limited of ₹ 84,034 thousand.
- Short term "Other securities" consists of investment in reverse repo amounting to ₹ 499,731 thousand (previous year ₹ Nil).
- Long Term "Investments in Infrastructure & Housing" - IL&FS amounting to ₹ 185,312 thousand is regrouped to Long Term "Other Than Approved Investments."
- The Company has considered investment in equity shares as long term investment from the current year.

Schedules

forming part of Financial Statements

SCHEDULE - 9 | Loans

(₹ '000)

Particulars	As at 31 st March 2019	As at 31 st March 2018
1. Security - Wise Classification		
Secured	-	-
(a) On Mortgage of Property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
Total	-	-
2. Borrower - Wise Classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
Total	-	-
3. Performance - Wise Classification		
(a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non - Performing Loans less Provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	-	-
4. Maturity - Wise Classification		
(a) Short - Term	-	-
(b) Long - Term	-	-
Total	-	-
Sub - Total	-	-
Total	-	-

Schedules

forming part of Financial Statements

SCHEDULE - 10 | Fixed Assets

Particulars	Cost / Gross Block			Depreciation			Net Block	
	As at 1 st April 2018	Additions	Deductions	As at 31 st March 2019	For the Year	On Sales / Adjustments	As at 31 st March 2019	As at 31 st March 2018
Goodwill	-	-	-	-	-	-	-	-
Intangibles - Computer Software	3,38,111	45,152	-	3,83,263	56,420	-	49,419	60,686
Land-Freehold	-	-	-	-	-	-	-	-
Leasehold Improvements	1,60,421	11,602	4,816	1,67,207	14,113	4,841	32,818	35,305
Buildings	-	-	-	-	-	-	-	-
Furniture & Fittings	45,520	3,567	2,209	46,878	3,859	2,044	5,679	6,136
Information & Technology Equipment	2,21,245	38,449	6,264	2,53,430	32,301	6,264	43,258	37,110
Vehicles	4,802	0	-	4,802	961	-	2,244	3,519
Office Equipment	82,461	11,386	964	92,883	7,279	847	24,588	20,598
Others	-	-	-	-	-	-	-	-
	8,52,560	1,10,157	14,253	9,48,464	1,14,933	13,996	1,58,321	1,63,354
Work in progress	-	-	-	-	-	-	10,601	2,424
Grand Total	8,52,560	1,10,157	14,253	9,48,464	1,14,933	13,996	1,68,922	1,65,778
Previous Year	7,85,799	1,00,127	33,366	8,52,560	91,986	31,697	1,65,778	

(₹ '000)

Schedules

forming part of Financial Statements

SCHEDULE - 11 | Cash and Bank Balances

(₹ '000)

Particulars	As at 31 st March 2019	As at 31 st March 2018
1. Cash (including cheques, drafts and stamps)	2,58,386	1,25,334
2. Bank Balances		-
(a) Deposit Accounts		-
(aa) Short - Term (due within 12 months)	-	-
(bb) Others (Refer note 4 to Schedule 16)	1,885	1,885
(b) Current Accounts	3,80,536	10,16,225
(c) Others	-	-
3. Money at Call and Short Notice		-
(a) With Banks	-	-
(b) With Other Institutions	-	-
4. Others	-	-
Total	6,40,808	11,43,444
Balances with non-scheduled banks included in 2 or 3 above	-	-
Cash and Bank Balances		
In India	6,40,808	11,43,444
Outside India	-	-

SCHEDULE - 12 | Advances and Other Assets

(₹ '000)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Advances		
1. Reserve Deposits with ceding Companies	-	-
2. Application Money for Investments	-	-
3. Prepayments	91,485	41,136
4. Advances to Directors/Officers	-	-
5. Advance Tax Paid and Taxes Deducted at Source (Net of provision for taxation)	3,327	70,706
6. Others	-	-
(i) Other Deposits	1,26,385	1,12,008
(ii) Advances to Employees	3,002	732
(iii) Advances recoverable in cash or kind	1,90,642	98,114
(iv) Unutilized GST	3,71,226	2,55,613
(vi) MAT Credit Entitlement	2,52,902	3,57,126
(vii) Income Tax Refund Recoverable	78,186	-
Total (A)	11,17,155	9,35,435
Other Assets		
1. Income accrued on Investments	10,83,623	9,30,055
2. Outstanding Premiums *	26,60,235	1,690
3. Agents' Balances	3,756	2,078
4. Foreign Agencies' Balances	-	-
5. Due from other entities carrying on insurance business	19,82,919	18,78,584
6. Due from Subsidiaries / Holding Company	-	-
7. Assets held for unclaimed amount of Policyholders	65,670	60,733
8. Deposit With Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
9. Others -	-	-
(i) Unsettled Investments Contract Receivable	1,70,558	3,20,386
(ii) Interest Accrued other than investment	696	489
Total (B)	59,67,456	31,94,015
Total (A + B)	70,84,611	41,29,449

* Outstanding premium contains amount receivable against Bank Guarantee & Due from Central Government & State Governments.

Schedules

forming part of Financial Statements

SCHEDULE - 13 | Current Liabilities

(₹ '000)

Particulars	As at 31 st March 2019	As at 31 st March 2018
1. Agents Balances	1,01,646	94,498
2. Balances due to other Insurance Companies	42,30,476	12,59,409
3. Deposits held on Reinsurance ceded	-	-
4. Premiums received in advance	4,52,153	1,34,257
5. Unallocated Premium	11,40,558	10,96,765
6. Sundry Creditors	9,49,680	7,50,467
7. Due to Subsidiaries / Holding Company	-	-
8. Claims Outstanding (net) *	1,94,67,985	1,64,80,099
9. Due to Officers / Directors	-	-
10. Unclaimed amount of Policyholders	61,852	49,047
Add: investment income accruing on unclaimed amount	7,771	3,911
11. Others -		-
(i) Advance Received	2,750	3,128
(ii) Statutory Dues	5,69,710	5,01,830
Total	2,69,84,580	2,03,73,411

*Gross Claims Outstanding as at 31st March 2019 ₹ 26,075,171 thousand (previous year ₹ 20,544,074 thousand)

SCHEDULE - 14 | Provisions

(₹ '000)

Particulars	As at 31 st March 2019	As at 31 st March 2018
1. Reserve for Unexpired risk	95,32,982	80,65,548
2. For Taxation (less advance tax paid and taxes deducted at source)	7,779	-
3. Deferred Tax	-	-
4. For Proposed Dividends	-	-
5. For Dividend Distribution Tax	-	-
6. Others	-	-
a. Provision - Bonus & Employees benefits	3,18,347	2,71,566
Total	98,59,108	83,37,114

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

(₹ '000)

Particulars	As at 31 st March 2019	As at 31 st March 2018
1. Discount Allowed in issue of shares / Debentures	-	-
2. Others	-	-
Total	-	-

Schedules

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SCHEDULE - 16

Significant accounting policies & notes to and forming a part of the financial statements for the year ended 31st March 2019

1 Background:

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

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

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles followed in India under the historical cost convention and accrual basis of accounting and in accordance with the statutory requirements of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act 2015, to the extent notified by the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations'), circulars, orders and directions issued by the IRDAI in this behalf, the Companies Act, 2013 as amended by Companies Act 2017 to the extent applicable and comply with the accounting standards, prescribed in Companies (Accounting Standards) Rules, 2006 (as amended by companies accounting standard amendment rule 2016), specified under section 133 of Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable and current practices prevailing in the Insurance industry.

2.2 Use of estimates

The preparation of financial statement in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date, reported amount of revenue and expenses for the year then ended and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumptions used in the accompanying

financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Revenue recognition

Premium

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

Income earned on investments

Interest income on investment is recognised on accrual basis.

Dividend income is recognised when right to receive dividend is established. Dividend income in respect of listed equity shares is recognised on ex-dividend date.

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

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

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

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

Commission on Reinsurance Ceded

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

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

2.4 Reinsurance ceded

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

2.5 Acquisition costs

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

2.6 Premium received in advance

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

2.7 Reserve for unexpired risk

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

2.8 Premium deficiency

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

2.9 Claims incurred

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

Claims are recognised as and when reported based on the internal management estimates of the ultimate amount that are likely to be paid on each claim (in light of the past experience) or on estimates from the surveyors. These estimates are progressively modified based on the availability of further information. Where salvage is taken over by the Company, the recoveries from sale of salvage are recognised at the time of such sale.

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 (Standard 21 & 33 issued by the Institute of Actuaries of India) in concurrence with the IRDAI (guidelines vide circular No. 11\IRDA VACTL\IBNR\2005-06 dated June 8, 2005) and accordingly liability is determined and certified as adequate.

2.11 Apportionment of Income and Expenses

Operating expenses related to the insurance business

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

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

Income from investments and other income

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

2.12 Fixed assets and depreciation/amortization

Fixed assets are stated at cost (including incidental expenses relating to acquisition and installation) less accumulated depreciation/amortisation.

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

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

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

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

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

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

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

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

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

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

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

2.13 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the revenue account and profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount subject to a maximum of depreciable historical cost.

2.14 Investments

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2013, the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 and various other circulars / notifications / amendments issued by IRDAI in this context from time to time.

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

Classification:

Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months from balance sheet date are classified as short-term investments. Investments other than short term investments are classified as long-term investments. Policyholders and Shareholders fund are bifurcated at fund level on notional basis.

Valuation:

The investments are valued as follows:

Debt Securities

All debt securities are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortisation of premium or accretion of discount on

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‘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 are credited / debited to the Fair Value Change account.

Mutual Fund Units

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

Fair Value Change account represents unrealised gains or losses in respect of investments outstanding at the close of the year. Further, the same is bifurcated under policyholders fund and shareholders fund. The balance in the account is not available for distribution as dividend.

Investments other than mentioned above are valued at cost.

Impairment of Investments

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

2.15 Employee benefits

(i) Long term benefits

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

(i-a) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees’ provident fund and employees’ pension fund. The Company’s payments to the

defined contribution plans are reported as expenses during the period in which the employees perform the services that the payments cover.

(i-b) Defined-benefit plans

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

(ii) Short term benefits

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

The cost of compensated absences is accounted as under:-

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

(iii) Leave encashment

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

(iv) Long Term Incentive Plan

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

2.16 Foreign currency transactions

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

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

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2.17 Terrorism pool

In accordance with the requirements of IRDAI, the Company, together with other insurance companies, participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium are ceded at 100% to the Terrorism Pool.

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

2.18 Contributions to other funds

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

2.19 Provision for taxation

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

Current tax

The Company provides for income tax on the basis of estimated taxable income for the current accounting year 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 as at the balance sheet date.

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

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

Minimum Alternate Tax (MAT) paid in the year is charged to the Profit and Loss account as current tax.

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

2.20 Accounting of operating lease

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

2.21 Accounting for provisions and contingent liabilities

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

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

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

2.22 Goods & Services tax (GST)

GST collected is considered liability against which GST paid for eligible services is adjusted and net liability is remitted to the appropriate authority as stipulated. Where GST is not recoverable as input tax then it is recognised as part of the related fixed asset or

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recognized as expenses in Revenue Account or Profit & Loss account, wherever applicable. Unutilized credits, are carried forward under “Advances and Other Assets” for adjustments in subsequent periods. The amount of GST liability is shown under “Statutory Dues” in the financial statement.

2.23 Earnings per share

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

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

2.24 Receipts and Payments Account

- I. Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with para 2.2 of the Master Circular on Preparation of Financial Statements -General Insurance Business dated October 5, 2012, issued by the IRDAI.
- II. Cash and cash equivalents
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.25 Share issue expenses

Share issue expenses are charged to profit and loss account.

2.26 Employee Stock Option Plan (ESOP)

The Company has adopted fair value method for computing the compensation cost for the options granted. The compensation cost is amortised over the vesting period in the Profit and Loss account with a corresponding increase in liability (Employees Stock Options Outstanding). The expense is recorded for each separately vesting portion of the award as if the award was in substance multiple awards.

3 Contingent Liabilities

Contingent liabilities not provided for in respect of claims against the Company not acknowledged as debts other than insurance matters - (₹ '000)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Partly paid up Investments	Nil	Nil
Underwriting commitments outstanding	Nil	Nil
Claims other than those under policies not acknowledged as debts	Nil	Nil
Guarantees given by or on behalf of the Company	Nil	Nil
Statutory demands/liabilities in dispute, not provided for, in respect of		
• Service Tax (refer note 2)	436,779	412,056
• Income Tax	Nil	Nil
• Goods & Services Tax (GST)	Nil	Nil
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

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

Note 2 – The Company has disputed demand raised by the service tax authorities of ₹ 436,779 thousand (previous year ₹ 412,056 thousand), including potential penalty of ₹ 137,352 thousand (previous year ₹ 137,352 thousand) and potential interest of approximately ₹ 162,075 thousand (previous year ₹ 137,352 thousand). The Company has filed an appeal before the appropriate authority against the demand raised. Based on expert advice, the management does not expect any outflow of economic benefits and has assessed the likelihood of outflow of resources as remote on account of this matter.

- 4 All assets of the Company are free from any encumbrances. No Assets of the Company are subject to restructuring. “Bank Balances –Deposit Accounts (others)” under schedule 11 & “Interest accrued other than Investment” under schedule 12 includes a fixed deposit of ₹ 1,885 thousand (previous year ₹ 1,885 thousand) and Interest thereon of ₹ 696 thousand (previous year ₹ 489 thousand) as a security deposit for registration as per Rule 27 of under Jammu & Kashmir Value Added Tax Act, 2005.

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5 Commitments

There are no commitments made and outstanding for loans. There are commitments made and outstanding of ₹ 400,000 thousand (Previous year Nil) for investments.

Commitments made and outstanding for acquisition of Fixed Assets amounting to ₹ 26,536 thousand (previous year ₹ 6,662 thousand).

6 IBNR & IBNER

The Appointed Actuary has certified to the Company that actuarial estimates for Incurred But Not Reported (IBNR), including Incurred But Not Enough Reported (IBNER), as at 31st March 2019, are in conformity with the IRDAI regulations and in compliance with the guidelines prescribed by the Institute of Actuaries of India. The provisions for IBNR and IBNER have been made as per the estimates provided by the Appointed Actuary. The Appointed Actuary, in his report has certified that:

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

- Paid Claims Chain Ladder Method
- Incurred Claims Chain Ladder Method
- Paid Claims Bornheutter Ferguson Method
- Incurred Bornheutter Ferguson Method
- Ultimate Loss Ratio (ULR) Method
- Average Cost & Frequency Method

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

For lines other than Aviation and Weather Insurance products, the IBNR estimates have been derived using Incurred Claims Chain Ladder Method, Incurred Bornheutter Ferguson Method or Ultimate Loss Ratio

Method depending on the availability of sufficient claims and appropriateness of the method.

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

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

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

7 Claims

All claims, net of reinsurance are incurred and paid in India except for Marine Insurance (where consignments are exported from India) and Overseas Travel Insurance amounting to ₹ 60,088 thousand (previous year ₹ 46,632 thousand).

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

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

Gross Claims outstanding for more than six month are ₹ 8,310,745 thousand (previous year ₹ 7,360,428 thousand) out of total outstanding of ₹ 11,466,331 thousand (previous year ₹ 10,603,063 thousand).

8 Premium Deficiency

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

9 Managerial Remuneration

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

Computation of Managerial Remuneration

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(₹'000)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Salary, allowances and bonus (including contribution to fund)	48,368	35,388
Perquisites	15	40
Total	48,383	35,428

Note:

- 1) Above figure includes remuneration of Ex CEO & MD upto 17th November 2018 (excluding provision for bonus of 2018 which is subject to IRDAI approval). Managerial remuneration in excess of ₹ 15,000 thousand has been charged to profit and loss account.
- 2) Above figures includes remuneration of Principle Officer w.e.f. 18th November 2018. Expense towards gratuity, leave encashment and long term incentive plan are determined actuarially on an overall company basis annually and have not been considered accordingly.

10 Sector wise business (based on GDPI)

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

Business Sector	For the year ended 31 st March 2019			For the year ended 31 st March 2018		
	GDPI (₹.'000)	No. of Lives	% of GDPI	GDPI (₹.'000)	No. of Lives	% of GDPI
Rural	8,016,579	-	31.39	5,612,627	-	29.44
Social	338,899	1,558,169	1.33	85,779	654,838	0.45
Urban	17,183,899	-	67.28	13,365,344	-	70.11
Total	25,539,377	1,558,169	100	19,063,750	654,838	100

11 Extent of Risks Retained and Reinsured

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

Particulars	For the year ended 31 st March 2019 (% age of business written)	For the year ended 31 st March 2018 (% age of business written)
Risk retained	70	80
Risk reinsured	30	20
Total	100	100

- 12 Premium, less reinsurance, written from business concluded in India is ₹ 17,214,582 thousand (previous year ₹ 15,110,829 thousand) and outside India is ₹ Nil (previous year ₹ Nil).

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

- 14 a) Statement showing the age-wise analysis of the Unclaimed amount of the policyholders as at 31st March 2019 (with reference to IRDAI circular no IRDA/F&I/CIR/CMP/174/11/2010);

(₹'000)

Particulars	Total	AGE-WISE ANALYSIS (months) as at 31 st March 2019						
		0-6	7-12	13-18	19-24	25 – 30	31 – 36	> 36
Claims settled but not paid to the policyholders / insured 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	828	358	280	120	70	0	0	0
Cheques issued but not encashed by the policyholder/ insured	39,764	4,985	1,783	1,504	5,970	2,790	1,226	21,506

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(₹'000)

Particulars	Total	AGE-WISE ANALYSIS (months) as at 31 st March 2018						
		0-6	7-12	13-18	19-24	25 - 30	31 - 36	> 36
Claims settled but not paid to the policyholders / insureds due to any reasons except under litigation from the insured / policyholders	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
sum due to the insured / policyholders on maturity or otherwise	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	662	511	112	0	0	0	0	0
Cheques issued but not encashed by the policyholders/ insured	250,991	212,992	6,011	721	7,047	1,057	1,265	21,898

*Note: Of the total ₹ 212,992 thousand, ₹ 202,566 thousand does not form part of Unclaimed amount of Policyholders under Schedule 13 as these are less than 3 months and part of pending cheques in Bank Reconciliation Statement.

- b) Details of the Unclaimed amount of policyholders as at 31st March 2019 (with reference to IRDAI circular no IRDA/F&A/CIR/CLD/114/05/2015);

(₹'000)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Opening balance of unclaimed amount	52,958	51,253
Add: Amount transferred to unclaimed amount / cheques issued out of the unclaimed amount but not encashed by the policyholders	26,744	15,218
Add: Investment Income	4,052	3,968
Less: Amount paid during the year	14,131	17,481
Closing balance of unclaimed amount	69,623	52,958

*Note: It includes ₹ 2 thousands of policyholders funds transfer to Senior Citizen Welfare Account.

15 Employees Benefit Plans

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

Defined Contribution Plan

(₹'000)

Expenses on defined contribution plan	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Contribution to Staff Provident fund	33,466	31,791
Contribution to Pension fund	20,578	19,987
Contribution to Superannuation fund	2,628	3,164
Contribution to National Pension Scheme	4,601	4,484
Total	61,273	59,426

a) Defined Benefit Plan – Gratuity

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

(₹'000)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Discount Rate (per annum)	7.35%	7.55%
Rate of increase in Compensation levels	8.00%	8.00%
Rate of Return on Plan Assets	7.35%	7.55%
Expected Average remaining working lives of employees (years) (The average expected lifetime is calculated based on the future working lifetime adjusted for the decrements. The same number for the previous year was not adjusted for the decrements.)	6.78	6.69

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(₹'000)

A Changes in the Present Value of Obligation	For the year ended 31st March 2019	For the year ended 31st March 2018
Present Value of Obligation at the beginning of the year	105,063	94,440
Interest Cost	7,428	5,962
Current Service Cost	19,759	18,948
Benefits Paid	(22,588)	(9,791)
Actuarial (gain)/loss on obligations	6,120	(4,498)
Present Value of Obligation as at March 31	115,782	105,063

(₹'000)

B Changes in the Fair Value of Plan Assets	For the year ended 31st March 2019	For the year ended 31st March 2018
Present Value of Plan Assets at the beginning of the year	96,072	88,468
Adjustments to the opening fund	-	-
Expected Return on Plan Assets	7,495	6,197
Actuarial gains/(loss) on Plan Assets	(19)	1,198
Contributions	20,000	10,000
Benefits Paid	(22,588)	(9,791)
Fair Value of Plan Assets at March 31	100,960	96,072

(₹'000)

C Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets	For the year ended 31st March 2019	For the year ended 31st March 2018
Present Value of Obligation as at March 31	115,782	105,063
Fair Value of Plan Assets as at March 31	100,960	96,072
Funded Status	(14,821)	(8,990)
Present Value of unfunded Obligation as at March 31	-	-
Net Asset / (Liability) recognised in Balance Sheet	(14,821)	(8,990)
Included in other provisions under Schedule 14		

(₹'000)

D Amount recognised in the Balance Sheet	For the year ended 31st March 2019	For the year ended 31st March 2018
Present Value of Obligation as at March 31	(115,782)	(105,063)
Fair Value of Plan Assets as at March 31	100,960	96,072
Net Asset / (Liability) recognised in Balance Sheet	(14,821)	(8,990)
Included in other provisions under Schedule 14		

(₹'000)

E Expenses recognised in the Revenue Account	For the year ended 31st March 2019	For the year ended 31st March 2018
Current Service Cost	19,759	18,948
Past Service Cost	0	0
Interest Cost	7,428	5,962
Expected Return on Plan Assets	(7,495)	(6,197)
Losses/(Gains) on Curtailments and Settlement	0	0
Settlement Cost / (Credit)	0	0
Net actuarial (gain) / loss recognised in the Year	6,139	(5,695)
Total expenses recognised in the Revenue account	25,831	13,018

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

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(₹'000)

F	Experience adjustments of five years	Year Ended 31 st March				
		2019	2018	2017	2016	2015
	Present Value of Obligation as at March 31	115,782	105,063	94,440	68,735	49,969
	Fair Value of Plan Assets as at March 31	100,960	96,072	88,469	66,575	48,830
	Surplus/(Deficit)	(14,821)	(8,990)	(5,972)	(2,161)	(1,139)
	Experience adjustments on plan liabilities	4,630	1,749	7,214	1,246	1,328
	Experience adjustments on plan assets	19	(1,198)	(455)	724	(27)

Leave Encashment

Based on actuarial valuation at the end of the year, leave encashment has been provided at ₹ 53,809 thousand (previous year ₹ 49,895 thousand).

Long Term Incentive Plan

Based on actuarial valuation at the end of the year, Long Term Incentive Plan has been provided at ₹ 16,134 thousand (previous year ₹ 4,688 thousand).

16 Segment Reporting

The statement on segment reporting is included in Annexure I.

17 Related Party Disclosure

Related party disclosures have been set out in Annexure II to this schedule. The related parties, as defined in Accounting Standard 18 'Related Party Disclosures' in accordance with the Companies Act, 2013 ('The Act') to the extent applicable and comply with the accounting standards in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial personnel and taken on record by the Board.

The related parties of the company are as follows:-

Name of the related party	Description of relationship
Future Enterprises Ltd	Joint Venturer
Generali Participations Netherlands N.V (Formerly known as Participatie Maatschappij Graafschap Holland N.V.)	Joint Venturer
Shendra Advisory Services Private Limited	Joint Venturer
Assicurazioni Generali SPA	Parent Company of Joint Venturer
Future Generali India Life Insurance Co. Ltd.	Two of the joint venturers having joint control
K G Krishnamoorthy Rao (upto 17 th Nov 2018)	CEO & Managing Director
Shreeraj Deshpande (w.e.f. 18 th Nov 2018)	Principal Officer
Devi Dayal Garg (w.e.f. on 15 th Feb 2019)	Chief Financial Officer
Ritesh Jiwarajka (w.e.f. 12 th May 2017 & upto 14 th Feb 2019)	Head of Finance
Krishnan Gopalkrishnan (upto 12 th May 2018)	Company Secretary
Ajinkya Bannore (w.e.f. 2 nd Nov 2018 & upto 25 th Feb 2019)	Company Secretary
Rajiv Joshi (w.e.f. 14 th Feb 2019)	Head of Legal & Compliance

18 Lease

Operating lease commitments:

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

(₹'000)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Payable not later than one year	40,465	33,326
Payable later than one year but not later than five years	46,389	38,728
Payable later than five years	Nil	Nil

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- Amount charged to revenue accounts for lease is ₹ 230,177 thousand (previous year ₹ 213,735 thousand).
- There are no transactions in the nature of sub leases.
- The period of agreement is as per the understanding between the licensor and the licensee.

19 Contribution to Terrorism Pool

The company is a participant in and has received the Terrorism Pool (which is managed by General Insurance Corporation of India) retrocession of premium in the current financial year. Accordingly, as per the statement received from the Pool managers, the Company has recognised the pool retrocessions for the quarters ended 31st March 2018, 30th June 2018, 30th September 2018 and 31st December 2018, the accounts of which were received till the end of the financial year.

20 Contribution to Environment Fund

The Company has collected an amount of ₹ 2,351 thousand (previous year ₹ 2,592 thousand) towards Environment Fund from public liability policies. The Company has paid all the funds collected towards Environment Fund up to February 28, 2019 and the balance payable ₹ 181 thousand (previous year ₹ 205 thousand) has been disclosed under the head current liabilities in schedule 13.

21 Solatium Fund

In accordance with IRDAI's requirement and based on the recommendations made by the General Insurance Council vide letter dated 26th July 2010, the company has provided 0.1% of the Third Party premiums (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the Solatium Fund.

22 Earning Per Share ('EPS')

The following table reconciles the numerator and denominator used to calculate basic/diluted EPS: (₹'000)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Profit after Tax (A)	1,178,155	786,281
Weighted average no of equity shares		
Weighted average no. of equity shares (par value of ₹ 10 each) [B]	809,803,705	809,803,705
Diluted weighted average no. of equity shares (par value of ₹ 10 each) [C]	810,713,815	809,803,705
Basic earnings per share (₹) [A/B]	1.45	0.97
Diluted earnings per share (₹) [A/C]	1.45	0.97

23 Taxation

The Company carries on General Insurance business and hence the provision of section 44 and First Schedule to the Income Tax Act, 1961 are applicable for computation of Profits and Gains of its business. Accordingly provision for taxation has been made in the accounts. Further the company has accounted for deferred tax assets for the period ended 31st March 2019, in accordance with the AS 22 "Accounting for Taxes on Income"

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realised.

The major components of the Company's deferred tax liabilities and assets are as below.

Particulars	As at 31 st March 2019	As at 31 st March 2018
Deferred Tax Assets (A)		
Section 43B Disallowance	49,180	10,603
Section 36(1)(viii) of Income Tax Act	12,667	
Rule 6 E Disallowance (Reserve for Unexpired risk)	361,133	213,080
Carried Forward Loss / Unabsorbed Depreciation	-	195,379
Depreciation	62,969	56,345
Total	485,949	475,407
Deferred Tax Liabilities (B)		
Net Deferred Tax Assets (A-B)	485,949	475,407

* As a matter of prudence, the company had not recognised Deferred Tax Assets on 31st March 2018.

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24 MSMED Disclosures

According to information available with the management, on the basis of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) Act, the company has amounts due to Micro, Small and Medium Enterprises under the said Act as at 31st March 2019 as follows:

(₹'000)

Sr. No	Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
a) i)	Principal amount remaining unpaid to suppliers under the MSMED ACT 2006.	2,018	Nil
	(ii) Interest on a) (i) above	Nil	Nil
b) i)	Amount of Principal paid beyond the appointed date	Nil	Nil
	ii) Amount of Interest Paid Beyond the Appointed date (As per Sec 16 of the said Act)	Nil	Nil
c)	Amount of Interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the said Act	Nil	Nil
d)	Amount of Interest accrued and due	Nil	Nil
e)	Amount of further interest remaining due and payable even in Succeeding years	Nil	Nil

25 Details of Penal actions taken by various Government Authorities during FY 2018-19

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

Figures in brackets represent previous year figures.

- 26** During the year foreign exchange gain/ (loss) incurred by the Company is ₹ 5,480 thousand [previous year (₹ 580) thousand].

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

(₹'000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as at 31 st March 2019
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	320,805 (Nil)	1,799,936 (Nil)	1,123,581 (Nil)	599,576 (Nil)
2) Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Figures in brackets represent previous year figures.

28 The summary of the financial statements for the last five years and the ratios required to be furnished have been set out in the annexure III to this schedule.

29 Provision for Free Look Period

Pursuant to the circular CIR/41/IRDA/Health/SN/09-10/32, the Company has made a provision for Free Look Period of ₹ 485 thousand (previous year ₹ 317 thousand). The provision for Free Look period is duly certified by the Appointed Actuary.

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

(₹'000)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Under expenses "Others" schedule 4		
Outsourcing expenses	400,304	297,356
Business Support	1,747,684	1,463,585

31 Expenses of Management

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

32 During the year ended March 31, 2019 the Company has incurred expenditure towards CSR activities which are as below :

- (a) Gross amount required to be spent by the company during the year was ₹ 7,745 thousand (Previous year : ₹ 6,522 thousand)
- (b) Amount spent during the year is ₹ 9,875 thousand (Previous year: ₹ 2,104).

(₹'000)

Sr. No.	Particular	Payment made	Payment yet to be made	Total
1.	Construction/acquisition of any asset	NIL (NIL)	116 (NIL)	116 (NIL)
2.	On purposes other than (1) above	7,710 (2,040)	2,049 (64)	9,759 (2,104)

Figures in brackets represent previous year figures.

33 Share Capital

During the year, there is no movement in the equity shares of the company.

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- 34** The company's pending litigation comprise of claims against the Company and proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position (refer note 3 for details on contingent liabilities).
- 35** a) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/ accounting standard.
- b) As at March 31, 2019 the Company did not have any outstanding long term derivative contracts.
- 36** For the year ended March 31, 2019, the company is not required to transfer any amount into the Investor Education & Protection Fund.
- 37** Due from other entities carrying on insurance business included in "Other Assets" in Schedule 12 include ₹ 1,098,060 thousands (previous year ₹ 1,098,060 thousands), where the Company has initiated legal process for the recovery of the dues. Considering that the counterparties are solvent and based on legal opinion about the recoverability of the dues, the management is of the view that the said dues are fully recoverable and no provision is considered necessary.

38 Employee Stock Ownership Plan (ESOP)

The Company had introduced an Employee Stock Ownership Plan ("ESOP") in the financial year 2018-19 with date of grant being February 6, 2019. ESOP provides that eligible employees are granted options to acquire equity shares of the Company that vest in a graded manner. The vested options may be exercised within a specified period. Under ESOP 2018, the company granted 61,51,671 options during the year (Previous year Nil options) at an exercise price of Nil per option (Previous year Not applicable). The vesting of options will happen as per the schedule below:

Particulars	Graded Vesting I	Graded Vesting II
Percentage vested	50%	50%
No of options vested	30,75,835	30,75,836
Date of vesting	01 June 2021	01 June 2022

The scheme allows flexibility to the Company in the final pay-out either in form of cash or equity shares.

Method used for accounting

The Company has adopted fair value method for computing the compensation cost for the Options granted considering options to be settled in Equity. The charge to the Profit and Loss account has been ₹ 8,222 thousands with a corresponding increase in credit to 'Stock Options Outstanding' which is disclosed on the face of the balance sheet.

Particulars	(No of options)				
	31 st March 2019	31 st March 2020	31 st March 2021	31 st March 2022	31 st March 2023
Outstanding at the beginning of the period;	Nil	61,51,671	61,51,671	61,51,671	30,75,836
Granted during the period;	61,51,671	Nil	Nil	Nil	Nil
Forfeited during the period;	Nil	Nil	Nil	Nil	Nil
Exercised during the period	Nil	Nil	Nil	Nil	Nil
Expired during the period;	Nil	Nil	Nil	Nil	Nil
Outstanding at the end of the period	61,51,671	61,51,671	61,51,671	30,75,835	Nil
Unvested at the end of the year	61,51,671	61,51,671	61,51,671	30,75,836	Nil
Vested at the end of the year	Nil	Nil	Nil	30,75,835	61,51,671
Weighted average exercise price per option	Nil	Nil	Nil	Nil	Nil



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Information in respect of Options outstanding as on 31 March 19

Particulars	Exercise Price	No of options	Weighted average remaining life
Graded Vesting I	Nil	30,75,835	28 months
Graded Vesting II	Nil	30,75,835	40 months

The fair value of the options on date of grant has been estimated using Black-Scholes model at ₹ 25.12 per option. The key assumptions used in Black-Scholes model for calculating fair value are as follows:

Particulars	Risk Free interest rate	Expected Life	Expected Volatility	Expected dividend yield
Graded Vesting I	6.76% to 7.08%	2-3 years	Nil	Nil
Graded Vesting II	7.08% to 7.28%	3-4 years	Nil	Nil

Risk free rate source - <http://www.worldgovernmentbonds.com/country/india/>

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

Particulars	Amount	Reasons
1. Service fees paid to POS agents has been reclassified From Schedule 4 Operating Expenses- Legal & Professional charges to Schedule 3 Commission- Commission paid direct	16,626	In accordance with communication from IRDA, POS service fees regrouped under commission.

- 2) Weather Business: Weather business shown separately since it exceed 10% of total business.

As per our report of even date

For and on behalf of

M. M. Nissim & Co.

Chartered Accountants

FRN 107122W

Sanjay Khemani

Partner

Membership No. 044577

Place : Mumbai

Dated : 14th May, 2019

For and on behalf of

Khandelwal Jain & Co.

Chartered Accountants

FRN 105049W

Narendra Jain

Partner

Membership No. 048725

For and on behalf of the Board of Directors

G N Bajpai

Chairman

Devi Dayal Garg

Chief Financial Officer

K K Rathi

Director

Rajiv Joshi

Company Secretary

Shreeraj Deshpande

Principal Officer

Annexure I

to Schedule 16 - Notes to accounts and forming part of the financial statements Upto the Quarter ended 31st Mar 2019 (Refer Note no. 16)

Segmental Break up of the Balance Sheet item as at 31st March 2019

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

Segment revenues and segment results have been incorporated in the financial statements. However segment asset and liabilities, given the nature of the business, have been allocated amongst various segments to the extent possible.

(₹ '000)

Particulars	As at	Fire	Marine	Misc	Unallocated	Total
Net Claims Outstanding	31st March, 2019	6,37,501	3,54,102	1,84,76,383	-	1,94,67,986
	31 st March, 2018	(4,59,678)	(3,08,566)	(1,57,11,855)	-	(1,64,80,099)
Reserve for Unexpired Risk	31st March, 2019	8,74,282	1,43,373	85,15,327	-	95,32,982
	31 st March, 2018	(7,20,347)	(1,23,790)	(72,21,412)	-	(80,65,548)
Outstanding Premiums	31st March, 2019	-	-	26,60,235	-	26,60,235
	31 st March, 2018	-	-	(1,690)	-	(1,690)
Investments	31st March, 2019	3,49,63,600	8,32,554	2,59,16,697	60,42,435	3,62,85,286
	31 st March, 2018	(36,27,576)	(7,62,878)	(2,08,18,307)	(47,11,503)	(2,99,20,264)

Figures in bracket represents last year figures of 31st March 2018 & figures in bold represents figures of 31st March 2019.

Segmental Reporting

for the period ended 31st March 2019

(₹ '000)

Particulars	Fire	Marine	Personal Accident	Health Insurance	Engineering	Aviation	Liability	Motor (OD)	Motor TP	Workmen Compensation	Weather\ Crop	Others	Total
1. Premiums earned (Net) (refer Sch 1)	6,49,348	4,82,705	4,82,454	18,98,662	1,42,904	5	68,495	46,96,800	54,40,506	2,62,432	8,36,189	7,86,649	1,57,47,148
2. Profit/(Loss) on sale/redemption of Investments	7,334	1,748	1,591	7,200	1,023	-	460	12,095	15,818	720	12,206	3,297	63,492
3. Others-Miscellaneous Income	693	434	479	1,881	107	-	61	4,551	5,271	241	835	824	15,377
4. Interest, Dividend & Rent - Gross	2,75,444	60,235	54,817	2,48,113	40,174	-	15,847	4,16,815	5,45,129	24,826	4,20,644	1,13,615	22,15,659
Total Segment Revenue	9,32,819	5,45,122	5,39,341	21,55,856	1,84,208	5	84,863	51,30,261	60,06,724	2,88,219	12,69,874	9,04,385	1,80,41,676
1. Claims Incurred (Net) (refer Sch 2)	4,47,138	3,52,959	1,76,228	15,69,465	36,015	5	9,561	29,72,641	40,55,577	1,13,207	5,19,823	5,77,872	1,08,30,490
2. Commission (Net) (refer Sch 3)	15,330	80,399	50,519	57,138	(12,828)	-	3,069	6,37,194	54,576	35,400	(1,98,387)	12,415	7,34,825
3. Operating Expenses related to Insurance Business Claims Incurred (Net) (refer Sch 4)	7,33,764	89,720	2,76,363	7,37,185	70,775	17	19,859	16,22,862	14,85,672	87,524	2,97,239	4,04,339	58,25,319
4. Premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	11,96,232	5,23,078	5,03,110	23,63,788	93,962	22	32,489	52,32,697	55,95,825	2,36,131	6,18,675	9,94,626	1,73,90,634
Segment Profit/Loss	(2,63,413)	22,045	36,231	(2,07,932)	90,246	(17)	52,374	(1,02,436)	4,10,899	52,088	6,51,199	(90,241)	6,51,042

for the period ended 31st March 2018

(₹ '000)

Particulars	Fire	Marine	Personal Accident	Health Insurance	Engineering	Aviation	Liability	Motor (OD)	Motor TP	Workmen Compensation	Weather\ Crop	Others	Total
1. Premiums earned (Net) (refer Sch 1)	5,35,634	4,38,930	8,33,668	17,28,892	1,14,568	840	74,341	40,43,740	41,45,462	2,35,093	(1,385)	6,52,050	1,28,01,833
2. Profit/(Loss) on sale/redemption of Investments	16,630	3,497	5,436	14,568	2,765	5	1,042	30,224	31,228	1,512	-	8,658	1,15,565
3. Others-Miscellaneous Income	970	579	1,002	2,369	154	-	87	6,816	6,452	313	-	1,462	20,204
4. Interest, Dividend & Rent - Gross	2,81,806	53,887	83,757	2,24,463	48,170	75	16,057	4,65,703	4,81,172	23,301	-	1,33,412	18,11,803
Total Segment Revenue	8,35,040	4,96,893	9,23,863	19,70,292	1,65,657	920	91,527	45,46,483	46,64,314	2,60,219	(1,385)	7,95,582	1,47,49,405
1. Claims Incurred (Net) (refer Sch 2)	3,06,055	2,44,765	5,88,650	16,51,649	26,396	260	7,430	23,37,109	39,27,933	53,026	97,939	4,52,308	96,93,520
2. Commission (Net) (refer Sch 3)	(24,983)	62,823	92,278	35,200	(4,782)	(242)	(5,853)	29,335	13,296	28,791	1,52,570	(8,447)	64,845
3. Operating Expenses related to Insurance Business Claims Incurred (Net) (refer Sch 4)	4,07,115	84,261	2,50,235	4,83,727	72,818	29	16,718	19,33,888	9,55,456	61,909	6,968	3,56,931	46,30,056
4. Premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	6,88,187	3,91,849	9,31,163	21,70,576	94,432	47	18,295	43,00,332	48,96,685	1,43,726	2,57,477	8,00,792	1,43,88,421
Segment Profit/Loss	1,46,853	1,05,044	(7,300)	(2,00,284)	71,225	873	73,232	2,46,151	(2,32,371)	1,16,493	(2,58,862)	(5,210)	3,60,985

Annexure II

to Schedule 16 Notes to Accounts note no.17 and forming part of Financial Statements For the Year Ended 31st March 2019

Related Party Transactions

(₹ in '000)

Sl. No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	For the year ended 31 st March 2019		For the year ended 31 st March 2018	
				Amount	Outstanding amounts carried to balance sheet. payable (receivable)	Amount	Outstanding amounts carried to balance sheet. payable (receivable)
1	Future Enterprises Limited	Joint Venturer	Rent & Maintenance for premises hired	-	-	-	-
			Operating expenses	-	-	-	-
			Insurance Premium	27,175	-	-	-
			Insurance Claims paid	6,351	27,406	-	-
			Deposit Received	-	-	100	-
			Deposit Paid	-	-	100	-
			Unallocated Premium received/(paid)	587	-	-	-
			Equity Shares Issued	-	-	-	-
2	Assicurazioni Generali SPA	Promoter Group Co.	Reinsurance premium ceded	2,92,783	-	7,28,058	-
			Commission on reinsurance ceded	23,021	-	1,13,784	-
			Claims recovery on reinsurance	58,713	-	5,04,256	-
			Recovery towards Expenses Incurred	2,692	39	5,967	2,462
3	Generali Participations Netherlands N.V (Formerly known as Participatie Maatschappij Graafschap Holland N.V.)	Joint Venturer	Equity Shares Issued	Nil	-	Nil	-
4	Shendra Advisory Services Private Limited	Joint Venturer	Equity Shares Issued	Nil	-	Nil	-
5	Key Managerial Personnel	MD & CEO, CFO and Company Secretary	Remuneration for the period	56,559	-	41,486	-
			Insurance Premium received	-	-	-	-
6	Future Generali India Life Insurance Co. Ltd.	Enterprise owned by Major Shareholders	Operating expenses incurred on our behalf	24,904	-	19,356	2,675
			Operating expenses incurred by our company on their behalf	33,148	14,688	25,307	-
			Rent/Elect. Deposits on our behalf	792	-	108	-
			Rent/Elect. Deposits by our company on their behalf	85	-	-	-
			Other transactions	-	-	-	-
			Settlement paid/ (received)	-	-	17,500	-
			Insurance Premium	1,000	-	1,070	-
			Unallocated Premium received/(paid)	151	-	61	61
			Insurance Claims Paid	605	20	-	-
			Insurance Premium Paid	4,095	31	3,143	(125)

Annexure III

to Schedule 16 - Notes to accounts and forming part of the financial statements for the year ended 31st March 2019 (Refer Note no. 28)

(₹ 'Lakhs except per share data)

No.	Particulars	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15
	Operating Results					
1	Gross Written Premium	2,60,096	1,95,079	1,84,270	1,59,480	1,48,025
2	Net Premium #	1,72,146	1,51,108	1,13,188	1,04,765	1,12,297
3	Income from Investments (net) @	22,792	19,274	18,791	14,419	12,956
4	Other Income	154	202	206	120	285
5	Total Income	1,95,091	1,70,584	1,32,185	1,19,304	1,25,538
6	Commissions (Net) (Including Brokerage)	7,348	648	(3,252)	1,187	1,836
7	Operating Expenses	58,253	46,301	45,152	39,794	34,729
8	Net Incurred Claim	1,08,305	96,935	84,109	87,890	83,428
9	Change in Unexpired Risk Reserve	14,674	23,090	4,398	(3,379)	4,384
10	Operating Profit/Loss	6,510	3,610	1,778	(6,188)	1,160
	Non Operating Results	-	-	-	-	-
11	Total income under Shareholder's Account	3,748	4,253	2,501	5,662	4,869
12	Profit/ (Loss) before Tax	10,258	7,863	4,280	(525)	6,029
13	Provision for Tax	1,523	-	-	-	-
14	Profit/ (Loss) after Tax	11,782	7,863	4,280	(525)	6,029
	Miscellaneous					
15	Policyholder's Account					
	Total Funds	302,429	252,088	2,01,667	1,46,701	1,41,144
	Total Investments	302,429	252,088	2,01,667	1,46,701	1,41,144
	Yield on Investments	8.05%	8.31%	9.90%	10.14%	9.69%
16	Shareholder's Account					
	Total Funds	78,219	66,484	59,712	44,758	45,640
	Total Investments	60,424	47,115	46,282	55,494	56,339
	Yield on Investments*	8.05%	8.31%	9.90%	10.14%	9.69%
17	Paid up Equity Capital	80,980	80,980	80,980	71,000	71,000
18	Net Worth	78,219	66,484	59,223	44,758	45,640
19	Total Assets	4,46,656	3,53,589	2,98,551	2,41,440	2,21,546
20	Yield on Total Investments	8.05%	8.31%	9.90%	10.14%	9.69%
21	Earning Per Share	1.45	0.97	0.57	(0.07)	0.85
22	Book Value Per Share	9.66	8.21	7.31	6.30	6.43
23	Total Dividend	-	-	-	-	-
24	Dividend per share	-	-	-	-	-

Net of reinsurance

@ Net of Losses

*Gross Yield on investments

Receipts and payments for the year ended 31st March 2019

Sr. No.	Particulars	For the year period 31 st March 2019	For the year period 31 st March 2018
A.	Cash Flow from Operating Activities		
1	Premium received from Policyholders, including advance receipts and service tax	2,74,84,684	2,37,89,890
2	Others Receipts	-	-
3	Payment to Reinsurers, net of commissions and claims	(37,03,957)	(23,74,653)
4	Payment to Coinsurers, net of claims recovery	(15,681)	(1,28,842)
5	Payment of Claims	(1,01,07,818)	(92,21,365)
6	Payment of Commission and Brokerage	(14,31,190)	(10,10,874)
7	Payment of other Operating Expenses	(66,54,698)	(55,97,486)
8	Preliminary and pre-operative expenses	-	-
9	Deposits, Advances and staff loans	(5,464)	(12,548)
10	Income tax paid (Net)	(2,21,615)	(1,51,012)
11	Service Tax / GST Paid	(20,06,095)	(17,66,706)
12	Other Payments	-	-
	Cash Flow before Extraordinary items	33,38,166	35,26,406
	Cash Flow from Extraordinary operations	-	-
	Net Cash Flow From Operating Activities	33,38,166	35,26,406
B	Cash Flow from Investment Activities		
1	Purchase of Fixed Assets	(1,18,334)	(96,782)
2	Proceeds from Sale of Fixed Assets	243	381
3	Purchase of Investments	(15,87,95,356)	(1,22,54,072)
4	Loans disbursed	-	-
5	Sale of Investments	15,18,19,328	72,03,209
6	Repayments received	-	-
7	Rent/Interests/Dividends Received	24,41,073	22,03,077
8	Investment in money market instruments and in liquid mutual fund (Net)*	8,14,922	(20,942)
9	Expenses related to investments	(2,678)	(1,380)
	Net Cash Flow from Investment Activities	(38,40,803)	(29,66,510)
C	Cash Flow from Financing Activities		
1	Proceeds from Issuance of Share Capital	-	-
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
	Net Cash Flow from Financing Activities	-	-
D	Effect of foreign exchange rates on cash and cash equivalents (Net)	-	-
E	Net Increase/(Decrease) in Cash and Cash Equivalents during the period	(5,02,636)	5,59,896
	Cash and Cash Equivalent at the beginning of the year	11,43,444	5,83,548
	Cash and Cash Equivalent at the end of the year	6,40,808	11,43,444

As per our report of even date

For and on behalf of

For and on behalf of

For and on behalf of the Board of Directors

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

Khandelwal Jain & Co.
Chartered Accountants
FRN 105049W

G N Bajpai
Chairman

K K Rathi
Director

Shreeraj Deshpande
Principal Officer

Sanjay Khemani
Partner
Membership No. 044577

Narendra Jain
Partner
Membership No. 048725

Devi Dayal Garg
Chief Financial Officer

Rajiv Joshi
Company Secretary

Place : Mumbai

Dated : 14th May, 2019



Annexure III

to schedule 16 Notes to Accounts (refer note no 28) and forming part of Financial Statements for the year ended 31st March 2019

Ratios for the year ended 31st March 2019

Sl. No.	Particular	For the year ended 31 st March 2019	For the year ended 31 st March 2018
1	Gross Direct Premium Growth Rate	34%	5%
	Fire	6%	28%
	Marine	21%	3%
	Accident	-29%	52%
	Health	20%	20%
	Engineering	-1%	17%
	Aviation	-100%	-97%
	Liability	4%	3%
	Motor (OD)	-3%	-6%
	Motor (TP)	23%	47%
	Motor (Total)	10%	15%
	Workmen Compensation	16%	-3%
	Weather\Crop	-36710%	0%
	Others	-8%	-54%
	Miscellaneous (Total)	39%	2%
2	Gross Direct Premium to Net Worth	3.27	2.87
3	Growth rate of Net Worth	18%	11%
4	Net Retention Ratio	66%	77%
	Fire	27%	27%
	Marine	70%	76%
	Accident	85%	84%
	Health	74%	74%
	Engineering	30%	25%
	Aviation	0%	1%
	Liability	37%	38%
	Motor (OD)	94%	94%
	Motor (TP)	94%	94%
	Motor (Total)	94%	94%
	Workmen Compensation	94%	95%
	Weather\Crop	19%	10%
	Others	71%	77%
	Miscellaneous (Total)	71%	86%
5	Net Commission Ratio	4%	0%
	Fire	2%	-3%
	Marine	16%	14%
	Accident	9%	12%
	Health	3%	2%
	Engineering	-10%	-4%
	Aviation	0%	-2200%
	Liability	4%	-9%
	Motor (OD)	14%	1%
	Motor (TP)	1%	0%
	Motor (Total)	6%	0%
	Workmen Compensation	13%	12%
	Weather\Crop	-21%	11016%
	Others	1%	-1%
	Miscellaneous (Total)	4%	0%

Sl. No.	Particular	For the year ended 31 st March 2019	For the year ended 31 st March 2018
6	Expense of Management to Gross Direct Premium	29%	30%
7	Expense of Management to Net Written Premium	42%	38%
8	Net Incurred Claims to Net Earned Premium	69%	76%
9	Combined Ratio	107%	107%
10	Technical Reserves to Net Premium Ratio	1.68	1.62
11	Underwriting Balance Ratio	(0.10)	(0.12)
12	Operating Profit Ratio	4%	3%
13	Liquid Assets to Liabilities Ratio	0.18	0.10
14	Net Earning Ratio	7%	5%
15	Return on Net Worth Ratio	15%	12%
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio	1.54	1.69
17	NPA Ratio		
	Gross NPA Ratio	1%	NA
	Net NPA Ratio	0.9%	NA

Equity Holding Pattern

1	(a) No. of shares	80,98,03,705	80,98,03,705
2	(b) Percentage of shareholding (Indian / Foreign)	74.5% ; 25.5%	74.5% ; 25.5%
3	(c) %of Government holding (in case of public sector insurance companies)	NA	NA
4	(a) Basic and diluted EPS before extraordinary items (net of tax expense) for the period (not to be annualized)	1.45	0.97
5	(b) Basic and diluted EPS after extraordinary items (net of tax expense) for the period (not to be annualized)	1.45	0.97
6	(iv) Book value per share (₹)	9.66	8.21

The ratios have been calculated as per IRDAI Circular no. IRDA/F&I/CIR/F&A/231/10/2012, dated October 5th 2012 & IRDA/F&A/CIR/FA/126/07/2013, dated July 3rd 2013.

Notes

[illegible]



Future Generali India Insurance Company Ltd.

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

Regd. & Corp. Office: Indiabulls Finance Centre

Tower 3, 6th floor, Senapati Bapat Marg,

Elphinstone, Mumbai – 400013.

Call: 1800 220 233, Fax: 022 - 4097 6600

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

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