



Royal Sundaram

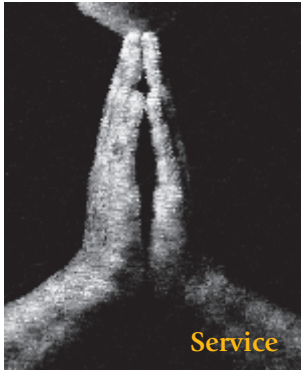
General Insurance

EIGHTEENTH
ANNUAL REPORT
2017-2018



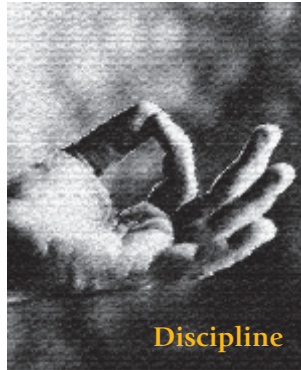
Growth | Quality | Profitability

Royal Sundaram General Insurance Co. Limited



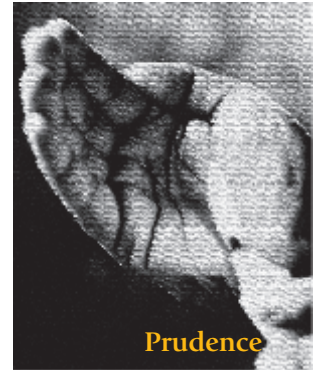
Service

To be of service even when time is against you



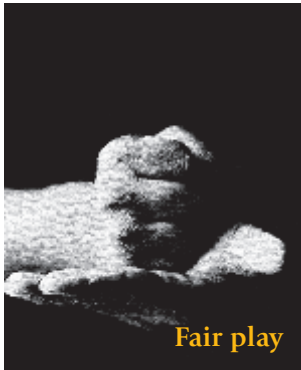
Discipline

To know that discipline is your ally in all situations



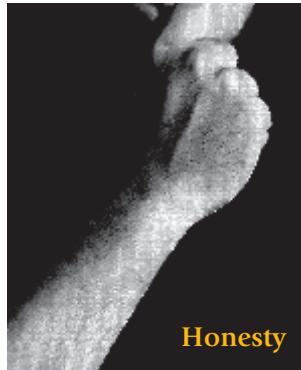
Prudence

To be the voice of prudence in the midst of chaos



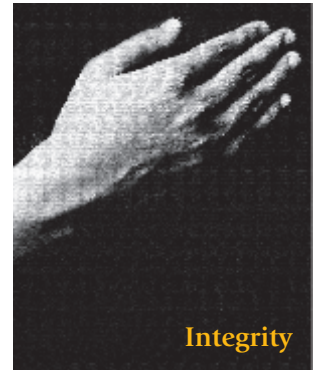
Fair play

To stand for fair play when the odds are stacked against you



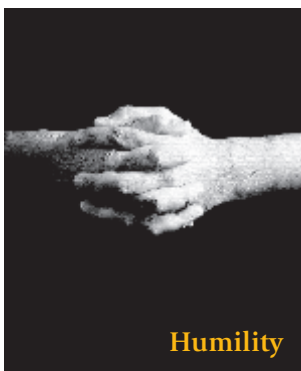
Honesty

To believe that honesty is the only policy



Integrity

To put integrity above all else



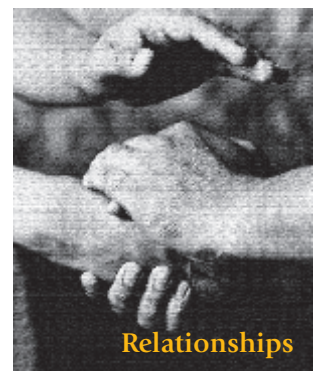
Humility

To realise that humility is the greatest virtue



Openness

To be open to scrutiny, anywhere, anytime



Relationships

To know that we are not merely the holders of people's money; but more importantly the custodians of their trust

THE

SUNDARAM

WAY

Board of Directors	P M Venkatasubramanian	Chairman
	S Viji	Director
	T T Srinivasaraghavan	Director
	S Prasad	Director
	S Acharya	Director
	M S Sundara Rajan	Director
	Harsha Viji	Director
	Radha Unni	Director
	M S Sreedhar	Managing Director
Audit Committee	S Prasad	Chairman
	P M Venkatasubramanian	Member
	M S Sundara Rajan	Member
	Radha Unni	Member
Company Secretary & Compliance Officer	S R Balachandher	
Chief Financial Officer	T C Rangarajan	
Joint Statutory Auditors	M/s. N. C. Rajagopal & Co. Chartered Accountants 22, V.Krishnaswamy Avenue, Luz Church Road Mylapore, Chennai 600 004.	
	M/s. Brahmayya & Co. Chartered Accountants 48, Masilamani Road, Balaji Nagar Royapettah, Chennai 600 014.	
Information Security Assurance Services	M/s. Tejas Brainware Systems (P) Ltd New No.28, Old No.19, II Main Road C.I.T.Colony, Mylapore, Chennai 600 004.	
Concurrent Auditors (Investments)	M/s. T. Selvaraj & Co., Chartered Accountants No.32, Dewan Rama Road Purasawalkam, Chennai 600 084.	
Secretarial Auditors	M/s. M. Damodaran & Associates New No.6, Old No.12, Appavoo Gramni 1st Street Mandaveli, Chennai 600 028.	
Registered Office	21, Patullos Road, Chennai 600 002.	
Corporate Identification Number (CIN)	U67200TN2000PLC045611	
IRDAI Registration Number	102	
Corporate Office	Vishranthi Melaram Towers, 2/319, Rajiv Gandhi Salai Karapakkam (OMR) Chennai 600 097. Tel: 044-7117 7117; 1860-4250000, Email: customer.services@royalsundaram.in Website: www.royalsundaram.in	
Regional Offices	Chennai, Gurgaon, Kolkata & Mumbai	

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BOARD'S REPORT TO MEMBERS

The Directors of your Company have pleasure in presenting their Eighteenth Annual Report along with the Audited Financial Statements for the financial year ended 31st March 2018. This Report includes the Management discussion and analysis.

Analysis of the performance and financial results for 2017-18

The Gross Written Premium (GWP) of the general insurance industry during the year, including the stand-alone health insurers and specialised insurers, grew from ₹1,28,213 cr., to ₹1,50,572 cr., registering a growth of 17.4%. The market share of private sector companies in the non-life insurance market rose to 48% in the year 2017-18.

Your Company achieved a Gross Direct Premium (GDP) of ₹2,623 cr., during 2017-18 (₹2,189 cr. in 2016-17) reflecting a growth of 19.8%. The market share of your company marginally improved to 1.74% during the year.

The highlights of the financial results of your Company are as follows :

(₹ in cr.)

Particulars	2017-18	2016-17
Gross Direct Premium	2,623	2,189
Net Written Premium	2,032	1,905
Net Earned Premium	1,940	1,721
Net Incurred Claims	1,560	1,345
Net Commission Outgo/(Income)	52	60
Expenses of Management	528	558
Underwriting Profit /(Loss)	(200)	(242)
Investment Income – Policyholders	268	250
General Insurance Results Profit /(Loss)	68	8
Investment Income – Shareholders	71	59
Other Income/(Outgo)	(13)	(4)
Profit Before Tax	126	63
Provision for taxation	(43)	(20)
Profit/(Loss) After Tax	83	43

Your Company sold over 18 lakh policies in FY 2017-18 and settled more than 3.41 lakh claims.

Commercial Insurance

During 2017-18, your Company's commercial insurance business (including commercial motor business) recorded a GWP of ₹1,009 cr., (₹832 cr in 2016-17), recording a growth of 21%. The commercial motor segment also showed good volume from the various distribution channels.

Your Company continues to focus on prudence in underwriting and risk management. These strong fundamentals have helped it to grow the business profitably. We expect that commercial insurance business will continue to grow on the back of infrastructural developments in the economy.

Personal Insurance

Your Company achieved a personal insurance GWP of ₹1,633 cr, for 2017-18 (₹1,373 cr., in 2016-17) thereby registering a 19% growth.

Motor insurance continues to be a major source of business for your Company. The sales for higher tonnage vehicles has been growing in the light of the infrastructure developments. With the new emission standards likely to be implemented in April 2020, it is expected that many fleet owners will go for replacement of their vehicles. These developments are expected to augur well for the future growth of the automobile sector and the insurance industry as well.

Your Company, as part of its overall strategy, has been developing its Accident & Health (A&H) book by regularly introducing new and innovative products. During the year, your Company introduced new products named "Family Plus" and "Travel Secure". We are confident that these innovative products will help us to consolidate our position as a key player in the health insurance sector.

Our flagship product "Life Line", which was launched in January 2015, has already set a new benchmark in the health insurance industry with favourable comparisons being made against products of leading stand-alone health players.

Rural and Social Sector obligations

Your Company continued to achieve and surpass its obligations in both the Rural and Social sectors. During the year, it achieved a premium of ₹231 cr., under Rural sector as against the Regulatory requirement of ₹185 cr., Further, in the Social sector, it covered 3,29,007 lives as against the Regulatory requirement of 1,11,346 lives.

Network

During 2017-18, your Company opened new branch offices across the country taking the total count to 136 thereby increasing its footprint in more geographies.

Investments

The Investment portfolio increased to ₹4292.2 cr. during 2017-18 (₹3,364.6 cr. in 2016-17) with an accretion of ₹927.6 cr. The net investment income stood at ₹332.5 cr., (₹305 cr. in 2016-17).

Market developments

India's robust economy is expected to sustain the growth in insurance premiums written. Further, higher personal disposable incomes would result in higher household savings that will be channeled into different financial savings instruments like insurance and pension policies. The insurance market in the country continues to be competitive, with every player vying for a growth in their respective topline. The General Insurance market in India continues to grow at a healthy double-digit rate of 18%-20%.

There has been an increase in awareness on insurance in general, and accident & health insurance in particular, amongst the middle class and youth, which will help to improve better penetration of the market in future.

Crop Insurance has also been growing at 20% and forms a significant part of the overall insurance portfolio. The Union Budget for 2017-18 has made provisions for increased subsidies in the premiums of Pradhan Mantri Fasal Bima Yojana (PMFBY) with an intention to achieve better coverage and increasing the number of beneficiaries.

The Regulatory Authority has been exploring ways and means to promote digitalisation of the insurance sector which is expected to bring more number of people under the insurance umbrella and provide opportunities to the customers to enjoy seamless services in terms of policy issuance and servicing.

During the year, post IRDAI approvals, foreign Reinsurers have opened branches in India. This move has brought the foreign Reinsurers closer to the market, providing better knowledge of the local market conditions and trends which will result in quicker response and potentially increased Reinsurance capacity. All these will facilitate further growth and maturity of the Indian Insurance market.

It is quite evident and clear that the future of the insurance industry looks promising with the various changes and developments so far, and those that are on the anvil.

Information Technology

The insurance industry continues to attach significant importance to investing in information technology to automate various processes connected with policy issuance and claims servicing. It is estimated that digitization process will help to considerably reduce the total administrative cost for general insurance companies.

During the year, your Company implemented several IT initiatives including "mChatra" – a mobile application for customer. Your Company is also working on pilots in new age technology advancements including Machine learning, Robotic Process

Automation (RPA) and Chatbots to ensure that our service capabilities to the customers are continuously improved thereby bringing in greater efficiency and transparency in the system.

Covers for Cyber Security risks have started gaining traction. With increased awareness about Cyber-attacks worldwide and the Government/ Regulatory push for digitisation, there has been a significant activity in the era of Cyber Insurance Covers.

Risk Management framework

Your Company monitors the key risks on a regular basis and has put in place an effective risk management framework. This ensure that the various risks, which in the opinion of the Management and the Risk Management Committee of the Board need constant monitoring, are identified, measured in terms of their severity and necessary steps, as required, are taken to mitigate the same.

Your Company's reinsurance program defines the retention limit in respect of the various classes of business. In addition, your Company has a well-defined underwriting policy that clearly documents the product-wise approval limits and the underwriting authorities.

Your Company has established a business continuity management framework for mitigating business disruption risks. On the Investment side, your Company has an elaborate Asset Liability Management policy that ensures adequate liquidity to your Company.

The Actuarial Department conducts stress testing of the portfolios on a periodic basis based on projections made in respect of the Premium written, claims, investment returns and expenses, to identify and quantify the overall impact of different stress scenarios on your Company's financial position.

The Chief Risk officer is responsible for the identification, reporting and monitoring of these risks and report to the Risk Management Committee on a quarterly basis.

The Risk Management Committee and the Board regularly reviews the various risks and the management actions taken to address these risks.

Registration

Your Company has paid to the Insurance Regulatory and Development Authority of India the annual fees for the year 2018-19 as required by the IRDAI (Registration of Indian Insurance Companies) Regulations 2000.

Section 3A of the Insurance Act, 1938 has been amended by the Insurance Laws (Amendment) Act, 2015 effective from 26th December 2014, under which the process of annual renewal of certificate of registration, has been dispensed with. Accordingly, the Certificate of Registration renewed in 2014 shall continue to be in force from 1st April 2015 onwards subject to the provisions of the Insurance Act, 1938.

Human Resources

As on 31st March 2018, your Company had an employee strength of 1955.

Your Company continues to attach a lot of importance to employee engagement and monitors employee productivity.

During the year, your Company signed a Memorandum of Understanding (MoU) with Manipal Global Academy, for a customised general insurance training program. Under this, the selected candidates will undergo a one-year customised residential general insurance training program at Manipal Global Academy in their state-of-the-art campus at Bangalore. The one-year full-time training programme, will comprise four months of training on-the-campus and two months of internship followed by six months of on-the-job training. The course is designed to upskill prospective employees with the right domain knowledge, develop a broad understanding of the business, products and processes that will help them to start performing on the job and delivering from day one onwards once on rolls.

Capital

During the year, your Company increased its Authorised Capital to ₹500 cr., To augment its solvency margin position, your Company infused an additional capital to the tune of ₹295 cr., in tranches of ₹45 cr., in June 2017 and ₹250 cr., in September 2017, by issue of equity shares of ₹10 each at a premium of ₹15 per share. Your Company's paid-up capital currently stands at ₹449 cr.

The Company's solvency ratio as at March 31, 2018 was 2.21 times, which is well above the regulatory requirement of 1.5 times.

Debentures

During 2017-18, no Debentures were issued by your Company.

Dividend

Your Directors do not recommend any dividend on equity shares for the year under review, in order to augment the resources for future growth.

Public Deposits

As in the past, your Company has not accepted any deposits from Public under the relevant provisions of the Companies Act, 2013.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Since your Company has so far not declared any dividend, there was no unpaid/unclaimed Dividend lying with your Company and hence the provisions of Section 125 of the Companies Act, 2013 do not apply.

Loans, Guarantees and 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.

Material changes and commitments affecting the financial position

There were no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year of your Company to the date of this report.

Transfer to Reserves

Your Company does not propose to carry any amount to its reserves during the year under review.

Significant and Material Orders Passed by the Regulators/ Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

Corporate Governance

Your Company has complied with the Guidelines on Corporate Governance for Insurance Companies issued by the Insurance Regulatory and Development Authority of India (IRDAI) effective from April 1, 2010. The same was subsequently amended by IRDAI in May 2016 and made applicable from 2016-17 onwards. A detailed report on our compliance for the year ended 31st March 2018 is attached as part of this Report.

Board of Directors

The details regarding the number of Board Meetings held during the financial year and composition of the Audit Committee are furnished in the Corporate Governance Report.

Retirement by rotation

As per the requirements of Section 152, the Independent Directors of your Company have been excluded from the total number of Directors for 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. M S Sreedhar, Managing Director (Whole-Time Director) and Mr. Srinivas Acharya, Non-Executive Director, retire by rotation and are eligible for re-appointment. Necessary resolutions are being placed at the ensuing AGM for the approval of the members.

Independent Directors

Your Company currently has Three (3) Independent Directors, viz., Mr. M S Sundara Rajan, Mr. S Prasad and Mrs. Radha Unni who are not liable to retire by rotation.

Declaration by independent Directors

All our Independent Directors have given necessary declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Further they also satisfy the 'fit and proper' criteria as laid down under the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI).

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder and are independent of the Management.

Key Managerial Personnel (KMP)

Mr. M S Sreedhar, Managing Director, Mr. T C Rangarajan, Chief Financial Officer and Mr. S R Balachandher, Company Secretary of your Company in terms of the Companies Act, 2013 are the Key Managerial Personnel of your Company as on March 31, 2018.

Appointed Actuary

Mr. Supriyo Chaki is the Appointed Actuary of your Company, working under the guidance of Mr. P A Balasubramanian, Mentor.

Board Evaluation

As per the Companies Act, 2013, every listed company and such other class of companies as may be required shall carry out the evaluation of every Directors' performance, Board, Chairperson and the Committees. Your Company, having a paid-up share capital, more than the prescribed ₹25 cr. or more at the end of the preceding financial year, is required to carry out this evaluation.

Accordingly, your Company carried out an evaluation and the same has been explained as part of the Corporate Governance Report.

Corporate Social Responsibility (CSR) Committee and Policy

Since Inception, your company has always responded in a responsible manner to the growing needs of the society. Several enriching and enlivening activities that contribute to the community in the areas of health, education, environment and road safety have been taken up, for our participation as part of our CSR Policy. The CSR Committee comprises of the following members:

Mr. T T Srinivasaraghavan, Chairman

Mr. M S Sundara Rajan, Member

Mr. M S Sreedhar, Member

Your Company has implemented many Corporate Social Responsibility initiatives during the year under review. The Annual Report on Company's CSR activities furnished in the "Annexure A" and attached to this report. During the year, steps were taken to put in place necessary mechanism to identify worthy causes and to support them to the extent possible.

For 2017-18, your Company, has fully met its obligations under CSR Expenditure.

Details of Meetings of the Board/Committees held during the year

During the year the Board met seven (7) times.

The details with respect to meetings of the Board and various Committees are as under:

Board (27.4.2017, 30.6.2017, 8.8.2017, 22.9.2017, 7.11.2017, 7.2.2018 and 28.3.2018)	7
Audit Committee (26.4.2017, 8.8.2017, 2.11.2017, 7.2.2018, and 26.3.2018)	5
Investment Committee (14.7.2017, 7.11.2017, 22.1.2018 and 28.3.2018)	4
Risk Management Committee (14.7.2017, 7.11.2017, 22.1.2018 and 26.3.2018)	4
Policyholders' Protection Committee (14.7.2017, 6.11.2017, 22.1.2018 and 28.3.2018)	4
Corporate Social Responsibility Committee (6.11.2017 and 28.3.2018)	2
Nomination & Remuneration Committee (20.3.2018)	1

Auditors

Internal Auditors

Your Company has an in-house Internal Audit Team. They carry out an effective internal audit control and risk management measures, highlight areas that require attention and report their main findings and recommendations to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings and management actions thereon, as well as the adequacy and effectiveness of the internal systems and controls.

Statutory Auditors

M/s N C Rajagopal & Co., Chartered Accountants, Chennai (Registration Number 003398S) and M/s Brahmayya & Co., Chartered Accountants, Chennai (Registration Number 000511S) were appointed at the 17th AGM held in July 2017 as the Joint Statutory Auditors of your Company till the completion of the 20th and 21st Annual General Meeting, respectively. Both the Auditors, being eligible, their appointments will be placed for necessary ratification by the Members at the ensuing Annual General Meeting.

Concurrent Auditors for Investment

M/s T. Selvaraj & Co., Chartered Accountants, Chennai, appointed as concurrent auditors carried out the concurrent audit of the investment transactions, investment management systems, processes and transactions of your Company for the year 2017-18.

Information Security Assurance Services Auditors

Your Company's operations are highly automated, taking advantage of advances in modern information technology. M/s Tejas Brainware Systems Limited provides the required information security assurance services to your Company for the past many years. Their recommendations have led to the introduction of several additional safeguards in operational and IT security related areas.

Secretarial Auditors' Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. M. Damodaran & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your Company. The Report confirms that your Company has complied with all the applicable provisions of various laws as mentioned in the Audit Report. The Report of the Secretarial Auditors is annexed herewith as "Annexure B".

Related Party Transactions

All transactions entered into by your Company with Related Parties were in the ordinary course of business and on an arm's length pricing basis. Form AOC 2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, is attached as part of this report vide "Annexure C".

Further there were no materially significant transactions with related parties during the financial year which conflicted with the interests of your Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Audit Committee and the Board monitors and approves the said transactions on a periodical basis.

Establishment of vigil mechanism

As part of its vigil mechanism, your Company has formulated a Whistle Blower Policy that provides employees and other stakeholders a platform to communicate instances of frauds/misconducts that they have come across. In terms of the policy, a Committee has been constituted to look into complaints of any suspected or confirmed incident of fraud / misconduct reported. The Committee reports on a regular basis to the Audit Committee and the Board regarding the same. During the year, your Company has received one complaint and the same was disposed off after due process.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company values the dignity and respect of each individual working for the organisation. It has put in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Necessary Committee has been set up to consider and redress complaints as and when received from the employees covered under this policy.

During the year, your Company received one complaint and the same was disposed off after due process.

Explanation or comments on qualifications, reservations/adverse remarks/ disclaimers made by the Auditors and the practicing Company Secretary in their Reports

There were no qualifications, reservations or adverse remarks made by either the Auditors or the Practicing Company Secretary in their respective reports.

Management Report

In accordance with Part IV, Schedule B of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, the Management Report forms part of the financial statements.

Particulars of employees

Particulars of employees pursuant to provisions of Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 under the provisions of the Companies Act, 2013, the particulars of employees are set out in the annexure to the Directors' Report. The Board's Report is being sent to all the Shareholders of your Company excluding the said information. The annexure is available for Inspection by the Member of your 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.

Policy on payment of remuneration to Directors, Key managerial Personnel and other employees

Your Company's policy on payment of remuneration to the Directors, Key managerial personnel and other employees of the Company as required under Section 178(3) of the Companies Act, 2013 is annexed vide "Annexure D".

Information relating to particulars regarding Conservation of Energy, Technology Absorption, Foreign exchange earnings and outgo

Your Company does not have any activities relating to conservation of energy or technology absorption as stated under Section 134(3)(M) of the Companies Act, 2013.

Your Company had foreign exchange earnings equivalent to ₹0.39 cr., and the outgo amounted to ₹12.99 cr., for the year ended 31st March 2018.

Company's policy relating to Directors appointment, payment of remuneration and discharge of their duties

The Nomination and Remuneration Committee screens the profile of the Directors prior to their Appointment and recommends the proposal for the consideration of the Board of Directors.

All the Non-Executive Directors of your Company are paid sitting fees for attending the meeting of the Board and Committees.

The Managing Director is the only Executive Director on the Board. His terms of remuneration are approved by the Board based on the recommendations of the Nomination and Remuneration Committee and are subject to approval by the shareholders of the Company and Insurance Regulatory and Development Authority of India.

Extract of the Annual Return

The details forming part of the extract of the Annual Return in Form No. MGT – 9 is annexed herewith as "Annexure E". This is pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014.

Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any Subsidiary or Joint Venture Companies. Sundaram Finance Limited by its holding 75.90% of the total paid-up capital in your Company, will be considered as a "Holding" Company under Section 2(46) of the Companies Act, 2013, for the year ended 31st March 2018.

Shares

a. Buy Back of Securities

Your Company has not bought back any of its securities during the year under review.

b. Sweat Equity

Your Company has not issued any Sweat Equity Shares during the year under review.

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Employees Stock Option Plan

Your Company currently has no Stock Option Scheme for its employees.

Corporate Identity Number (CIN)

The Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is U67200TN2000PLC045611.

Means of Communication

Your Company's website www.royalsundaram.in serves as a key awareness platform for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on business segment and financial performance of the Company. Your Company periodically publishes its financial performance in print media and hosts the same on its website under Public Disclosure. In addition, the web portal helps the Customers to purchase/ renew their retail Insurance Policies online through the website.

In accordance with IRDAI circular no. IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010, half-yearly financial results of the Company were published in print media. The quarterly, half-yearly and annual financial information are available on the website of your Company, in addition to the Annual Reports.

Registrar and Transfer Agent

Your Company has appointed M/s. Cameo Corporate Services Limited as the Registrar and Transfer Agent for Shares and Debentures. The ISIN allotted to your company is INE 499S01018.

Your Company has informed its members about this facility so that they may consider dematerialisation of the equity shares held by them in your Company.

After completion of the dematerialisation formalities, any Investor services related queries/requests/complaints may be directed at the following address:

Cameo Corporate Services Limited
"Subramanian Building"
No. 1, Club House Road
Chennai 600 002 - India.
Ph : 91-44 - 2846 0390,
E-mail: cameo@cameoindia.com

Directors' Responsibility Statement

In accordance with the requirements of Section 134(5) of the Companies Act, 2013 and in accordance with the Insurance Act, 1938, with respect to Directors' Responsibility statement, it is hereby confirmed:

- a) that in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards, principles and policies have been followed, along with a proper explanation relating to material departures if any;
- b) that the Directors had selected such 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 the net profit of the Company for the year ended 31st March 2018;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) / Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts on a going concern basis.
- e) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) that an Internal Audit system, commensurate with the size and nature of the business, exists and is operating effectively.

Acknowledgement

Your Company sincerely thanks all the policyholders for their continued patronage and faith reposed in our capabilities.

Our thanks are also due to our Bankers, Distribution Partners, Reinsurers, Agents and Brokers for all their support and co-operation extended to your Company to consolidate its growth.

The Directors thank the Shareholders who have been a constant source of support and strength.

We acknowledge with thanks the continued support and guidance of all the Members and Officials of the Insurance Regulatory and Development Authority of India (IRDAI) and the General Insurance Council.

We extend our sincere appreciation to the Management and employees of your Company for their continued commitment, teamwork and contribution, in steering the Company in the right direction and delivering good results in a challenging business environment.

For and on behalf of the Board

Date: May 2, 2018
Place: Chennai

P M Venkatasubramanian
Chairman
(DIN: 00124505)

REPORT ON CORPORATE GOVERNANCE

Corporate Governance provides the framework for attaining a Company's objectives and practically encompasses every sphere of management, from the action plans to laying down systems and internal processes and controls and later evaluating the performance in a transparent and ethical manner. It also involves balancing the interests and expectations of the many stakeholders in the Company, viz., the Shareholders, Management, Customers, Suppliers, Regulatory Authorities and the Community.

The Corporate Governance guidelines for Insurance Companies issued by the Insurance Regulatory and Development Authority of India (IRDAI) details the framework to be followed by your Company.

Your Company is committed to follow Corporate Governance practices and has imbibed the Sundaram Finance Group's core values of service, discipline, prudence, fair play, honesty, integrity, humility and transparency in all dealings. All these combined with a commitment to conduct our operations with highest business standards. These values have stood your Company in good stead so far and has enabled us to earn and retain the trust and goodwill of all our investors, business partners, employees and the communities, where we operate.

Your Company has complied with the prescribed Corporate Governance guidelines for the Financial Year 2017-18 and a Report is furnished hereunder:

I. Governance Structure

The Company's Governance structure broadly comprises of the Board of Directors and the various Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

Board of Directors

All the Members of the Board are eminent persons with considerable expertise and rich experience in Insurance, Finance, Transport, Automobile, Engineering and Banking sectors. The Company has been immensely benefitted by the range of experience and skills that the Directors have been able to bring to the Board.

As on 31st March 2018, your Board consists of nine (9) Directors, of which eight (8) are Non-Executive Directors. The Managing Director is the only Executive Director. The Board is chaired by Mr. P M Venkatasubramanian, a Non-Executive Director with more than five decades of experience in the General Insurance industry.

Mr. S.Prasad, Mr. M S Sundara Rajan and Mrs Radha Unni, are the three (3) Independent Directors and the composition of the Board is in conformity with the IRDAI guidelines on Corporate Governance.

As required under Section 149(3) of the Companies Act, 2013, Mrs Radha Unni, complies with the requirements of a Woman Director on our Board.

The Company has framed a process to familiarise the Independent Directors about their roles, rights and responsibilities in the Insurance industry. In addition, at every Board and Committee Meetings, the developments and changes on the Regulatory/Statutory sides are provided to the Directors to ensure that they are periodically updated about the happenings in the industry as well as the market place.

All Directors have signed the Deed of Covenant and the Annual declarations, as required by the Corporate Governance guidelines issued by IRDAI.

Composition of the Board of Directors as at 31st March 2018

Name of the Director / (DIN)	Category	Qualification	Specialisation
Mr. P M Venkatasubramanian (DIN: 00124505)	Chairman, Non-Executive Director	B.Com.(Hons), FIII	Insurance Industry
Mr. S Viji (DIN: 00139043)	Non-Executive Director	B.Com., ACA, M.B.A	Banking, Finance, Insurance & Automotive Component Manufacturing Industry
Mr. T T Srinivasaraghavan (DIN: 00018247)	Non-Executive Director	B.Com., M.B.A	Banking and Financial Services
Mr. Sreenivasan Prasad (DIN: 00063667)	Non-Executive Independent Director	F.C.A	Finance and Audit
Mr. M S Sundara Rajan (DIN: 00169775)	Non-Executive Independent Director	ACS, MA, CAIIB	Banking, Finance, Insurance and Capital Market
Mr. Harsha Viji (DIN: 00602484)	Non-Executive Director	B.Com., ACA, M.B.A	Finance and Strategy, JV negotiations and new business development
Mrs. Radha Unni (DIN: 03242769)	Non-Executive Independent Woman Director	M.A., B.Ed., CAIIB	Banking
Mr. Srinivas Acharya (DIN:00017412)	Non-Executive Director	B.Sc., CAIIB	Banking and Financial Services
Mr. M S Sreedhar (DIN: 07153983)	Managing Director	B.Com., ACS, FIII	General Insurance

Committee of Directors

Your Board has constituted the following Committees viz. Audit Committee, Investment Committee, Risk Management Committee, Policyholders Protection Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, with a view to have more focused attention on various facets of business and for better accountability. Each of these Committees has been mandated to operate within a given framework and terms of reference as defined by the Board from time to time.

II. Board Meetings

The Board periodically reviews the performance of the Company. The Directors are actively involved in formulating the broad business and operational policies, deliberating and deciding on the strategic issues concerning the Company.

Mr. Supriyo Chaki, Appointed Actuary and Mr. P A Balasubramanian, Mentor to the Appointed Actuary, are the permanent invitees to the Board Meetings and other Committee Meetings as per Regulatory requirements.

During the year 2017-18 seven (7) Meetings of the Board of Directors were held on 27.4.2017, 30.6.2017, 8.8.2017, 22.9.2017, 7.11.2017, 7.2.2018 and 28.3.2018.

The details of attendance at the Board Meetings held during the year and details of other Directorships, Committee Chairmanships/memberships held by the Directors are as follows:

Name of the Director	Board Meetings attended	Directorships in the Board of other Public Companies		Committees in which Chairman/Member of other Companies*	
		Chairman	Director	Chairman	Member
P M Venkatasubramanian	6	-	5	4	6
S Viji	7	2	3	1	1
T T Srinivasaraghavan	7	-	8	2	1
S Prasad	5	-	5	3	1
Srinivas Acharya	6	-	2	1	2
Harsha Viji	7	-	4	-	1
M S Sundara Rajan	6	-	9	2	7
Radha Unni	5	-	4	1	2
M S Sreedhar	7	-	-	-	-

*Foreign companies, private companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above said purpose.

III. Committee of the Board

a. Audit Committee

Terms of Reference:

The broad functions of the Audit Committee include overseeing the Company's financial reporting process including details of contracts outsourced, disclosure of its quarterly/ half-yearly/ yearly financial information to ensure that the financial statements as well as the solvency margin position and expenses of management statements are correct and reflect a true and fair view of the affairs of the Company. The Committee also reviews and recommends the appointment/ re-appointment of auditor(s) and fixation of their remuneration. The Committee also reviews the financial and risk management policies including frauds. Approval of transactions with related parties as per the requirements of the Companies Act, 2013 is also provided by the Audit Committee.

Composition:

During the year under review, the Composition of the Audit Committee had been in line with the requirements of the Companies Act, 2013 and the Corporate Governance guidelines issued by IRDAI. Mr S Prasad, an independent Director, is the Chairman of the Audit Committee.

The Head - Internal Audit, Statutory Auditors and their representatives, Managing Director and other senior officers of the Company including the Appointed Actuary are invited to the Audit Committee, as and when required.

The composition of the Committee along with the attendance of the members at the Committee Meetings held during the year are as follows:

Name of the Members		No. of meetings attended	Meeting dates
S Prasad, Independent Director	Chairman	5/5	26.4.2017, 8.8.2017, 2.11.2017, 7.2.2018, and 26.3.2018 (5 meetings)
P M Venkatasubramanian	Member	5/5	
M S Sundara Rajan, Independent Director	Member	4/5	
Radha Unni, Independent Director	Member	4/5	

b. Investment Committee

The Company's Investment Committee has been constituted in accordance with the IRDAI (Investment) Regulations, 2000.

Terms of Reference:

The functions of the Committee include overseeing the implementation of the investment policy as approved by the Board from time to time. Whenever required, necessary modifications are made to the Investment policy to bring them in line with the regulatory requirements.

The Committee also periodically reviews the investment operations and performance of the Company and updates the Board.

Composition:

The Committee is chaired by Mr. P M Venkatasubramanian. During the year, Mr. Supriyo Chaki, Appointed Actuary, Mr. P A Balasubramanian Mentor to the Appointed Actuary and Mr. T C Rangarajan, Chief Financial Officer were inducted as members of the Committee by virtue of their positions. The Composition of the Investment Committee and attendance of the members at the Committee Meetings held during the year are as follows:

Name of the Members		No. of meetings attended	Meeting date
P M Venkatasubramanian	Chairman	4/4	14.7.2017, 7.11.2017, 22.1.2018 and 28.3.2018 (4 meetings)
M S Sundara Rajan	Member	4/4	
Harsha Viji	Member	4/4	
M S Sreedhar	Managing Director	4/4	
Supriyo Chaki*	Appointed Actuary	3/4	
P A Balasubramanian*	Mentor to the Appointed Actuary	2/4	
Venkatachalam Sekar**	Financial Controller (CFO)	2/4	
T C Rangarajan***	Chief Financial Officer	2/4	
Ramu Govindan	Chief Investment Officer	4/4	
C V Srinivasan	Chief Risk Officer	4/4	

* Member effective 14th April 2017 ** Member till 1st December 2017 *** Member effective 1st December 2017

c. Risk Management Committee

The Risk Management Committee has been constituted in accordance with the Corporate Governance Guidelines issued by IRDAI for Insurance Companies.

Terms of Reference:

The Committee reviews the quarterly risk profile statement detailing all types of risks faced by the Company including the mitigating actions. The functions of the Committee include assisting the Board in effective operation of the risk management programme by performing analysis and quality reviews. Ensure that the material risks facing the Company are identified and that appropriate arrangements are in place to manage and mitigate these effectively.

The Committee ensures that the Risk Management functions have an appropriate and achievable mandate to replicate the Company's risk management structure to the Regions and to ensure compliance with the agreed policies and standards. A detailed Report on Committee's views/decisions are submitted to the Board, with such recommendations as the Committee may deem appropriate.

Composition:

The Committee Meetings are chaired by Mr. P M Venkatasubramanian. Along with the other members of the Committee, the Chief Risk Officer and the Chief Compliance Officer participate in the Committee Meetings. The Composition of the Risk Management Committee and attendance of the members at the Committee Meetings held during the year are as follows:

Name of the Members		No. of meetings attended	Meeting dates
P M Venkatasubramanian	Chairman	4/4	14.7.2017, 7.11.2017, 22.1.2018 and 26.3.2018 (4 meetings)
M S Sundara Rajan	Member	4/4	
M S Sreedhar	Member	4/4	

d. Policyholders' Protection Committee

The Policyholders' Protection Committee has been constituted in accordance with the Corporate Governance Guidelines issued by IRDAI for Insurance Companies.

Terms of Reference:

The broad functions of the Committee include laying down proper procedures and mechanism to monitor and resolve complaints and grievances of policyholders. The Committee also reviews the status of complaints and awards relating to Ombudsman and Consumer Forum at periodical intervals.

Composition:

The Committee is chaired by Mr. M S Sundara Rajan, who is an Independent Director. The composition of the Committee is given below along with the attendance of the members:

Name of the Members		No. of meetings attended	Meeting dates
M S Sundara Rajan	Chairman	4/4	14.7.2017, 6.11.2017, 22.1.2018 and 28.3.2018 (4 meetings)
T T Srinivasavaraghavan	Member	4/4	
M S Sreedhar	Member	4/4	

As required under the Corporate Governance guidelines, one person representing the customers, attends all the Meetings of the Committee and assists in the formulation of policies required and assess compliance thereof.

e. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted in accordance with the Section 135 of the Companies Act, 2013.

Terms of Reference:

The terms of reference of the Corporate Social Responsibility (CSR) Committee is to formulate and recommend to the Board the CSR Policy indicating the activities to be undertaken by the Company and recommend the amount of the expenditure to be incurred on such activities for the financial year. The Committee also monitors projects and CSR initiatives undertaken by the Company. It also provides a report to the Board on the CSR activities periodically.

Composition:

Mr. T T Srinivasaraghavan, is the Chairman of the Committee. The composition of the Committee and the attendance of the members are as follows:

Name of the Members		No. of meetings attended	Meeting dates
T T Srinivasaraghavan	Chairman	2/2	6.11.2017 and 28.3.2018 (2 meetings)
M S Sundara Rajan	Member	2/2	
M S Sreedhar	Member	2/2	

f. Nomination and Remuneration Committee

The Companies Act, 2013 mandates constitution of Nomination and Remuneration Committee by certain class of companies and prescribes broadly the functions of the Committee. Further the Insurance Regulatory and Development Authority of India vide its Corporate Governance Guidelines has broadened the ambit of the Committee.

Terms of Reference:

The Committee reviews the remuneration policy including any performance related pay schemes of employees and the ongoing appropriateness of the same in line with the changing market trends and other business requirements. The Committee reviews the performance and evaluation of Directors and the appointment/reappointments and the remuneration payable to the Managing Director and recommends the same for approval of the Board. The Committee also broadly reviews the increment and performance pay payable to the other employees including the Key Managerial Personnel in the Company in addition to approving any policy changes.

The Nomination and Remuneration Committee ensures that:

- the level and composition of the remuneration paid is reasonable and sufficient to attract, retain and motivate talent to effectively run the day to day management of the Company;
- relationship of “pay for performance” is clear and meets appropriate performance benchmarks;
- the remuneration of Managing Director, Key Managerial Personnel and Senior Management involves a balance between fixed and performance based incentive pay, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals; and
- the remuneration process considers the current and future risk factors in terms of setting the targets and evaluation criteria as well. Performance criteria, aligned with the annual operating plan, are set covering quantitative measures as well as relevant qualitative and risk factors based on priorities set by the Board each year.

Composition:

As required under the Companies Act, 2013, the Nomination and Remuneration Committee comprises of two Independent Directors. Mr. M S Sundara Rajan, an Independent Director, is the Chairman of the Committee. The composition of the Committee and the attendance of the members are given below:

Name of the Members		No. of meetings attended	Meeting dates
M S Sundara Rajan, Independent Director	Chairman	1/1	20.3.2018 (1 meeting)
T T Srinivasaraghavan	Member	1/1	
S Prasad, Independent Director	Member	1/1	
Harsha Viji	Member	1/1	

IV. Independent Directors' Meeting

During the year under review, the Independent Directors met separately on March 26, 2018 to discuss and evaluate:

- the performance of the non-independent Directors and the Board as a whole
- Chairperson/Chairman of the Company, considering the views of the Executive and Non-Executive Directors, and
- the quality, quantity and the timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the 3 Independent Directors attended the Meeting. The discussions were later presented to the Board.

Company Secretary

Mr. S R Balachandher, Company Secretary acts as Secretary for the Board and all the above Committees. He has, during the year, attended all the meetings.

V. Annual General Meetings (AGM)

The following table shows when and where the last three Annual General Meetings were held:

Financial Year	Date of Meeting	Time	Venue
2016-17	14.07.2017	02:00 p.m	Registered office at 21, Patullos Road, Chennai 600 002
2015-16	28.07.2016	03:30 p.m	
2014-15	07.09.2015	10:00 a.m	

VI. Extraordinary General Meeting (EGM)

During the year, the Company has not conducted any Extraordinary General Meeting.

VII. Evaluation Mechanism

Pursuant to the 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 valuation of the working of its Audit, Nomination and Remuneration and the various Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, assessing the quality, quantity and timeliness of flow of information between the company management, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the other members of the Board. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

VIII. Remuneration of Directors

The Managing Director is the only Whole-time Executive Director and his appointment is based on terms approved by the Shareholders and IRDAI. During the year, Sundaram Finance Limited, the holding company, incurred ₹ 9.30 Lakh (31st March 2017 – ₹5.78 Lakh) towards the cost of 750 Stock Options issued under Sundaram Finance Employees Stock Option Scheme, 2008 – Grant 9 to the Managing Director of the Company.

The Non-Executive Directors including the Independent Directors are paid a sitting fee of ₹ 10,000/- each, for every meeting of the Board/Committees attended by them. Effective August 2017, the Sitting fees for attending the Audit Committee and Board Meeting was revised to ₹ 20,000/- each.

IX. Internal Control

The Company has adopted the following Framework in accordance with the requirements laid down under Corporate Governance guidelines:

Internal Financial Controls

There is a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies, (b) safeguarding of assets, (c) prevention and detection of frauds / errors, (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

Internal Audit Framework

The Company has established an internal audit framework. The internal audit covers auditing of processes as well as transactions. The Company has designed its internal control framework to provide reasonable assurance to ensure compliance with internal policies and procedures, regulatory matters and to safeguard reliability of the financial reporting and its disclosures. An annual audit plan is drawn up at the beginning of the year on the basis of risk profiling of the businesses/departments of the Company which is approved by the Audit Committee.

Internal Audit Department's key audit findings, recommendations and compliance status of the previous key audit findings are reported to the Audit Committee. The Audit Committee actively monitors the implementation of its recommendations. The Chairman of the Audit Committee briefs the Board on deliberations taken place at the Audit Committee Meeting in relation to the key audit findings.

Risk Management structure

The Company is subject to the impact of changes in the business environment from time to time which necessitates continuous evaluation and management of significant risks faced by it. The Company has established appropriate risk assessment and minimisation procedures. The Risk Management Committee also periodically reviews the changes in the risk categorization both in terms of risk improvements as well as risk deterioration as well as emerging risks in terms of new risks identified.

A complete framework has been provided in the Directors' Report pertaining to Risk Management.

X. Compliance Officer

Mr. S R Balachandher, Company Secretary is the Chief Compliance Officer as per the requirements of IRDAI.

For and on behalf of the Board

P M Venkatasubramanian
Chairman
(DIN: 00124505)

Date: May 2, 2018
Place: Chennai

Certification of compliance of the Corporate Governance Guidelines for 2017-18

I, S R Balachandher, Company Secretary and Chief Compliance Officer of Royal Sundaram General Insurance Co. Limited, hereby certify that the Company has complied with the Corporate Governance Guidelines as stated above, for insurance companies for 2017-18, as amended from time to time, and nothing has been concealed or suppressed.

Date: May 2, 2018
Place: Chennai

S R Balachandher
Company Secretary & Chief Compliance Officer

Annexure A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

Your Company is committed towards improving the quality of the lives and safety of the people living in the community under its Corporate Social Responsibility (CSR) initiative. It aims to achieve this by working together with Organisations, NGO's and other agencies involved in social activities and who strive to improve the quality of life in the fields of road safety, improving awareness in education, environmental protection, health & safety and community living. Your Company stands committed to the causes of education, environment, rural health, road safety and development. The Company also encourages and supports its employees to take part and contribute their time, skills and resources towards the social causes they feel passionate about. The Company's objective is to pro-actively support meaningful socio-economic development. The Company has been focusing on improving the road safety and has been actively engaging with organizations that are working with this primary objective.

In line with its objectives, the areas that have been shortlisted for the CSR roadmap are health care, road safety, education, skill development and sustainable livelihoods, support employee volunteering in CSR activities and other areas such as disaster relief. The CSR policy was approved by the Committee in the meeting held on July 15, 2014 and subsequently approved by the Board of Directors. The said policy is available on the company's website at www.royalsundaram.in.

2. The Composition of the CSR Committee

As required under Section 135 of the Companies Act, 2013, the CSR Committee comprises of three Directors, out of which one Director is an Independent Director. The present members of the Committee are:

(a) Mr. T T Srinivasaraghavan, (Non-executive Director) is the Chairman of the Committee (b) Mr. M S Sundara Rajan (Independent Director) and (c) Mr. M S Sreedhar (Managing Director).

The functions of the Committee include review of CSR initiatives undertaken by the company, formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the company and recommendation of the amount of the expenditure to be incurred on such activities. The Committee also reviews and recommends the annual CSR plan to the Board, making recommendations to the Board with respect to the CSR initiatives, monitor the CSR activities, implementation and compliance with the CSR Policy and to review and implement, if required, any other matter related to CSR initiatives.

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

The average net profit of the Company for the last three financial years is ₹ 42 Crs.

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

The prescribed CSR expenditure requirement for FY 2017-18 is ₹85 Lakh.

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year was: ₹ 85 Lakh.

(b) Amount unspent, if any: NIL

6. Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes Subheads: (1) Direct expenditure on projects or programmes (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Education	Education	Chennai	₹5 Lakh	₹5 Lakh	₹5 Lakh	Contribution to Laxmi Charities
2	Health care activity contribution	Health	Chennai	₹50 Lakh	₹50 Lakh	₹50 Lakh	Contribution to Sundaram Medical Foundation
3	Road Safety - Training for Emergency Response Management	Road Safety	Chennai	₹6.60 Lakh	₹6.60 Lakh	₹6.60 Lakh	Contribution to ALERT
4	Education	Education	Chennai	₹1 Lakh	₹1 Lakh	₹1 Lakh	Contribution to Om Charitable Trust
5	Education	Education	Chennai	₹10 Lakh	₹10 Lakh	₹10 Lakh	Contribution to Madras School of Economics
6	Education	Education	Chennai	₹12.50 Lakh	₹12.50 Lakh	₹12.50 Lakh	Contribution to Ramakrishna Mission Students Home
Total				₹85.10 Lakh	₹85.10 Lakh	₹85.10 Lakh	

Details of implementing agency

Laxmi Charities

Laxmi Charities is a Trust, registered under the Societies Registration Act 1860. They had been providing for the past more than 4 decades financial assistance to students pursuing their school as well as college education. Many deserving students have been receiving their scholarship every year. Being an activity that is aimed at providing education to the students, we thought it fit to support them in this noble cause.

Sundaram Medical Foundation (SMF)

Sundaram Medical Foundation was established in 1990 by Dr. S.Rangarajan with the help of M/s Sundaram Finance Group of Companies as a Community Centered hospital, following the best tradition of medical service. Today SMF is a multispecialty hospital with state-of-the-art health care facilities providing services under one roof.

The vision of SMF are:

- provide Quality Health Care which is cost-effective and Community-centered in an environment which is clean, caring and responsive to the needs of the patient.
- serve as a Role Model of Health Care delivery system in India.

ALERT

ALERT, is a Chennai based NGO who specialise in Emergency Response Management. One of their major activities has been to raise awareness amongst the public to come forward and get trained in basic emergency response so that they are able to help road accident victims.

The key social impact would be for citizens to get sensitized to the fact that he/she can do their bit to save lives. And when they do, it has a large impact on social values and even potential economic impact. Similar activities like the previous year are being sponsored by the Company.

Om Charitable Trust

Om Charitable Trust has been supporting those undergoing Heritage studies by paying monthly stipends to the teachers and the parents of the students. Presently there are 16 beneficiaries under this scheme.

The Trust has been financially supporting poor and deserving students in their pursuit of their school and college education without any discrimination as to caste, creed, sex and religion. More than 30 students have benefited from the Trust either on regular or one-time basis. The Trust reserves its rights in accepting the application for financial help.

The Trust honours the many Vedic Pundits every year by inviting them to the competition venue. The Trust also organizes lectures by eminent personalities and Sanskrit programmes for the benefit of students and common public.

Madras School of Economics

The aim of Madras School of Economics is to attain standards prevailing in some of the best schools of economics abroad. Merit will be the major consideration in the recruitment of staff and the admission of students subject to certain statutes governing reservations. Enrolment is being done on the basis of national competition since Madras School of Economics is a national institution, though named after the southern city of its physical location.

Madras School of Economics has an objective to become an internationally recognised Centre of Excellence in economic studies, attracting the best of students and teachers from different parts of the country.

Ramakrishna Mission Students Home

Ramakrishna Mission Students Home, Chennai, is serving more than 670 orphan and poor students with free education, food and accommodation. It has three free educational institutions - a Residential High School, a Residential Polytechnic College and a Primary Day School. Students Home was started in 1905 by Swami Ramakrishnananda, a direct disciple of Bhagavan Sri Ramakrishna.

Students Home takes care of poor orphan and destitute boys selected mostly from remote rural areas. Students stay in the Orphanage Home and study in High School and Polytechnic College.

Students Home helps only orphan and poor students who cannot afford education. It combines the ancient Gurukula system with modern technology under the care of monks of the Ramakrishna Order and dedicated teachers. The Orphanage Home inculcates character building and man-making education to its students and thus able to produce citizens of high calibre every year.

7. Responsibility statement of the CSR Committee

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.

Place: Chennai
Date: May 2, 2018

M S Sreedhar
Managing Director
(DIN: 07153983)

T T Srinivasaraghavan
CSR Committee Chairman
(DIN: 00018247)

Annexure B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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,
Royal Sundaram General Insurance Co. Limited
(Formerly known as Royal Sundaram Alliance Insurance Company Limited)
No. 21, Patullos Road,
Chennai 600 002.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED (CIN: U67200TN2000PLC045611) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, and as applicable to Company (being an unlisted entity) in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under ;
- (ii) The Companies Amendment Act, 2017;
- (iii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, if any, received during the above said Financial Year ;
- (iv) The Insurance Act, 1938, together with Amendments as notified, and Insurance Regulatory and Development Authority of India Act, 1999 and the Rules framed there under including the various guidelines, directions and Regulations issued from time to time, as may be applicable to the company.

I have also examined compliance with the applicable clauses of the following Secretarial Standards including the revised Secretarial Standards;

Secretarial Standards (SS-1) – Board Meeting and Secretarial Standards (SS-2) – General Meeting issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the compliance of Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India and there were no observations to be reported by us.

I further report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and there were no changes in the composition of the Board of Directors during the period under review.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, 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.
- (iii) Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors / Committee Members and there were no dissenting Directors / Members views recorded in the minutes.

I 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.

I further report that during the audit period the company has:

- (a) allotted 1,80,00,000 equity shares of ₹ 10/- each at a premium of ₹ 15/- per share vide Board Meeting dated 30th June 2017 on "Rights" basis.
- (b) allotted 10,00,00,000 equity shares of ₹ 10/- each at a premium of ₹ 15/- per share vide Board Meeting dated 22nd September 2017 on "Rights" basis.
- (c) passed Ordinary Resolution vide Annual General Meeting dated 14th July 2017 for increasing authorized capital of the Company from ₹ 350,00,00,000/- (Rupees Three Hundred and Fifty Crore Only) divided into 35,00,00,000 (Thirty five Crore) equity shares of ₹10/- each, to ₹ 500,00,00,000/- (Rupees Five Hundred Crore Only) divided into 50,00,00,000 (Fifty Crore) equity shares of ₹10/- each, by creation of further 15,00,00,000 equity shares of ₹10/- each.

Name of Company Secretary in practice / Firm : M. DAMODARAN

Place : Chennai

Date : May 2, 2018

FCS No. : 5837

C P No. : 5081

Annexure C

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2)
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

NIL – All transactions entered into by the Company during the year with related parties were on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

NIL – The transactions entered into by the Company during the year with the related parties on an arm's length basis were not material in nature.

Date: May 2, 2018

Place: Chennai

P M Venkatasubramanian
Chairman
(DIN: 00124505)

Annexure D

REMUNERATION POLICY

Objective

To put in place a policy relating to remuneration payable to the employees including the key management personnel of the Company.

Philosophy

The underlying principle of any pay for performance philosophy is “Procedural Justice” and “Distributive Justice”.

This applies to the Key Management Personnel as much as it applies to all employees.

Royal Sundaram’s philosophy is to provide pay & benefit programs that support our objective of becoming a leading insurance company in India that attracts high performing people. This philosophy supports the principle that employees are our source of strength and that pay and benefits program should reward employee contribution to customer satisfaction, quality, efficiency, growth and teamwork.

Royal Sundaram has a Compensation Programme which provides employees with pay & benefits that, in total, are Competitive with other leading Companies.

Direct pay is the most visible compensation employees receive for the work they perform at Royal Sundaram. The Company’s pay program is a pay-for-performance system. It is designed to recognize differences in job levels and to reward job performance.

How is competitive pay determined

Each year a Salary & Benefit Survey is done to view the Compensation Levels and pay practices of other relevant companies. This data helps in designing and administering compensation programs that are competitive with other leading companies for similar positions.

Royal Sundaram participates in Salary Surveys commissioned by other companies through a reputed consulting firm each year. Royal Sundaram further gathers information independently through the year.

The Salary Administration programme

To help ensure fairness and consistency, Royal Sundaram’s salary administration program is intended to reflect the value of the job and recognize employee’s job performance. It provides:

- Incentives for employees to achieve salary increases through job performance – job performance directly influences salary
- The ability to employ people with high level qualifications needed to meet the Company’s objectives.

How value is measured

The employee’s reward for contributions to the Company’s continued success is based on two measures of value:

- The value of employee’s job
- The value of employee’s individual performance

The review is based on characteristics like job complexity and how much independent judgement, skills and education are needed to perform the job.

The competitive data is used to develop a salary range for each salary grade. The ranges are comparable to those for similar jobs at the companies participating in the compensation surveys reviewed.

Salary can progress in the salary grade range through merit increases, which are linked to performance.

Salary ranges

Royal Sundaram periodically reviews salary grade ranges and may adjust them to ensure that the 2nd and 3rd quartile of comparable companies fits into our salary range. This ensures that our employees with good performance levels can get salaries equivalent to the target quartile of comparable companies. The review is done effective April each year.

Salary grades

The salary grades have been spread within a four level structure. The job levels are four but salary grades are 14 to factor in the progression needs of the employees. All employees within a level will have comparable profiles.

The four job level are as follows:

- a. Officer: The positions in this level perform “analyst” roles, where the major task is analysis of information/data and implementation of policies and procedures.
- b. Manager: These position perform “specialist” role where the major task is designing systems and monitoring performance of systems. They may also be expected to guide and supervise teams.
- c. General Manager: These positions perform “Expert” role. These positions require considerable depth of knowledge and knowhow in their domain of expertise. They may be expected to lead larger teams.
- d. Vice President: These positions head a function or profit centre or region and are expected to be involved in Business Strategy and Strategic Planning. They are expected to lead their functions.

The Salary grades have been spread within the four levels as shown below:

- a. Officer – SG01-SG04
- b. Manager – SG05-SG07
- c. General Manager – SG08-SG11
- d. Vice President – SG12-SG14

Annexure E
**FORM MGT-9
 EXTRACT OF ANNUAL RETURN**

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

FINANCIAL YEAR ENDED ON 31.03.2018

I. REGISTRATION & OTHER DETAILS:

i	Corporate Identification Number	U67200TN2000PLC045611
ii	Registration Date	22/08/2000
iii	Name of the Company	Royal Sundaram General Insurance Co. Limited
iv	Category/Sub-category of the Company	Company having Share Capital
v	Address of the Registered Office & contact details	No.21, Patullos Road, Chennai 600 002 Contact Details: S.R Balachandher Company Secretary and Chief Compliance Officer Corporate office : Vishranthi Melaram Towers No.2/319, Rajiv Gandhi Salai (OMR) Karapakkam, Chennai 600 097 Phone; 044 7117 7205 Email: sr.balachandher@royalsundaram.in
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building" #1, Club House Road Chennai 600 002 - India. Ph: 91-44 - 2846 0390 E-mail : cameo@cameoindia.com

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

Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
General Insurance	6512	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Name & Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Sundaram Finance Limited	L65191TN1954PLC002429	Holding	75.90	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % to Total Equity):

(i) CATEGORY-WISE SHAREHOLDING

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	-	18,84,152	18,84,152	0.57	-	1,77,64,269	1,77,64,269	3.96	3.39
b)	Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	9,56,41,421	23,34,74,427	32,91,15,848	99.43	19,69,84,403	23,42,51,328	43,12,35,731	96.04	3.39
d)	Bank/FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1)		9,56,41,421	23,53,58,579	33,10,00,000	100.00	19,69,84,403	25,20,15,597	44,90,00,000	100.00	NA
(2)	Foreign									
a)	NRI- Individuals	-	-	-	-	-	-	-	-	-
b)	Other individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter A = (A)(1)+(A)(2)		9,56,41,421	23,53,58,579	33,10,00,000	100.00	19,69,84,403	25,20,15,597	44,90,00,000	100.00	NA

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % to Total Equity):
(i) CATEGORY-WISE SHAREHOLDING

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	-	-	-	-	-	-	-	-	-
b)	Banks/FI	-	-	-	-	-	-	-	-	-
c)	Central govt	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FII's	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1)		-	-	-	-	-	-	-	-	-
(2)	Non-Institutions									
(a)	Bodies corporate	-	-	-	-	-	-	-	-	-
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
	i) Individual shareholders holding nominal share capital upto ₹1 lakhs	-	-	-	-	-	-	-	-	-
	ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	-	-	-	-	-	-	-	-	-
c)	Any Other (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2)		-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)		-	-	-	-	-	-	-	-	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		9,56,41,421	23,53,58,579	33,10,00,000	100.00	19,69,84,403	25,20,15,597	44,90,00,000	100.00	NA

(ii) SHARE HOLDING OF PROMOTERS

Sl No	Shareholder's 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	Sundaram Finance Limited	25,12,29,000	75.90	-	34,07,91,000	75.90	-	-
2	India Motor Parts & Accessories Limited	3,30,46,652	9.98	-	4,48,27,634	9.98	-	-
3	T V Sundram Iyengar & Sons Private Limited	3,05,53,847	9.23	-	3,05,53,847	6.80	-	2.43
4	Sundharams Private Limited	1,42,86,349	4.32	-	1,50,63,250	3.36	-	0.96
5	S. Ram	6,28,053	0.19	-	59,21,428	1.32	-	1.13
6	S Viji	6,28,050	0.19	-	59,21,422	1.32	-	1.13
7	R.Ramanujam	6,28,049	0.19	-	59,21,419	1.32	-	1.13
	Total	33,10,00,000	100	-	44,90,00,000	100	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name of the Promoters	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	Sundaram Finance Limited				
	At the beginning of the year	25,12,90,000	75.90	25,12,90,000	75.90
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	Add: Allotment of shares				
	Rights Issue – June 2017	1,36,62,000	-	1,36,62,000	-
Rights Issue – September 2017	7,59,00,000	-	7,59,00,000	-	
	At the end of the year	34,07,91,000	75.90	34,07,91,000	75.90
2	India Motor Parts & Accessories Limited				
	At the beginning of the year	3,30,46,652	9.98	3,30,46,652	9.98
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	Add: Allotment of shares				
	Rights Issue – June 2017	17,97,099	-	17,97,099	-
Rights Issue – September 2017	99,83,883	-	99,83,883	-	
	At the end of the year	4,48,27,634	9.98	4,48,27,634	9.98
3	T V Sundram Iyengar & Sons Private Limited				
	At the beginning of the year	3,05,53,847	9.23	3,05,53,847	9.23
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) : NA	-	-	-	-
	At the end of the year	3,05,53,847	6.80	3,05,53,847	6.80

Sl. No.	Name of the Promoters	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
4	Sundharams Private Limited				
	At the beginning of the year	1,42,86,349	4.32	1,42,86,349	4.32
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Add: Allotment of shares Rights Issue – June 2017	7,76,901	-	7,76,901	-
	At the end of the year	1,50,63,250	3.36	1,50,63,250	3.36
5	S Ram				
	At the beginning of the year	6,28,053	0.19	6,28,053	0.19
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Add: Allotment of shares Rights Issue – June 2017	5,88,001	-	5,88,001	-
	Rights Issue – September 2017	47,05,374	-	47,05,374	-
	At the end of the year	59,21,428	1.32	59,21,428	1.32
6	S Viji				
	At the beginning of the year	6,28,050	0.19	6,28,050	0.19
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Add: Allotment of shares Rights Issue – June 2017	5,88,000	-	5,88,000	-
	Rights Issue – September 2017	47,05,372	-	47,05,372	-
	At the end of the year	59,21,422	1.32	59,21,422	1.32
7	R Ramanujam				
	At the beginning of the year	6,28,049	0.19	6,28,049	0.19
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Add: Allotment of shares Rights Issue – June 2017	5,87,999	-	5,87,999	-
	Rights Issue – September 2017	47,05,371	-	47,05,371	-
	At the end of the year	59,21,419	1.32	59,21,419	1.32

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Director, Promoters and Holders of GDR's and ADR's):

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
-	-	-	-	-	-

(V) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and 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
1	S Viji, Director				
	At the beginning of the year	6,28,050	0.19	6,28,050	0.19
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Add: Allotment of shares				
	Rights Issue – June 2017	5,88,000	-	5,88,000	-
	Rights Issue – September 2017	47,05,372	-	47,05,372	-
	At the end of the year	59,21,422	1.32	59,21,422	1.32

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	10,000	-	10,000
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	284	-	284
Total (i+ii+iii)	-	10,284	-	10,284
Change in Indebtedness during the financial year- (including interest accrued)				
i. Addition	-	1,075	-	1,075
ii. Reduction	-	1,081	-	1,081
Net Change (i-ii)	-	(6)	-	(6)
Indebtedness at the end of the financial year				
i. Principal Amount	-	10,000	-	10,000
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	278	-	278
Total (i+ii+iii)	-	10,278	-	10,278

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) Remuneration to Managing Director, Whole-time Directors and/or Manager (₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. M S Sreedhar (Managing Director)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of 17(3) Income- tax Act, 1961	190.36 0.40 -
2	Stock Option*	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Other payouts	40.94
Total		231.70

* Company has not issued any Stock option to any of its employees.

B) Remuneration to other directors (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	Mr. Sreenivasan Prasad	1.70	NIL	NIL	1.70
	Mr. M S Sundara Rajan	3.20	NIL	NIL	3.20
	Ms. Radha Unni	1.40	NIL	NIL	1.40
2	Other Non-Executive Directors				
	Mr. P M Venkatasubramanian	2.60	NIL	NIL	2.60
	Mr. S Viji	1.10	NIL	NIL	1.10
	Mr. T T Srinivasaraghavan	1.80	NIL	NIL	1.80
	Mr. Harsha Viji	1.60	NIL	NIL	1.60
	Mr. Srinivas Acharya	1.00	NIL	NIL	1.00
Total					14.40

C) Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Financial Officer		Company Secretary	
		Mr.Venkatachalam Sekar	Mr. T C Rangarajan	Mr. S R Balachandher	
		From 1.4.2017 to 30.11.2017	From 1.12.2017 to 31.03.2018		
1	Gross salary	37.09	13.16	49.11	99.36
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
Total		37.09	13.16	49.11	99.36

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			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

Date: May 2, 2018
Place: Chennai

P M Venkatasubramanian
Chairman
(DIN: 00124505)

N. C. Rajagopal & Co.
Chartered Accountants
22, Krishnaswamy Avenue
(Luz Church Road), Mylapore
Chennai – 600004.

Brahmayya & Co.
Chartered Accountants
48 Masilamani Road,
Balaji Nagar, Royapettah
Chennai – 600014.

INDEPENDENT AUDITORS' REPORT

To the members of Royal Sundaram General Insurance Co. Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and Revenue Accounts, the Profit and Loss Account and Receipts and Payments Statement of the Company for the year ended and a summary of significant accounting policies and other explanatory information.
2. In accordance with the provisions of Section 11 of the Insurance Act, 1938 ("the Insurance Act") read with the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") and the provision of Section 129 of the Companies Act 2013 ("the Act"), the Balance Sheet, the Revenue Accounts and the Profit and Loss Account are not required to be, and are not, drawn up in accordance with Schedule III of the Act. The Balance Sheet, the Revenue Accounts and the Profit and Loss Account, are, therefore, drawn up in conformity with the Regulations.

Management's Responsibility for the Financial Statements

3. The Company's Board of Directors are 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, financial performance and Receipts and Payments Statement of the Company in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of Sub section (1) of Section 129 of the Act, provisions of Section 11 of the Insurance Act read with the IRDAI Regulations/Guidelines/Circulars/Orders. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments,

the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared in accordance with the requirements of the Insurance Act, 1938, The Insurance Regulatory and Development Act, 1999 and The Companies Act, 2013 to the extent applicable and give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
 - in the case of Revenue Accounts, of the operating profit for the year ended on that date;
 - in the case of Profit and Loss Account, the profit for the year ended on that date;
 - in the case of Receipts and Payments Statement, receipts and payments for the year ended on that date;
 - The Accounting policies selected by the insurer are appropriate and are in compliance with the applicable Accounting Standards and with the Accounting Principles, as prescribed in the regulations or any order or direction issued by the Authority in this behalf.

Report on Other Legal and Regulatory Requirements - As required under provisions of Section 143(3) of the Act and IRDAI regulations

6. We report that
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, the Revenue Accounts, the Profit and Loss Account, and the Receipts and Payments Statement dealt with by this Report are in agreement with the books of account;
 - The financial accounting system of the Company is centralised and therefore accounting returns are not required to be submitted by branches;
 - In our opinion, the Balance Sheet, the Profit and Loss Account, and the Receipts and Payments Statement comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014 read together with IRDA Regulations/Circulars/Orders;
 - The estimate of claims Incurred But Not Reported [IBNR] and claims Incurred But Not Enough Reported [IBNER] has been certified by the Company's Appointed Actuary. The Appointed Actuary has certified to the Company that the assumptions used for such are appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority of India [IRDAI] and Actuarial Society of India in concurrence with IRDAI. We have relied on the Appointed Actuary's certificate in this regard;

- g) Investments of the Company have been valued in accordance with the Provisions of the Insurance Act and the Regulations;
- h) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2018, from being appointed as a Director in terms of sub-section (2) of Section 164 of the Act;
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure (A);
- j) 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 Note No.2 (a) of Schedule 17 to the financial statements;
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N.C. Rajagopal & Co.
Chartered Accountants
Registration No: 003398S

For Brahmayya & Co.
Chartered Accountants
Registration No : 000511S

Place : Chennai
Dated : May 2, 2018

V Chandrasekaran
Partner
Membership No: 024844

P Babu
Partner
Membership No: 203358

INDEPENDENT AUDITORS' CERTIFICATE

To the members of Royal Sundaram General Insurance Co. Limited

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

Management's Responsibility for the statement

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

Auditor's Responsibility

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

Opinion

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED (the 'Company') for the year ended March 31, 2018, we certify that:

- a. We have reviewed the Management Report attached to the financial statements for the financial year ended March 31, 2018 and there is no apparent mistake or material inconsistency therein with the financial statements;
- b. The Company has complied with the terms and conditions of registration stipulated by IRDAI vide their letter dated October 23, 2000;
- c. We have verified the cash balances at the corporate office of the Company and investments of the Company;
- d. The Company is not a trustee of any trust;
- e. No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act relating to application and investment of policyholders' funds;
- f. All expenses of management in respect of Fire, Marine and Miscellaneous Insurance Business have been fully debited to the respective Revenue Accounts.

For N.C. Rajagopal & Co.
Chartered Accountants
Registration No: 003398S

For Brahmayya & Co.
Chartered Accountants
Registration No : 000511S

V Chandrasekaran
Partner
Membership No: 024844

P Babu
Partner
Membership No: 203358

Place : Chennai
Dated : May 2, 2018

ANNEXURE (A) REFERRED TO IN PARAGRAPH (6)(h) OF OUR REPORT OF EVEN DATE

To the members of Royal Sundaram General Insurance Co. Limited

We have audited the Internal Financial Controls over financial reporting of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.C. Rajagopal & Co.
Chartered Accountants
Registration No: 003398S

For Brahmayya & Co.
Chartered Accountants
Registration No : 000511S

Place : Chennai
Dated : 02-May-2018

V Chandrasekaran
Partner
Membership No: 024844

P Babu
Partner
Membership No: 203358

Form B - RA
REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018 (FIRE BUSINESS)

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹' 000)

Particulars	Schedule	31st March 2018	31st March 2017
1 Premiums Earned (Net)	1A	2,99,240	2,42,902
2 Profit/(Loss) on sale/redemption of Investments		11,964	17,593
3 Others		-	-
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 1,11,855 thousand (Previous Year: ₹ 1,00,192 thousand)] (Refer note 18 of Schedule 17)		1,09,770	98,836
Total (A)		4,20,974	3,59,331
1 Claims Incurred (Net)	2A	1,33,894	1,16,832
2 Commission	3A	(2,969)	(20,619)
3 Operating Expenses related to Insurance Business	4	1,71,189	1,18,649
4 Premium Deficiency		-	-
Total (B)		3,02,114	2,14,862
Operating Profit/(Loss) from Fire Business C = (A-B)		1,18,860	1,44,469
Appropriations			
Transfer to Shareholders' Account		1,18,860	1,44,469
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		1,18,860	1,44,469
Significant accounting policies	16		
Notes to financial statements	17		

As required by Section 40C(2) of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Fire Business have been fully debited in the Fire Business Revenue Account as expenses.

As per our report of even date attached

For N.C. Rajagopal & Co.
 Chartered Accountants
 Registration No.003398S

For Brahmayya & Co.
 Chartered Accountants
 Registration No.000511S

For and on behalf of the Board of Directors

P M Venkatasubramanian
 Chairman
 (DIN:00124505)

M S Sreedhar
 Managing Director
 (DIN:07153983)

V Chandrasekaran
 Partner
 Membership No:024844

P Babu
 Partner
 Membership No:203358

M S Sundara Rajan
 Director
 (DIN:00169775)

S Prasad
 Director
 (DIN:00063667)

 Place : Chennai
 Date : May 2, 2018

T C Rangarajan
 Chief Financial Officer

S R Balachandher
 Company Secretary

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018 (MARINE BUSINESS)

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹' 000)

Particulars	Schedule	31st March 2018	31st March 2017
1 Premiums Earned (Net)	1B & 1C	1,60,699	1,47,585
2 Profit/(Loss) on sale/redemption of Investments		2,313	3,971
3 Others - Exchange Gain		-	-
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 14,292 thousand (Previous Year: ₹ 14,353 thousand)] (Refer note 18 of Schedule 17)		13,889	14,047
Total (A)		1,76,901	1,65,603
1 Claims Incurred (Net)	2B & 2C	74,549	74,476
2 Commission	3B & 3C	10,464	7,154
3 Operating Expenses related to Insurance Business	4	47,690	46,737
4 Premium Deficiency		-	-
Total (B)		1,32,703	1,28,367
Operating Profit/(Loss) from Marine Business C = (A-B)		44,198	37,236
Appropriations			
Transfer to Shareholders' Account		44,198	37,236
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		44,198	37,236
Significant accounting policies	16		
Notes to financial statements	17		

As required by Section 40C(2) of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Marine Business have been fully debited in the Marine Business Revenue Account as expenses.

As per our report of even date attached

For N.C. Rajagopal & Co.
Chartered Accountants
Registration No.003398S

For Brahmaya & Co.
Chartered Accountants
Registration No.000511S

For and on behalf of the Board of Directors

P M Venkatasubramanian
Chairman
(DIN:00124505)

M S Sreedhar
Managing Director
(DIN:07153983)

V Chandrasekaran
Partner
Membership No:024844

P Babu
Partner
Membership No:203358

M S Sundara Rajan
Director
(DIN:00169775)

S Prasad
Director
(DIN:00063667)

Place : Chennai
Date : May 2, 2018

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

Form B - RA
REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018 (MISCELLANEOUS BUSINESS)

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹' 000)

Particulars	Schedule	31st March 2018	31st March 2017
1 Premiums earned (Net)	1D	1,89,44,471	1,68,19,391
2 Profit/(Loss) on sale/redemption of Investments		3,38,439	4,74,039
3 Others - Transfer fee and Duplicate fee		4,737	2,788
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 22,66,525 thousand (Previous Year: ₹ 19,36,440 thousand)] (Refer note 18 of Schedule 17)		22,00,941	18,95,862
Total (A)		2,14,88,588	1,91,92,080
1 Claims Incurred (Net)	2D	1,53,95,287	1,32,55,466
2 Commission	3D	5,13,935	6,12,531
3 Operating expenses related to Insurance Business	4	50,58,281	54,19,202
4 Premium Deficiency		-	-
Total (B)		2,09,67,503	1,92,87,199
Operating Profit/(Loss) from Miscellaneous Business C=(A-B)		5,21,085	(95,119)
Appropriations			
Transfer to Shareholders' Account		5,21,085	(95,119)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		5,21,085	(95,119)
Significant accounting policies	16		
Notes to financial statements	17		

As required by Section 40C(2) of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Miscellaneous Business have been fully debited in the Miscellaneous Business Revenue Account as expenses.

As per our report of even date attached

For N.C. Rajagopal & Co.
 Chartered Accountants
 Registration No.003398S

For Brahmayya & Co.
 Chartered Accountants
 Registration No.000511S

V Chandrasekaran
 Partner
 Membership No:024844

P Babu
 Partner
 Membership No:203358

 Place : Chennai
 Date : May 2, 2018

For and on behalf of the Board of Directors

P M Venkatasubramanian
 Chairman
 (DIN:00124505)

M S Sreedhar
 Managing Director
 (DIN:07153983)

M S Sundara Rajan
 Director
 (DIN:00169775)

S Prasad
 Director
 (DIN:00063667)

T C Rangarajan
 Chief Financial Officer

S R Balachandher
 Company Secretary

Form B - PL

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹' 000)

Particulars	Schedule	31st March 2018	31st March 2017
1 OPERATING PROFIT/(LOSS)			
a) Fire Insurance		1,18,860	1,44,469
b) Marine Insurance		44,198	37,236
c) Miscellaneous Insurance		5,21,085	(95,119)
2 INCOME FROM INVESTMENTS			
a) Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 6,25,814 thousand (Previous Year: ₹ 4,70,068 thousand)] (Refer note 18 of Schedule 17)		6,08,181	4,59,976
b) Profit on sale of investments		1,07,862	1,31,102
Less : Loss on sale of investments		(6,560)	(1,073)
3 OTHER INCOME			
a) Profit on Sale of Assets		129	314
b) Other Income		3,517	927
Total (A)		13,97,272	6,77,832
4 PROVISION (Other than taxation)			
a) For diminution in the value of investments		-	-
b) For doubtful debts		-	-
c) Others		-	-
5 OTHER EXPENSES			
a) Expenses other than those related to Insurance business		-	-
b) Employees' remuneration and welfare benefits		8,170	6,043
c) Bad debts written off (Investments)		-	-
d) Expenses of Investment & Penalties		12,870	5,760
e) CSR Contribution & Donations		8,510	9,695
f) Interest on Borrowings		1,07,500	28,445
Total (B)		1,37,050	49,943
Profit/(Loss) Before Tax (A - B)		12,60,222	6,27,889
Provision for Taxation			
- Current		5,06,412	1,20,588
- MAT Credit Utilization/(Entitlement)		27,088	(27,088)
- Deferred		(1,06,248)	1,03,909
Profit/(Loss) After Tax		8,32,970	4,30,480
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		23,72,291	19,41,811
Balance carried forward to Balance Sheet		32,05,261	23,72,291
Significant accounting policies	16		
Notes to financial statements	17		
Earning per Share (Basic and Diluted)		2.10	1.32

As per our report of even date attached

For N.C. Rajagopal & Co.
Chartered Accountants
Registration No.003398S

For Brahmaya & Co.
Chartered Accountants
Registration No.000511S

For and on behalf of the Board of Directors

P M Venkatasubramanian
Chairman
(DIN:00124505)

M S Sreedhar
Managing Director
(DIN:07153983)

V Chandrasekaran
Partner
Membership No:024844

P Babu
Partner
Membership No:203358

M S Sundara Rajan
Director
(DIN:00169775)

S Prasad
Director
(DIN:00063667)

Place : Chennai
Date : May 2, 2018

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

Form B - BS

BALANCE SHEET AS AT 31ST MARCH 2018

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹' 000)

Particulars	Schedule	31st March 2018	31st March 2017
SOURCES OF FUNDS			
SHARE CAPITAL	5	44,90,000	33,10,000
RESERVES AND SURPLUS	6	57,55,261	31,52,291
FAIR VALUE CHANGE ACCOUNT			
- SHAREHOLDER FUNDS		(1,564)	21,731
- POLICYHOLDER FUNDS		(6,130)	82,827
BORROWINGS	7	10,00,000	10,00,000
TOTAL		1,12,37,567	75,66,849
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS	8	87,26,886	69,92,814
INVESTMENTS - POLICYHOLDERS	8A	3,41,95,071	2,66,53,061
LOANS	9	-	-
FIXED ASSETS	10	2,80,593	2,86,017
DEFERRED TAX ASSETS - NET		3,46,274	2,40,026
(REFER NOTE 7 OF SCHEDULE 17)			
CURRENT ASSETS			
CASH AND BANK BALANCES	11	6,55,351	7,74,356
ADVANCES AND OTHER ASSETS	12	35,09,352	23,10,716
SUB- TOTAL (A)		41,64,703	30,85,072
CURRENT LIABILITIES	13	2,53,00,269	1,94,20,641
PROVISIONS	14	1,11,75,691	1,02,69,500
Sub - Total (B)		3,64,75,960	2,96,90,141
NET CURRENT ASSETS (C)=(A-B)		(3,23,11,257)	(2,66,05,069)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		-	-
TOTAL		1,12,37,567	75,66,849
Significant accounting policies	16		
Notes to financial statements	17		

As per our report of even date attached

For N.C. Rajagopal & Co.
 Chartered Accountants
 Registration No.003398S

For Brahmayya & Co.
 Chartered Accountants
 Registration No.000511S

V Chandrasekaran
 Partner
 Membership No:024844

P Babu
 Partner
 Membership No:203358

 Place : Chennai
 Date : May 2, 2018

For and on behalf of the Board of Directors

P M Venkatasubramanian
 Chairman
 (DIN:00124505)

M S Sreedhar
 Managing Director
 (DIN:07153983)

M S Sundara Rajan
 Director
 (DIN:00169775)

S Prasad
 Director
 (DIN:00063667)

T C Rangarajan
 Chief Financial Officer

S R Balachandher
 Company Secretary

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2018	31st March 2017
SCHEDULE 1A		
PREMIUM EARNED (NET) -- FIRE BUSINESS		
Premium from direct business written	14,12,017	11,83,890
Add: Premium on reinsurance accepted	2,11,103	1,88,224
Less: Premium on reinsurance ceded	(11,82,316)	(10,55,091)
Net Premium	4,40,804	3,17,023
Adjustment for change in reserve for unexpired risks	(1,41,564)	(74,121)
Total Premium Earned (Net)	2,99,240	2,42,902
SCHEDULE 1B		
PREMIUM EARNED (NET) -- MARINE CARGO BUSINESS		
Premium from direct business written	3,59,085	3,30,826
Add: Premium on reinsurance accepted	1,241	-
Less: Premium on reinsurance ceded	(1,92,069)	(1,76,264)
Net Premium	1,68,257	1,54,562
Adjustment for change in reserve for unexpired risks	(8,269)	(7,462)
Total Premium Earned (Net)	1,59,988	1,47,100
SCHEDULE 1C		
PREMIUM EARNED (NET) -- MARINE HULL BUSINESS		
Premium from direct business written	6,207	13,715
Add: Premium on reinsurance accepted	-	-
Less: Premium on reinsurance ceded	(5,913)	(13,003)
Net Premium	294	712
Adjustment for change in reserve for unexpired risks	417	(227)
Total Premium Earned (Net)	711	485
SCHEDULE 1D		
PREMIUM EARNED (NET) -- MISCELLANEOUS BUSINESS		
Premium from direct business written	2,44,57,042	2,03,59,402
Add: Premium on reinsurance accepted	60,650	21,209
Less: Premium on reinsurance ceded	(48,06,185)	(18,07,441)
Net Premium	1,97,11,507	1,85,73,170
Adjustment for change in reserve for unexpired risks	(7,67,036)	(17,53,779)
Total Premium Earned (Net)	1,89,44,471	1,68,19,391

All premium written, less reinsurance, is from business in India.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st March 2018	31st March 2017
SCHEDULE 2A		
CLAIMS INCURRED (NET) -- FIRE BUSINESS		
Claims paid		
Direct	5,91,642	5,41,643
Add: Reinsurance accepted	46,627	24,472
Less: Reinsurance ceded	(5,28,473)	(4,87,779)
Net Claims paid	1,09,796	78,336
Add: Claims outstanding at the end of the year	2,24,758	2,00,660
Less: Claims outstanding at the beginning of the year	(2,00,660)	(1,62,164)
Total Claims Incurred (Net)	1,33,894	1,16,832
SCHEDULE 2B		
CLAIMS INCURRED (NET) -- MARINE CARGO BUSINESS		
Claims paid		
Direct	1,89,982	2,07,508
Add: Reinsurance accepted	-	-
Less: Reinsurance ceded	(1,12,989)	(1,13,546)
Net Claims paid	76,993	93,962
Add: Claims outstanding at the end of the year	92,703	95,165
Less: Claims outstanding at the beginning of the year	(95,165)	(1,14,608)
Total Claims Incurred (Net)	74,531	74,519
SCHEDULE 2C		
CLAIMS INCURRED (NET) -- MARINE HULL BUSINESS		
Claims paid		
Direct	524	-
Add: Reinsurance accepted	-	-
Less: Reinsurance ceded	(505)	-
Net Claims paid	19	-
Add: Claims outstanding at the end of the year	206	207
Less: Claims outstanding at the beginning of the year	(207)	(250)
Total Claims Incurred (Net)	18	(43)
SCHEDULE 2D		
CLAIMS INCURRED (NET) -- MISCELLANEOUS BUSINESS		
Claims paid		
Direct	1,24,52,032	1,16,32,887
Add: Reinsurance accepted	600	62,785
Less: Reinsurance ceded	(15,60,966)	(8,36,209)
Net Claims paid	1,08,91,666	1,08,59,463
Add: Claims outstanding at the end of the year	2,11,00,222	1,65,96,601
Less: Claims outstanding at the beginning of the year	(1,65,96,601)	(1,42,00,598)
Total Claims Incurred (Net)	1,53,95,287	1,32,55,466

All premium written, less reinsurance, is from business in India.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st March 2018	31st March 2017
SCHEDULE 3A		
COMMISSION -- FIRE BUSINESS		
Commission paid		
Direct	1,44,488	1,07,189
TOTAL	1,44,488	1,07,189
Add: Commission on Reinsurance Accepted	14,275	15,727
Less: Commission on Reinsurance Ceded	(1,61,732)	(1,43,535)
Net Commission	(2,969)	(20,619)
Break-up of the expenses (Gross) incurred to procure business :		
Agents	19,810	15,904
Brokers	93,679	78,040
Corporate Agency	30,999	13,245
Referral	-	-
Others	-	-
TOTAL	1,44,488	1,07,189
SCHEDULE 3B		
COMMISSION -- MARINE CARGO BUSINESS		
Commission paid		
Direct	43,066	36,919
TOTAL	43,066	36,919
Add: Commission on Reinsurance Accepted	12	-
Less: Commission on Reinsurance Ceded	(31,647)	(28,695)
Net Commission	11,431	8,224
Break-up of the expenses (Gross) incurred to procure business :		
Agents	14,105	12,662
Brokers	28,870	23,609
Corporate Agency	91	648
Referral	-	-
Others	-	-
TOTAL	43,066	36,919

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st March 2018	31st March 2017
SCHEDULE 3C		
COMMISSION -- MARINE HULL BUSINESS		
Commission paid		
Direct	12	52
TOTAL	12	52
Add: Commission on Reinsurance Accepted	-	-
Less: Commission on Reinsurance Ceded	(979)	(1,122)
Net Commission	(967)	(1,070)
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	12	52
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	12	52
SCHEDULE 3D		
COMMISSION -- MISCELLANEOUS BUSINESS		
Commission paid		
Direct	16,73,401	10,30,938
TOTAL	16,73,401	10,30,938
Add: Commission on Reinsurance Accepted	3,904	1,257
Less: Commission on Reinsurance Ceded	(11,63,370)	(4,19,664)
Net Commission	5,13,935	6,12,531
Break-up of the expenses (Gross) incurred to procure business :		
Agents	3,60,050	1,74,596
Brokers	10,26,921	6,26,259
Corporate Agency	2,86,430	2,30,083
Referral	-	-
Others	-	-
TOTAL	16,73,401	10,30,938

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	Fire Revenue Account						Marine Revenue Account						Miscellaneous Revenue Account												Grand Total		
	Fire		Marine Cargo		Marine Hull		Total Marine		Total Motor		Workmen's Compensation / Employers Liability		Total Public / Product Liability		Engineering		Total Personal Accident		Total Health Insurance		Others		Miscellaneous Total		Grand Total		
	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018	31st Mar 2017	31st Mar 2018
Premium Earned (Net)																											
Premium from direct business written	14,12,017	11,83,890	3,59,085	3,30,826	6,207	13,715	3,65,292	3,44,541	1,70,42,309	1,70,42,309	63,423	58,295	79,505	68,738	4,89,319	4,32,592	6,06,014	4,72,818	28,30,630	21,72,460	1,12,190	1,12,190	2,44,57,042	2,03,59,402	2,62,34,351	2,18,87,833	2,09,433
Add: Premium on reinsurance accepted	2,11,103	1,88,224	1,241	-	-	-	1,241	-	-	-	-	-	-	30,469	21,209	30,181	-	-	-	-	-	-	60,650	21,209	2,72,995	2,09,433	
Less: Premium on reinsurance ceded	(11,82,316)	(10,55,091)	(1,92,069)	(1,76,264)	(5,913)	(13,003)	(1,97,982)	(1,89,267)	(35,28,157)	(9,33,366)	(8,381)	(8,320)	(47,538)	(36,956)	(4,46,075)	(3,86,628)	(1,27,856)	(48,494)	(5,89,281)	(3,38,545)	(58,097)	(55,132)	(48,06,185)	(1,80,744)	(61,86,483)	(30,51,799)	
Net Premium	4,40,804	3,17,023	1,68,257	1,54,562	294	712	1,68,551	1,55,274	1,67,36,973	1,61,08,943	54,842	49,975	31,967	31,782	73,713	67,173	5,08,339	4,24,324	22,41,349	18,33,915	64,324	57,058	1,97,11,507	1,85,73,170	2,03,20,863	1,90,45,467	
Adjustment for change in reserve for unassessed risks	(1,41,564)	(74,121)	(8,249)	(7,462)	(2,27)	(2,27)	(7,852)	(7,689)	(5,93,213)	(1,74,715)	(2,167)	(3,370)	189	(307)	(4,402)	(2,517)	(24,110)	(15,804)	(2,07,967)	19,791	10,634	(4,417)	(7,67,036)	(1,75,53,779)	(9,16,452)	(18,35,589)	
Total Premium Earned (Net)	2,99,240	2,42,902	1,59,988	1,47,100	711	485	1,60,699	1,47,585	1,61,97,760	1,43,61,788	52,675	46,605	32,156	31,475	69,311	64,656	4,84,229	4,08,520	20,33,382	18,53,706	74,958	52,641	1,89,44,471	1,68,19,391	1,94,04,411	1,72,09,878	
Claims Incurred (Net)																											
Claims paid	5,91,642	5,41,643	1,89,982	2,07,508	524	-	1,90,506	2,07,508	1,04,78,184	99,27,479	11,943	5,193	25,683	5,465	1,47,314	1,63,927	1,84,133	1,51,697	15,66,425	13,56,552	22,574	22,574	1,24,52,032	1,16,32,887	1,32,34,180	1,23,82,038	
Add: Reinsurance accepted	46,627	24,472	-	-	-	-	-	-	61,647	-	-	-	-	-	600	1,138	-	-	-	-	-	-	600	62,785	47,227	87,257	
Less: Reinsurance ceded	(5,28,473)	(4,87,779)	(1,12,989)	(1,13,546)	(905)	-	(1,13,944)	(1,13,546)	(11,45,679)	(5,63,479)	(791)	(319)	(16,932)	(639)	(1,17,110)	(1,42,970)	(2,28,965)	(15,885)	(2,36,127)	(1,09,060)	(21,431)	(3,867)	(15,60,966)	(8,36,209)	(22,02,933)	(14,37,594)	
Net Claims paid	1,09,796	78,336	76,993	93,962	19	-	77,012	93,962	93,32,505	94,25,647	11,152	4,874	8,751	4,826	30,804	22,095	1,61,237	1,35,812	13,30,298	12,47,502	16,920	18,707	1,08,91,666	1,08,59,463	1,10,78,474	1,10,31,761	
Add: Claims remaining at the end of the year	2,34,758	2,00,660	92,703	95,165	206	207	92,909	95,372	2,04,81,826	1,60,48,549	31,182	25,235	11,053	18,055	72,382	64,477	2,19,700	1,82,474	2,56,200	2,38,969	27,879	18,842	2,11,00,222	1,65,96,601	2,14,17,889	1,68,92,633	
Less: Claims remaining at the beginning of the year	(2,00,660)	(1,62,164)	(95,165)	(1,14,608)	(207)	(250)	(95,372)	(1,14,858)	(1,60,48,549)	(1,36,76,099)	(25,235)	(16,576)	(18,055)	(19,354)	(64,477)	(66,237)	(1,82,474)	(1,65,800)	(2,38,969)	(2,34,270)	(18,842)	(22,772)	(1,65,96,601)	(1,42,00,598)	(1,68,92,633)	(1,44,77,620)	
Total Claims Incurred	1,33,894	1,16,832	74,531	74,519	18	(43)	74,549	74,476	1,37,65,782	1,17,98,097	17,099	13,533	1,749	3,627	38,709	20,335	1,98,463	1,52,396	13,47,529	12,52,201	25,957	15,277	1,53,95,287	1,32,55,466	1,56,03,730	1,34,46,774	
Commissions																											
Commission paid																											
Direct	1,44,488	1,07,189	43,066	36,919	12	52	43,078	36,971	12,66,927	6,65,029	6,311	4,801	5,981	7,263	47,938	41,934	48,982	47,318	2,90,186	2,55,045	7,076	9,548	16,73,401	10,30,938	18,60,967	11,75,098	
TOTAL	1,44,488	1,07,189	43,066	36,919	12	52	43,078	36,971	12,66,927	6,65,029	6,311	4,801	5,981	7,263	47,938	41,934	48,982	47,318	2,90,186	2,55,045	7,076	9,548	16,73,401	10,30,938	18,60,967	11,75,098	
Add: Commission on reinsurance accepted	14,275	15,727	12	-	-	-	12	-	-	-	-	-	-	-	1,361	1,257	2,543	-	-	-	-	-	3,904	1,257	18,191	16,984	
Less: Commission on reinsurance ceded	(1,61,732)	(1,43,335)	(31,647)	(28,095)	(979)	(1,122)	(32,626)	(29,817)	(7,21,149)	(97,385)	(579)	(531)	(8,843)	(7,511)	(1,31,942)	(1,11,454)	(22,331)	(7,528)	(2,69,326)	(1,86,801)	(9,000)	(8,454)	(11,63,370)	(4,19,664)	(13,57,728)	(5,93,016)	
Net commission	(2,969)	(20,619)	11,431	8,224	(967)	(1,070)	10,464	7,154	5,45,778	5,67,644	5,732	4,270	(2,862)	(2,48)	(82,643)	(68,263)	28,994	39,790	20,860	68,244	1,094	1,094	5,13,935	6,12,531	5,21,430	5,99,066	
Operating Expenses	1,71,189	1,18,649	47,656	46,659	34	78	47,690	46,737	40,96,827	47,81,197	9,340	8,650	5,275	5,405	31,605	23,427	1,63,928	1,19,716	7,32,831	4,63,246	18,475	17,561	50,58,281	54,19,202	52,77,160	55,84,588	

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st March 2018	31st March 2017
SCHEDULE 4		
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS		
1 Employees' remuneration and welfare benefits	13,71,726	12,18,045
2 Travel, conveyance and vehicle running expenses	69,834	76,612
3 Training expenses	3,474	6,594
4 Rents, rates and taxes	1,86,169	1,40,732
5 Repairs and maintenance	63,035	43,753
6 Printing and stationery	47,599	53,284
7 Communication	97,438	90,650
8 Legal and professional charges	19,242	13,671
9 Auditors' fees and expenses		
(a) as auditors	2,400	2,400
(b) as adviser or in any other capacity, in respect of		
(i) Taxation matters	250	250
(ii) Insurance matters	-	-
(iii) Management services	-	-
(c) in any other capacity - certification	213	301
(d) out of pocket expenses	314	237
10 Advertisement and publicity	1,59,952	1,30,135
11 Bank charges	40,371	28,557
12 Others		
- Data processing and outsourcing expenses	21,09,158	30,73,758
- Marketing and related expenses	5,97,438	2,54,418
- Software and Hardware maintenance charges	2,36,704	2,26,215
- Policy Stamp expenses	2,497	1,527
- Directors' sitting fees	1,441	1,166
- Miscellaneous expenses	1,49,441	1,06,536
13 Depreciation	1,16,119	1,12,402
14 Service Tax/GST on premium (Net)	2,345	3,345
Total	52,77,160	55,84,588
Allocation of expenses		
Revenue Account -- Fire Business	1,71,189	1,18,649
Revenue Account -- Marine Business	47,690	46,737
Revenue Account -- Miscellaneous Business	50,58,281	54,19,202
Total	52,77,160	55,84,588

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2018	31st March 2017
SCHEDULE 5		
SHARE CAPITAL		
1 Authorised Capital 50,00,00,000 (31st Mar 2017 - 35,00,00,000) Equity shares of ₹ 10/- each	50,00,000	35,00,000
2 Issued Capital 44,90,00,000 (31st Mar 2017 - 33,10,00,000) Equity shares of ₹ 10/- each, fully paid up	44,90,000	33,10,000
3 Subscribed Capital 44,90,00,000 (31st Mar 2017 - 33,10,00,000) Equity shares of ₹ 10/- each, fully paid up	44,90,000	33,10,000
4 Called-up Capital 44,90,00,000 (31st Mar 2017 - 33,10,00,000) Equity shares of ₹ 10/- each, fully paid up	44,90,000	33,10,000
Less: Calls unpaid	-	-
Add: Equity Shares forfeited (Amount originally paid-up)	-	-
Less: Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses (to the extent not written off)	-	-
Total	44,90,000	33,10,000

SCHEDULE 5A

**SHARE CAPITAL
PATTERN OF SHAREHOLDING
[As certified by the Management]**

Particulars	31st March 2018		31st March 2017	
	Number of Shares	% of holding	Number of Shares	% of holding
Shareholder				
Promoters				
Indian	44,90,00,000	100%	33,10,00,000	100%
Foreign	-	-	-	-
	44,90,00,000	100%	33,10,00,000	100%
Others	-	-	-	-
Total	44,90,00,000	100%	33,10,00,000	100%

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2018	31st March 2017
SCHEDULE 6		
RESERVES AND SURPLUS		
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	25,50,000	7,80,000
4 General Reserves	-	-
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	32,05,261	23,72,291
Total	57,55,261	31,52,291
SCHEDULE 7		
BORROWINGS		
1 Debentures / Bonds (Refer note 28 of Schedule 17)	10,00,000	10,00,000
2 Banks	-	-
3 Financial Institutions	-	-
4 Others	-	-
Total	10,00,000	10,00,000

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2018	31st March 2017
SCHEDULE 8		
INVESTMENTS - SHAREHOLDERS		
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	26,94,484	23,75,581
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	25,53,676	15,96,137
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	-	-
4 Investments in Infrastructure and Social Sector	14,72,659	14,29,564
5 Other than Approved Investments - Alternative Investment Funds/ Corporate Debentures	1,74,960	1,07,753
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	81,376	10,382
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	6,15,516	3,96,327
(bb) Preference	84	-
(b) Mutual Funds	1,01,794	1,21,345
(c) Derivative Instruments	-	-
(d) Debentures/Bonds	5,93,812	4,57,318
(e) Other Securities-CD/CBLO/CP	2,13,971	1,91,358
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	3,138	-
4 Investments in Infrastructure and Social Sector	1,93,455	2,38,423
5 Other than Approved Investments - Corporate Debentures/Equity	27,961	68,625
Total	87,26,886	69,92,814
Aggregate market value of quoted investments other than Equity Shares, Mutual Funds and AIF	75,32,346	61,98,946
Aggregate book value of quoted investments other than Equity Shares, Mutual Funds and AIF	76,20,044	61,59,859
Historical cost of Equity Shares valued on fair value basis	6,45,338	3,94,267
Historical cost of Alternative Investment Funds and Mutual Funds valued on fair value basis	2,45,959	1,94,918
Aggregate book value of unquoted investments	2,17,109	2,22,039

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2018	31st March 2017
SCHEDULE 8A		
INVESTMENTS - POLICYHOLDERS		
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	1,05,57,956	90,54,511
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	1,00,06,222	60,83,665
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	-	-
4 Investments in Infrastructure and Social Sector	57,70,406	54,48,771
5 Other than Approved Investments - Alternative Investment Funds/ Corporate Debentures	6,85,554	4,10,700
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	3,18,860	39,572
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	24,11,811	15,10,597
(bb) Preference	327	-
(b) Mutual Funds	3,98,866	4,62,505
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	23,26,767	17,43,066
(e) Other Securities-CD/CBLO/CP	8,38,415	7,29,359
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	12,297	-
4 Investments in Infrastructure and Social Sector	7,58,028	9,08,749
5 Other than Approved Investments - Corporate Debentures/Equity	1,09,562	2,61,565
Total	3,41,95,071	2,66,53,061
Aggregate market value of quoted investments other than Equity Shares, Mutual Funds and AIF	2,95,14,436	2,36,27,240
Aggregate book value of quoted investments other than Equity Shares, Mutual Funds and AIF	2,98,58,068	2,34,78,259
Historical cost of Equity Shares valued on fair value basis	25,28,666	15,02,747
Historical cost of Alternative Investment Funds and Mutual Funds valued on fair value basis	9,63,755	7,42,927
Aggregate book value of unquoted investments	8,50,712	8,46,299

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2018	31st March 2017
SCHEDULE 9		
LOANS		
1. Security-wise Classification		
<i>Secured</i>		
(a) On mortgage of Property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
<i>Unsecured</i>	-	-
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-performance loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
Total	-	-
4. Maturity-wise Classification		
(a) Short-Term	-	-
(b) Long-Term	-	-
Total	-	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 10

FIXED ASSETS

(₹' 000)

Particulars	Cost/Gross Block			Depreciation			Net Block		
	Opening as at 31st Mar 2017	Additions	Deductions	Closing as at 31st Mar 2018	For the year	On sales	Upto 31st Mar 2018	As at 31st Mar 2018	As at 31st Mar 2017
Goodwill	-	-	-	-	-	-	-	-	-
Intangibles - Information Technology Software	3,92,009	20,763	-	4,12,772	43,769	-	3,64,727	48,045	71,051
Furniture and Fittings	32,642	1,551	-	34,193	1,982	-	22,614	11,579	12,010
Improvements to Leased premises	2,57,778	14,581	-	2,72,359	26,400	-	1,80,643	91,716	1,03,535
Information Technology Equipment - Server	2,63,456	18,680	-	2,82,136	16,445	-	2,37,619	44,517	42,282
Information Technology Equipment - Others	1,98,956	29,077	28	2,28,005	11,970	28	2,00,559	27,446	10,339
Vehicles	7,189	3,301	-	10,490	859	-	6,460	4,030	1,588
Office Equipment	1,32,638	8,886	623	1,40,901	14,695	623	1,17,494	23,407	29,216
Total	12,84,668	96,839	651	13,80,856	1,16,120	651	11,30,116	2,50,740	2,70,021
Work in progress	15,996	26,942	13,085	29,853	-	-	-	29,853	15,996
Grand Total	13,00,664	1,23,781	13,736	14,10,709	1,16,120	651	11,30,116	2,80,593	2,86,017
As at 31st March 2017	12,40,779	97,027	37,142	13,00,664	1,12,402	11,665	10,14,647	2,86,017	

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2018	31st March 2017
SCHEDULE 11		
CASH AND BANK BALANCES		
1 Cash (including cheques, drafts and stamps)	47,384	97,424
2 Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current Accounts	6,07,967	6,76,932
(c) Others	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
Total	6,55,351	7,74,356

Included in Bank balances -- current accounts, are balances held outside India amounting to NIL (31st Mar 2017 - NIL) with non-scheduled banks and the other bank balances are with scheduled banks.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st Mar 2018	31st Mar 2017
SCHEDULE 12		
ADVANCES AND OTHER ASSETS		
ADVANCES		
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	51,720	44,659
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source [Net of provision for tax amounting to ₹ 17,27,564 thousand (Previous Year: ₹ 11,92,564 thousand)]	7,76,526	2,23,938
6 MAT Credit Entitlement	-	27,088
7 Others -- Deposits for premises	81,883	75,984
-- Service Tax and GST unutilised credit/Advance Payments	88,983	42,390
-- Other Advances	19,345	30,721
Total (A)	10,18,457	4,44,780
OTHER ASSETS		
1 Income accrued on investments	13,63,220	10,07,005
2 Outstanding Premiums	1,17,635	1,06,523
3 Agents' Balances	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business (including reinsurers)	98,119	81,179
6 Due from Subsidiaries / Holding Company	-	-
7 Deposit with Reserve Bank of India [Pursuant to section 7 of the Insurance Act, 1938]	-	-
8 Others		
-- Balance with Terrorism Pool	7,76,479	6,70,317
-- Bank Deposits - Unclaimed Amount of Policyholders	1,34,664	-
-- Investment Related Receivables	778	912
Total (B)	24,90,895	18,65,936
Total (A+B)	35,09,352	23,10,716

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st Mar 2018	31st Mar 2017
SCHEDULE 13		
CURRENT LIABILITIES		
1 Agents' Balances	2,02,090	84,524
2 Balances due to other Insurance Companies (including reinsurers)	16,91,534	3,03,888
3 Deposits held on Re-insurance ceded	-	-
4 Premiums received in advance	1,79,015	2,70,709
5 Unallocated Premium	1,94,404	2,19,774
6 Sundry Creditors	12,23,283	13,19,395
7 Unclaimed amount of Policyholders	1,11,814	1,22,914
8 Due to Subsidiaries / Holding Company	41,232	35,802
9 Claims Outstanding	2,14,17,889	1,68,92,633
10 Due to Officers / Directors	10,000	7,000
11 Others - Service Tax payable/GST Payable - Claims approved under settlement	95,951 1,33,057	24,585 1,39,417
Total	2,53,00,269	1,94,20,641
SCHEDULE 14		
PROVISIONS		
1 Reserve for Unexpired Risk	1,11,49,374	1,02,32,923
2 For taxation (less advance tax paid and taxes deducted at source)	-	-
3 For proposed dividends	-	-
4 For dividend distribution tax	-	-
5 Others - Employee Benefits - Gratuity - Leave compensated absence	16,913 9,404	26,121 10,456
Total	1,11,75,691	1,02,69,500
SCHEDULE 15		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
1 Discount Allowed in issue of shares / debentures	-	-
2 Others	-	-
Total	-	-

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting practices and accounting requirements prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Accounting Regulations') and amendments if any, The Insurance Act, 1938, The Insurance Regulatory and Development Authority Act, 1999, Orders / Circulars / Notifications issued by IRDAI from time to time, the Accounting Standards issued [by the Institute of Chartered Accountants of India ('ICAI')] under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the other requirements of the said Act, to the extent applicable.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates, and any changes arising there from are accounted for prospectively.

The Company follows the mercantile system of accounting and recognises items of income and expenditure on accrual basis.

2. Revenue recognition for insurance business

Premium (net of Service Tax / GST) is recognized as income over the contract period or period of risk, as appropriate and for installment cases, it is recognized on installment due dates after adjusting for unearned premium (unexpired risk) and premium deficiency, if any. For Government sponsored Health Scheme (RSBY), premium is recognized based on enrollment of lives and acknowledgement of the invoices by the Government. Subsequent revisions to or cancellations of premium are accounted for in the year in which they occur. Premium received in advance represents premium received prior to commencement of the risk.

Premium deficiency is recognised whenever expected claims cost, related expenses and maintenance cost exceed related reserve for unexpired risk in Fire, Marine and Miscellaneous Revenue Accounts.

The reserve for unexpired risks represents the proportion of premium written relating to periods of insurance subsequent to the Balance Sheet date, calculated principally on a daily pro-rata basis and is subject to a minimum of 50% as stipulated in the Insurance Act, 1938. However in respect of Marine Cargo and Marine Hull business a fixed percentage of 50 and 100 respectively on Net Written Premium of the year, is adopted.

3. Claims

- (a) Claims paid include claims settlement costs, comprising survey, legal and other directly attributable expenses.
- (b) Estimated liability for outstanding claims in respect of direct business is provided on the basis of claims reported till the end of the financial year.
- (c) Estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER') is based on available statistical data and is as certified by the Appointed Actuary.
- (d) Premium deficiency if any is calculated based on actuarial valuation duly certified by the Appointed Actuary.
- (e) Salvage is accounted for, on realisable basis.

SIGNIFICANT ACCOUNTING POLICIES

4. Reinsurance

Reinsurance premium ceded is accounted for in the year in which the risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Unearned premium on reinsurance ceded is carried forward to the period of risk and set off against related unearned premium.

Premium on excess of loss reinsurance cover is accounted as per the reinsurance arrangements.

Claims recoverable from reinsurers are accounted for in the same period as Claims.

Commission on reinsurance ceded is recognised as income during the year in which the reinsurance premium is ceded. Profit commission is accounted when due.

5. Indian Market Terrorism Risk Insurance Pool

The Company has subscribed to a pool created by Indian non-life insurers for insurance of terrorism risk ('the Pool') from 1st April 2002, managed by General Insurance Corporation of India ('the Pool Manager'). In terms of the Pool agreement, the Company reinsures the entire terrorism risk underwritten by it with the Pool and the Pool Manager is required to protect the portfolio for common account and retrocede it back to all Pool members including the Pool Manager, in proportion to their accepted share.

Accordingly, based on statements received from the Pool Manager up to the finalisation of financial statements, the Company combines its proportionate retrocession share of the Pool's income and expenses with similar items in its financial statements, on a line-by-line basis.

A reserve for unexpired risks is recorded at 100 per cent of the net premium retroceded to the Company from the Pool during the year.

6. Indian Motor Third Party Insurance Pool

The Company was a member of the Indian Motor Third Party Insurance Pool (IMTPIP) under which it collectively, mandatorily and automatically participated in a pooling arrangement to share all motor third party insurance business underwritten between 1st April 2007 to 31st March 2012, in respect of commercial vehicles.

IRDAI had vide its Orders IRDA/NL/ORD/MPL/277/12/2011 dated 23rd December 2011 and IRDA/NL/ORD/MPL/003/01/2012 dated 3rd January, 2012 directed dismantling of the IMTPIP with effect from March 31, 2012. The dismantling of the pooling arrangement of IMTPIP implies that the insurers liability on motor third party insurance on commercial vehicles gets restated from industry market share basis to actual policy issued basis.

7. Indian Motor Third Party Declined Risk Insurance Pool (DR Pool)

In accordance with the directions of IRDAI, the Company, together with other non-life insurance companies, participates in the Indian Motor Third Party Declined Risk Insurance Pool [DR Pool], a multilateral reinsurance arrangement in respect of specified commercial vehicles and where the policy issuing member insurer cede the insurance premium to the DR Pool (based on underwriting policy approved by IRDAI). The DR Pool is administered by General Insurance Corporation of India ('GIC').

In terms of the DR Pool agreement, the company shall underwrite, net of reinsurance, a minimum percentage of "Act only" premium of specified commercial vehicles which is in proportion to the sum of fifty percent of the company's percentage share in total gross premium and fifty percent of the total motor premium of the industry for the financial year. 75% of the premium written by the member insurer is to be ceded to the DR Pool. The fulfillment or shortfall of the mandatory obligations shall be determined based on actual premium written (net of reinsurance) by the Company and premium retained with respect to the business ceded to the DR Pool. The DR Pool shall be extinguished at the end of every financial year on a clean cut basis, based on the statement of accounts drawn by the Pool Administrator.

IRDAI had vide its Circular IRDA/NL/CIR/MISC/051/03/2016 dated 15th March 2016 directed dismantling of the (IMTPDRP) with effect from April 1, 2016.

SIGNIFICANT ACCOUNTING POLICIES

The Company accounts for the pool transactions for the previous financial year on the basis of Full and Final statements received from Pool for the period ended 31st March 2016.

8. Investments

- (a) Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) (Amendment) Regulations.
- (b) Investments maturing within or intended to be held for a period of less than twelve months from the Balance Sheet date are classified as 'Short term investments' while those maturing beyond or intended to be held for a period of twelve months or above are classified as 'Long term investments'.
- (c) Investments are recorded at cost including acquisition charges (such as brokerage, transfer stamps etc), if any, and exclude interest paid on purchase.
- (d) Investments though not so separately classified in the accounts, are identified on an aggregate basis with the Policyholders' and Shareholders' Funds on the same lines as Investment income, as stated in item 9 herein below.
- (e) Debt Securities & Preference Shares
 - i. Debt Securities, which include Government Securities are considered as 'held-to-maturity' and are measured at historical cost. The premium / discount, if any, on purchase of Debt Securities is amortised over the period to maturity based on their intrinsic yield.
 - ii. The net realised gains or losses on debt securities are the differences between the net sale consideration and the amortized cost, which is computed on a weighted average basis.
 - iii. The difference between the acquisition price and the maturity value of money market instruments is recognised as income in the Revenue Accounts or the Profit and Loss Account, as the case may be, over the remaining term of these instruments on a yield to maturity basis.
- (f) Equity Securities that are traded in active markets
 - i. Measured at each Balance Sheet date at the fair value, being the last quoted closing prices available on the Balance Sheet date on the National Stock Exchange.
 - ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair Value Change – Equity Account" and carried to the Balance Sheet.
 - iii. Profit/Loss on actual sale of a particular security shall include the accumulated fair value change thereof and is recycled to the Profit and Loss Account.
 - iv. At each Balance Sheet date the company assesses impairment if any in the value, by examining if the investee company has been making losses continuously for the last three years and also its net worth is eroded, and recognizes the resultant impairment as an expense in the Revenue/Profit and Loss Account.
- (g) Mutual funds – Liquid Funds / Gilts / Debt Funds
 - i. Measured at each Balance Sheet date at the fair value, being the realisable Net Asset Value.
 - ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair Value Change- Mutual Fund Account" and carried to the Balance Sheet.
 - iii. Profit/Loss on actual sale of units of a particular mutual fund shall include the accumulated fair value change thereof and is recycled to the Profit and Loss Account.
 - iv. At each Balance Sheet date the company assesses impairment if any in the value, by examining if the realisable net asset value of each mutual fund is lower than the weighted average cost thereof, and recognizes such impairment as an expense in the Revenue/Profit and Loss Account.
- (h) Alternative Investment Funds
 - i. Investments in Alternative Investment Funds (AIFs) are valued at latest available Net Asset Value.

SIGNIFICANT ACCOUNTING POLICIES

- ii. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognised in the Balance Sheet under "Fair value change Account".

9. Investment income

- i. Investment income other than that from pool accounts (including profit/loss on sale of investments) is allocated to the respective Revenue Accounts and the Profit and Loss Account based on the ratio of average "Policyholder Funds" and "Shareholders' Funds" respectively (average of funds at the beginning and end of the year).
- ii. "Policyholder Funds" are the aggregate of outstanding claims, estimates for IBNR (including IBNER), reserve for unexpired risk, premium deficiency, catastrophe reserve and other liabilities net off other assets excluding the technical funds relating to pool accounts. "Shareholders' Funds" are the aggregate of funds available to the Company's shareholders, i.e., Share Capital + Reserve & Surplus.
- iii. Investment income arising from pool accounts is allocated directly to respective Revenue Accounts.
- iv. Dividend is accounted for as income as and when the right to receive is established.

10. Fixed Assets and Depreciation

Depreciation on tangible assets is provided on straight line method over the useful lives of assets estimated by the management. The management estimates the useful lives of assets as under.

Useful Life and Depreciation:

Asset	Method of Depreciation	Useful Life (in years)	Rate
Furniture and Fittings	Straight Line Method	10	10%
Improvements to leased premises	Straight Line Method	Equally over the maximum period of the lease initially agreed upon and in case of improvement to existing leased premises, over the balance lease period.*	
Information Technology Software	Straight Line Method	3	33.33%
Information Technology Equipment- Servers	Straight Line Method	6	16.67%
Information Technology Equipment- Other Hardware	Straight Line Method	3	33.33%
Vehicles	Straight Line Method	4	25% on 90% of the cost*
Office Equipment	Straight Line Method	5	20%

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

11. Impairment of Assets other than Investments

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the net selling price of the assets and their value in use.

12. Operating Expenses

- (a) Operating expenses, in the nature of acquisition costs, are expensed as incurred.
- (b) Operating expenses relating to insurance business are assigned to respective business segments as follows:
 - (i) Expenses directly identifiable to the business segments are allocated on an actual basis.
 - (ii) Other expenses, which are not directly identifiable, are apportioned on the basis of the Net Written Premium - Direct in each business segment during the year.

SIGNIFICANT ACCOUNTING POLICIES

13. Operating Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments for the non-cancellable period of the operating leases are recognised as an expense over the lease term.

14. Employee Benefits

- (a) Defined Contribution Plans - Superannuation, Employee State Insurance and Provident Fund contributions are charged to as expenses on accrual.
- (b) Defined Benefit Plans - Retirement gratuity liability is funded with an Insurance Company through contributions to an approved gratuity trust. Liability therefore at each Balance sheet date is arrived at by external actuarial valuation by the fund manager using the projected unit credit method. Differential liability therefore is recognized in the accounts each year.
- (c) Costs of the Company's accumulating Compensated Absence Plans are valued and accounted for based on actuarial assumptions at each Balance Sheet date.
- (d) Costs of the Company's Retention Awards are valued and accounted for based on actuarial assumptions at each Balance Sheet date.
- (e) Actuarial gains/losses are recognized in the Revenue Accounts.

15. Income Tax

Tax expense comprises current and deferred. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961. Deferred Income-Tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised on carried forward unabsorbed depreciation and tax losses only if there is a virtual certainty that such deferred tax assets can be realised against future taxable profits. Other deferred tax assets of earlier years are reassessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which, such deferred tax assets can be realised.

16. Transactions in Foreign Exchange

- (a) Transactions in foreign currency are recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the year end.
- (b) Exchange differences arising on foreign currency transactions are recognised as income or expense in the year in which they arise.

17. Provision for Contingencies

In accordance with Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets', to the extent applicable to the Company, provisions are created in respect of obligations as a result of past events and it is probable that an outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These will be reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

18. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

SCHEDULE 17

NOTES TO FINANCIAL STATEMENTS

1. The assets of the Company are free from encumbrances.

2. a) Contingent liabilities (₹' 000)

Particulars	31st March 2018	31st March 2017
Partly paid investments	565*	Nil
Underwriting commitments relating to investment activities	Nil	Nil
Claims, other than those under policies, not acknowledged as debts	Nil	Nil
Guarantees given by or issued on behalf of the Company	Nil	Nil
Statutory demands / liabilities in dispute, not provided for :		
- Disputed Income Tax Liability#	6,93,315**	5,46,223**
- Disputed Service tax Liability (Including penalty of ₹4,91,985 thousands)	11,22,428***	11,24,495***
Reinsurance obligations, to the extent not provided for in the accounts	Nil	Nil
Others	6,853****	6,853****

*Uncalled portion of Partly Paid Shares invested in by the Company on Rights Basis.

**The contested Income Tax Demands have been ascertained on the basis of the relief allowed by the Commissioner of Income Tax (Appeals) and the principles adopted vide orders of CIT (Appeals) on similar disputed issues in the earlier assessment years.

Based on the Directorate General of Central Excise Intelligence (DGCEI) Order, in respect of certain payments, the Income Tax Department made certain additions for earlier years. This has resulted in the additional tax demand of ₹ 26,53,613 thousands, which has not been considered as a contingent liability on the basis of expert legal advice that the demands are not sustainable and the likelihood of outflow of resources on this account is remote.#

In respect of disputed Income Tax Liabilities, Company has paid ₹ 5,10,000 thousands, based on the directions of the Income Tax Department and for the purpose of obtaining a stay for various demands.

*** Based on the Show Cause Notice issued by the Directorate General of Central Excise Intelligence (DGCEI), the Commissioner – Service Tax LTU, Chennai has confirmed the disallowance of certain input credits availed by the company for earlier years and demanded service tax inclusive of penalty and interest. The Company has not considered the demand of ₹ 7,44,194 thousands as a contingent liability on the basis of expert legal advice that the demands are not sustainable and the likelihood of outflow of resources is remote. The company has disclosed the demand on account of this for one financial year prior to the date of Show Cause Notice as a contingent liability, based on legal advice.

**** The company is of the view that retrospective payment of bonus is not appropriate and accordingly for bonus computation such retrospective amendment has not been taken into consideration. The additional liability on account of retrospective amendment is ₹ 6,853 thousands. The retrospective amendment is being challenged by various parties in the High Court and based on the final outcome on determination of court cases would be accounted for on that date.

NOTES TO FINANCIAL STATEMENTS

b) Commitments made for Investments and Fixed Assets (₹' 000)

Particulars	31st March 2018	31st March 2017
Commitments made and outstanding for Loans and Investments	Nil	Nil
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	92,542	65,569

c) Service Tax Advance Payments under "Advances & Other Assets" (Schedule.12) includes ₹ 24,200 thousands (previous year ₹ 24,200 thousand) of cenvat credit reversed & held under protest with service tax authorities. Pending finality on this matter, the said amount is considered good & recoverable based on the legal opinion obtained by the company.

3. The disclosures in respect of operating leases are as follows (₹' 000)

Particulars	31st March 2018	31st March 2017
Lease payments debited to the Profit and Loss Account	1,36,749	1,27,131
Future minimum lease payments		
- Not later than one year	1,14,056	1,16,046
- Later than 1 year but not later than 5 years	2,22,421	2,31,904
- Later than 5 years	21,368	26,194

4. Ageing of Gross Outstanding Claims (₹' 000)

Particulars	31st March 2018		31st March 2017	
	Nos.	Amount	Nos.	Amount
Claims outstanding for a period exceeding six months	17,593	89,20,527	19,512	81,01,993
Other Claims (less than 6 months)	12,385	27,74,611	14,355	28,50,167
Grand Total	29,978	1,16,95,138	33,867	1,09,52,160

The claims were outstanding predominantly due to non-submission of essential documents by the insured and in respect of motor third party claims due to legal process involved. As at the year end March 31, 2018, there are Nil claims (Previous Year - Nil) outstanding for a period exceeding six months from the date when settlement has been agreed.

5. Investments

a) (₹' 000)

Particulars	31st March 2018	31st March 2017
Contracts for sales where payments are overdue	Nil	Nil
Contracts for Purchases due for delivery on the Balance Sheet date	Nil	Nil

b) (₹' 000)

Particulars	31st March 2018	31st March 2017
Non-Performing Investment	Nil	Nil

NOTES TO FINANCIAL STATEMENTS

6. A) Employee Benefits – Gratuity

Disclosures as required under Accounting Standard 15 “Employee Benefits - Gratuity”.

a) The amounts recognized in the Balance Sheet (₹' 000)

Particulars	31st March 2018	31st March 2017
Present value of obligations as at the end of the year	1,26,760	1,09,494
Fair value of plan assets as at the end of the year	1,09,784	83,373
Unrecognized Past Service Cost	63	-
Funded status Asset/(Liability)	(16,913)	(26,121)
Net Asset/(Liability) recognised in the Balance Sheet	(16,913)	(26,121)

b) Expenses recognised in Revenue Accounts (₹' 000)

Particulars	31st March 2018	31st March 2017
Current Service cost	17,691	13,949
Past Service cost	8,497	-
Interest Cost	8,947	7,324
Expected return on plan assets	(6,345)	(5,406)
Net Actuarial loss recognized in the year	(9,417)	12,484
Expenses to be recognised in Revenue Accounts	19,373	28,352

c) Reconciliation of Benefit Obligation & Plan Assets for the period (₹' 000)

Particulars	31st March 2018	31st March 2017
Changes in present value of obligations		
Present value of obligations as at the beginning of the year	1,09,494	81,509
Interest cost	8,947	7,324
Current Service Cost	17,691	13,949
Past Service Cost	8,560	-
Benefits Paid	(8,095)	(7,363)
Actuarial (gain)/loss on obligation	(9,837)	14,074
Present value of obligations as at the end of the year	1,26,760	1,09,494

(₹' 000)

Particulars	31st March 2018	31st March 2017
Changes in the fair value of plan assets – LIC Fund		
Fair value of plan assets at the beginning of the year	83,373	64,735
Expected return on plan assets	6,345	5,406
Contributions	28,581	19,004
Benefits Paid	(8,095)	(7,363)
Actuarial gain on plan assets	(419)	1,590
Fair value of plan assets at the end of the year	1,09,784	83,373

NOTES TO FINANCIAL STATEMENTS

d) Asset Information (₹' 000)

Category of Assets (% Allocation)	Period Ended			
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	(%)	(%)	(₹'000)	(₹'000)
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Insurer Managed Funds	100%	100%	1,09,784	83,373
Others	-	-	-	-
Grand Total	-	-	1,09,784	83,373

e) Experience Adjustments (₹' 000)

	Period Ended				
	31 st March 2014	31 st March 2015	31 st March 2016	31 st March 2017	31 st March 2018
Defined benefit Obligation	54,814	68,931	81,509	1,09,494	1,26,760
Plan Assets	50,290	56,874	64,735	83,373	1,09,784
Surplus / (Deficit)	(4,524)	(12,057)	(16,774)	(26,121)	(16,976)
Exp. Adj. on Plan Liabilities	3,282	(204)	473	6,926	(6,311)
Exp. Adj. on Plan Assets	845	229	78	1,590	(419)

f) Assumptions (₹' 000)

Particulars	31 st March 2018	31 st March 2017										
i) Discount rate	8.05%	7.25%										
ii) Salary Escalation	9.00%	8.00%										
iii) Expected return on plan assets	7.50%	7.50%										
iv) Mortality has been considered as per the published rates under the Indian Assured Lives Mortality (2006-08) Ult table												
v) Rates of leaving service has been assumed as under												
<table border="1"> <thead> <tr> <th>Age (Years)</th> <th>Rates (p.a.)</th> </tr> </thead> <tbody> <tr> <td>21-30</td> <td>21%</td> </tr> <tr> <td>31-40</td> <td>15%</td> </tr> <tr> <td>41-50</td> <td>8%</td> </tr> <tr> <td>51-59</td> <td>12%</td> </tr> </tbody> </table>	Age (Years)	Rates (p.a.)	21-30	21%	31-40	15%	41-50	8%	51-59	12%		
Age (Years)	Rates (p.a.)											
21-30	21%											
31-40	15%											
41-50	8%											
51-59	12%											

NOTES TO FINANCIAL STATEMENTS

B) Employee Benefits – Compensated Absence

The present value of obligations towards compensated absences as at March 31, 2018 as per Actuarial Certificate is ₹ 9,404 thousands (Previous Year: ₹ 10,456 thousands) and is provided for in the books of Accounts. The basis of provision for compensated absences is as follows:

Particulars	31st March 2018	31st March 2017
Changes in present value of obligations		
Present value of obligations as at the beginning of the year	10,456	8,133
Interest cost	-	-
Current Service Cost	1,052	2,323
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	-	-
Present value of obligations as at the end of the year	9,404	10,456

Assumptions

Particulars	31st March 2018	31st March 2017
Discount rate	8.05%	7.25%
Salary Escalation	9.00%	8.00%
Earned leave	As per Company rules	
Retirement age	60 Years	60 Years
Mortality rate Table	IALM (2006-2008)	IALM (2006-2008)

C) Employee Benefits – Retention Awards

The present value of obligations towards retention awards as at March 31, 2018 is NIL (Previous Year: NIL). The basis of provision for retention awards is as follows: (₹' 000)

Particulars	31st March 2018	31st March 2017
Changes in present value of obligations		
Present value of obligations as at the beginning of the year	NA	21,852
Interest cost	NA	-
Current Service Cost	NA	5948
Benefits Paid	NA	(27,800)
Actuarial (gain)/loss on obligation	NA	-
Present value of obligations as at the end of the year	NA	-

Assumptions

Particulars	31st March 2018	31st March 2017
Discount rate	NA	NA
Increase in Incentive Amount	NA	NA
Retirement age	NA	NA
Mortality rate Table	NA	NA
Leaving Service	NA	NA
Disability	NA	NA

NOTES TO FINANCIAL STATEMENTS

7. Deferred Tax (₹' 000)

Particulars	31st March 2018	31st March 2017
Deferred Tax Assets		
Reserve for Unexpired risk	3,16,196	2,24,176
Depreciation	26,823	12,232
Accumulating Compensated Absence	3,255	3,619
	3,46,274	2,40,026
Deferred Tax Liability		
Accumulating Compensated Absence	-	-
Net Deferred Tax Asset	3,46,274	2,40,026

8. Participation in Indian Terrorism Risk Insurance Pool

The Company has accounted for the retro cession for 4 Quarters upto December 2017 during the year. (₹' 000)

Particulars	31st March 2018	31st March 2017
Due from the Pool Manager, beginning of the year	6,70,317	5,89,842
Premium on reinsurance accepted	77,582	50,368
Investment Income	47,429	45,750
Premium on reinsurance ceded	(7,451)	(7,775)
Claims paid on reinsurance accepted	(2,584)	(1,442)
Operating expenses related to insurance business	(8,814)	(6,425)
Profit Commission on XL	Nil	Nil
Due from the Pool Manager, end of the year	7,76,479	6,70,317
Claims outstanding, end of the year	(1,000)	(1,000)
Reserve for Unexpired risk, end of the year	(70,130)	(42,593)
Reserve for Unexpired risk, beginning of the year	42,593	39,351

9. Indian Motor Third Party Declined Risk Insurance Pool (DR Pool)

In accordance with the directions of IRDAI, the Company, together with other non-life insurance companies, participates in the Indian Motor Third Party Declined Risk Insurance Pool [DR Pool], a multilateral reinsurance arrangement in respect of specified commercial vehicles. The company has accounted upto March 31, 2016 based on the Full and Final statement received from the pool administrator during the previous year.

(₹' 000)

Particulars	31st March 2018	31st March 2017
Premium on reinsurance accepted	-	(86)
Incremental Reserve for unexpired risk	-	-
Claims Paid on Reinsurance Accepted	-	61,647
Claims Outstanding, end of the year	-	65,684
Claims Outstanding, beginning of the year	-	1,32,158
Claims Incurred	-	66,473
Operating expenses related to DR Pool	-	559
Profit / (Loss) from Pool	-	(67,118)

NOTES TO FINANCIAL STATEMENTS

10. Solatium Fund (₹' 000)

Particulars	31st March 2018	31st March 2017
Contribution to the Solatium Fund @ 0.1% of the Gross Written Premium of Motor Third Party Business	7,875	6,345

11. The Sector-wise Gross Written Premium Direct (₹' 000)

Particulars	31st March 2018		31st March 2017	
	Amount	%	Amount	%
Rural Sector (including Social Sector)*	23,05,984	8.79	19,83,437	9.06
Other Sectors	2,39,28,367	91.21	1,99,04,396	90.94
Total Gross Direct Premium	2,62,34,351	100	2,18,87,833	100

Social Sector	31st March 2018	31st March 2017
No. of Lives Covered	3,29,007	1,47,992
No. of Policies Issued	365	290

*The business written under rural / social sector is higher than the stipulated target set out in the IRDAI Regulations.

12. Premium Recognition on Varying Risk Pattern

Premium income recognised based on varying risk pattern is Nil (Previous Year : Nil)

13. Risk retention / Reinsurance (₹' 000)

Particulars	31st March 2018	31st March 2017
Risk retained (%)	77	86
Risk reinsured (%)	23	14

14. Remuneration to Managing Director (as approved by IRDAI) (₹' 000)

Particulars	2017-18	2016-17
M S Sreedhar		
Salary	4,848	4,530
Allowances and perquisites	18,322	16,513
Total	23,170	21,043
Less:-Transferred to Revenue Account	15,000	15,000
Balance Transferred to Profit & Loss Account	8,170	6,043

Disclosure of benefits given to group company employees by holding company as required under "Securities and Exchange Board of India (Share based Employee Benefits) Regulations,2014":

(₹' 000)

Name of the Employee	Designation of the Employee	Stock Options	Cost Incurred by Holding Company
M S Sreedhar	Managing Director	750 Shares	930

NOTES TO FINANCIAL STATEMENTS

15. Related Party Transactions

Enterprise having significant influence on the reporting enterprise

i. Holding company

Sundaram Finance Limited.

ii. Fellow Subsidiaries

Name of the related party	Relationship
LGF Services Ltd.	Fellow subsidiary
Sundaram Asset Management Company Ltd.	Fellow subsidiary
Sundaram Asset Management Singapore Pte Ltd.	Fellow subsidiary
Sundaram BNP Paribas Fund Services Ltd.	Fellow subsidiary
Sundaram Trustee Company Ltd	Fellow subsidiary
Sundaram BNP Paribas Home Finance Co. Ltd	Fellow subsidiary
Sundaram Alternate Assets Ltd.	Fellow subsidiary
Sundaram Business Services Ltd*	Fellow subsidiary
Sundaram BPO India Ltd*	Fellow subsidiary
Sundaram Finance Distribution Ltd.**	-

*Fellow Subsidiary till January 17, 2018

** Name changed to Sundaram Financial Holding Limited. effective March 29, 2017.

iii. Key Management personnel

M S Sreedhar	Managing Director
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Transactions with related parties and balances

(₹'000)

Sl. No	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/Categories	2017-18		2016-17	
				Transactions for the Current Year	Outstanding Amt Carried to Balance Sheet Payable/(Receivable)	Transactions for the Previous Year	Outstanding Amt Carried to Balance Sheet Payable/(Receivable)
1.	Sundaram Finance Limited	Holding Company	Insurance Premium Income -As beneficiary	10,146		9,726	
			Insurance Premium Income -As others	12,494		14,167	
			Interest Income on Investment	43,769		41,957	
			Rent Paid	7,469		6,122	
			Services Received	42,346		43,058	
			Agency Commission Expenses	1,48,111		70,835	
			Insurance Claims Expenses-As beneficiary	2,794		7,149	
			Insurance Claims Expenses -As others	15,438		11,146	
			Investment Purchase	-		2,55,297	
			Investment Redemption	-		1,50,000	
			Interest on debentures	1,07,500		28,445	
			Other Receivables		(23,872)		(20,627)
			Investment Held		(5,18,972)		(5,07,002)
			Rental Deposit		(3,625)		(3,625)
			Other Payable		45,077		38,647
			Insurance Deposit		34,473		16,473
			Share Capital		34,07,910		25,12,290
Subscription of debentures		10,00,000		10,00,000			

Transactions with related parties and balances

(₹'000)

Sl. No	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/Categories	2017-18		2016-17	
				Transactions for the Current Year	Outstanding Amt Carried to Balance Sheet Payable/ (Receivable)	Transactions for the Previous Year	Outstanding Amt Carried to Balance Sheet Payable/ (Receivable)
2.	Sundaram BNP Paribas Home Finance Ltd	Fellow Subsidiary	Insurance Premium Income	2,078		2,132	
			Interest Income on Investment	61,403		66,448	
			Insurance Claims Expenses	389		163	
			Investment Redemption	1,00,000		50,000	
			Other Receivables		(25,750)		(26,620)
			Other Payable		2,801		2,921
			Investment Held		(5,50,000)		(6,50,000)
			Insurance Deposit		1,000		1,675
3.	Sundaram Business Services Ltd*	Fellow Subsidiary	Insurance Premium Income	204		219	
			Insurance Claims Expenses	-		55	
4.	Sundaram BPO India Ltd*	Fellow Subsidiary	Insurance Premium Income	170		208	
			Insurance Claims Expenses	-		27	
5.	Sundaram Asset Management Company Ltd	Fellow Subsidiary	Insurance Premium Income	597		2,502	
			Insurance Claims Expenses	1,732		1,385	
			Rent received	-		206	
			Other Payable		-		84
6.	Sundaram BNP Paribas Fund Services Ltd.	Fellow Subsidiary	Insurance Premium Income	-		108	
7.	Sundaram Trustee Company Ltd	Fellow Subsidiary	Insurance Premium Income	263		258	
8.	Sundaram Finance Distribution Limited**	-	Insurance Premium Income	-		10	
9.	M S Sreedhar	Key Managerial Personnel	Insurance Premium Income	56		57	
			Remuneration	23,170		21,043	
			Other Payable		10,000		7,000

NOTES TO FINANCIAL STATEMENTS

16. Penal Actions by various statutory authorities

(For the year ended 31st March 2018)

(₹'000)

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1.	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil
2.	Service Tax Authorities	Nil	9769	Nil	Nil
3.	Income Tax Authorities	Nil	Nil	Nil	Nil
4.	Any other Tax Authorities	Nil	Nil	Nil	Nil
5.	Enforcement Directorate/Adjudicating Authority/Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6.	Registrar of Companies/NCLT/CLB/Department of Corporate Affairs or any Authority under Companies Act, 2013	Nil	Nil	Nil	Nil
7.	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8.	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9.	Competition Commission of India	Nil	Nil	Nil	Nil
10.	Any other Central/State/Local Government/Statutory Authority	Nil	Nil	Nil	Nil

(For the year ended 31st March 2017)

(₹'000)

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1.	Insurance Regulatory and Development Authority of India	Nil	Nil	4000	Nil
2.	Service Tax Authorities	Nil	Nil	Nil	Nil
3.	Income Tax Authorities	Nil	Nil	Nil	Nil
4.	Any other Tax Authorities	Nil	Nil	Nil	Nil
5.	Enforcement Directorate/Adjudicating Authority/Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6.	Registrar of Companies/NCLT/CLB/Department of Corporate Affairs or any Authority under Companies Act, 2013	Nil	Nil	Nil	Nil
7.	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8.	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9.	Competition Commission of India	Nil	Nil	Nil	Nil
10.	Any other Central/State/Local Government/Statutory Authority	Nil	Nil	Nil	Nil

17. Segment Reporting

The Company carries on non-life insurance business in India. The Company has provided primary segmental information, in Annexure I, as required by Accounting Standard 17 - 'Segment Reporting' issued by ICAI, read with Accounting Regulations.

NOTES TO FINANCIAL STATEMENTS

18. Interest earned on investments is shown net of amortisation of premium / (discount) on securities. The details of such amortisation are as below :

Particulars	(₹'000)	
	31st March 2018	31st March 2017
Revenue Account – Policyholders' Funds		
Fire	2,084	1,355
Marine	403	306
Miscellaneous	65,570	40,658
Profit and Loss Account – Shareholders' Funds	17,649	10,012
Total	85,706	52,330

19. Summary of Financial Statements and Accounting Ratios

A summary of financial statements and Accounting Ratios as per the formats prescribed by the IRDAI in its master circular dated 5th October 2012 and subsequent clarifications thereon dated 3rd July 2013, are provided in Annexure 2 and Annexure 3.

20. The liability of IBNR & IBNER for the year ending March 31, 2018 has been estimated by the appointed actuary in compliance with the guidelines issued by the IRDAI.

21. Details of Outsourcing Expenses

Particulars	(₹'000)	
	31st March 2018	31st March 2017
Nature of Outsourcing		
Data processing and outsourcing expenses	21,09,158	30,73,758
Marketing and related expenses	5,97,437	2,54,418
Other Outsourcing Expenses	2,72,585	2,68,150
Total	29,79,180	35,96,326

22. Statement showing the age-wise analysis of the unclaimed amount of the Policyholders

(For the year ended 31st March 2018)

(₹'000)

Particulars	Total Amount	AGE-WISE ANALYSIS					
		4-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims Settled but not paid to the policyholders	-	-	-	-	-	-	-
Excess Premium & Refunds (Due to the insured)	2,957	1,137	843	785	3	96	93
Chq issued but not encashed by the policyholder/Insured	1,25,343	38,358	18,449	12,824	9,955	12,843	32,914

The above given figures include the policyholders dues for the ageing 4-6 months & hence would differ from the amount given under the head "Unclaimed Amount of Policyholders" in Schedule 13.

(For the year ended 31st March 2017)

(₹'000)

Particulars	Total Amount	AGE-WISE ANALYSIS					
		4-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims Settled but not paid to the policyholders	-	-	-	-	-	-	-
Excess Premium & Refunds (Due to the insured)	9,893	3,333	255	244	228	364	5,469
Chq issued but not encashed by the policyholder/Insured	1,33,966	44,971	21,000	31,564	20,665	1,272	14,494

The above given figures include the policyholders dues for the ageing 4-6 months & hence would differ from the amount given under the head "Unclaimed Amount of Policyholders" in Schedule 13.

NOTES TO FINANCIAL STATEMENTS

23. In accordance with the regulatory guidelines, there is no premium deficiency to be recognized at segmental level (i.e. Fire, Marine and Miscellaneous), however there is a premium deficiency in respect of sub-segment within miscellaneous segment as under:

(₹'000)

Particulars	At March 31,2018	At March 31,2017
Motor TP (Including Declined Risk Pool)	2,77,000	5,46,000

24. Earning Per Share (EPS)

(Amount in ₹)

Particulars		31st March 2018
Profit/(Loss) after tax	- A	83,29,69,511
No. of Shares		44,90,00,000
Weighted Avg. No. of Shares	- B	39,68,90,411
(33,10,00,000 Shares for 1st April 2017 to 29th June 2017, 34,90,00,000 Shares for 30th June 2017 to 21st September 2017 & 44,90,00,000 Shares for 22nd Sep 2017 to 31st March 2018)		
EPS – Basic & Diluted	- (A / B)	2.10

(Amount in ₹)

		31st March 2017
Profit/(Loss) after tax	- A	43,04,79,551
No. of Shares		33,10,00,000
Weighted Avg. No. of Shares	- B	32,71,42,466
(315,000,000 Shares for 1st April 2016 to 27th June 2016 & 331,000,000 Shares for 28th June to 31st March 2017)		
EPS – Basic & Diluted	- (A / B)	1.32

25. During the year the foreign exchange gain/(loss) included in the Revenue account of the Company is loss of ₹ 1107 thousands (Previous year loss ₹ 44 thousands).

26. Expenses not directly identifiable to business segments, apportioned to Revenue Accounts

Product Segment	31st March 2018*		31st March 2017*	
	Investment Expenses	Other Expenses	Investment Expenses	Other Expenses
Fire	366	43,667	238	30,806
Marine Cargo	71	19,377	54	17,062
Marine Hull	-	34	-	78
Miscellaneous	10,360	22,49,615	6,416	20,37,512
Total	10,797	23,12,693	6,708	20,85,458
*Basis of Allocation	Mean Policy Holder Fund	NWP - Direct	Mean Policy Holder Fund	NWP - Direct

NOTES TO FINANCIAL STATEMENTS

27. Previous Year figures have been reclassified/regrouped, wherever necessary, to conform with the current year's classification.

S.No	Sch	Particulars	Previous year figures reported in current year	Reported in previous year	Difference	Reason
1.	13	Unclaimed amount of Policyholders	1,22,914	1,51,231	(28,317)	Re-grouped for appropriate presentation
2.	13	Unallocated Premium	2,19,774	5,89,094	(3,69,320)	
3.	13	Sundry Creditors	13,19,395	9,21,758	3,97,637	

28. Previous due date for payment of Interest on Non-Convertible Debentures: 26th March, 2018, paid on 27th March, 2018. Next due date for payment of Interest on Non-Convertible Debentures: 28th September, 2018.

29. There are no amounts due to Micro and Small Enterprises in terms of "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March 2018.

As per our report of even date attached

For N.C. Rajagopal & Co.
Chartered Accountants
Registration No.003398S

For Brahmaya & Co.
Chartered Accountants
Registration No.000511S

V Chandrasekaran
Partner
Membership No:024844

P Babu
Partner
Membership No:203358

Place : Chennai
Date : May 2, 2018

For and on behalf of the Board of Directors

P M Venkatasubramanian
Chairman
(DIN:00124505)

M S Sreedhar
Managing Director
(DIN:07153983)

M S Sundara Rajan
Director
(DIN:00169775)

S Prasad
Director
(DIN:00063667)

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

SEGMENT REPORTING

• The company's business is organised on a National basis and caters to the non-life insurance business. Accordingly, the Company has provided primary segmental information as per Accounting Standard 17 - 'Segment Reporting' issued by ICAI, read with the Accounting Regulations.

• Segment revenues are either directly attributed to or, in the case of bundled products, allocated to the individual segments. There are no inter segment revenues.

• Operating expenses are attributed to the business segments in line with accounting policy 12 in Schedule 16.

• Investments and other Assets and liabilities are identified with the respective segments in the ratio of Shareholders and Policyholder Funds as defined in Policy 8 of Schedule 16.

• Since the business operations of the Company are entirely in India, the same is considered as one geographical segment.

For the year ended 31st March 2018

ANNEXURE I

• The company's business is organised on a National basis and caters to the non-life insurance business. Accordingly, the Company has provided primary segmental information as per Accounting Standard 17 - 'Segment Reporting' issued by ICAI, read with the Accounting Regulations.

• Segment revenues are either directly attributed to or, in the case of bundled products, allocated to the individual segments. There are no inter segment revenues.

• Operating expenses are attributed to the business segments in line with accounting policy 12 in Schedule 16.

• Investments and other Assets and liabilities are identified with the respective segments in the ratio of Shareholders and Policyholder Funds as defined in Policy 8 of Schedule 16.

• Since the business operations of the Company are entirely in India, the same is considered as one geographical segment.

For the year ended 31st March 2018

Particulars	Fire	Marine Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmen Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Others	Investment of Shareholders funds	Total Excluding Motor TP Pool	Motor Pool & Declined Pool	Total Including Motor TP Pool
Gross Direct Premium	14,12,017	3,59,085	6,207	1,23,90,023	78,75,107	2,02,65,130	63,423	79,505	4,89,319	6,06,014	28,30,630	1,23,021	-	2,62,34,351	-	2,62,34,351
Premium inward	2,11,103	1,241	-	-	-	-	-	-	30,469	30,181	-	-	-	2,72,995	-	2,72,995
Net Written Premium	4,40,804	1,68,257	294	92,79,968	74,57,005	1,67,36,973	54,842	31,967	73,713	5,08,339	22,41,349	64,324	-	2,03,20,862	-	2,03,20,862
Premium earned (net)	2,99,240	1,59,988	711	96,33,624	65,64,136	1,61,97,760	52,675	32,156	69,311	4,84,229	20,33,382	74,958	-	1,94,04,410	-	1,94,04,410
Profit/(Loss) on sale /redemption of investments	11,964	2,300	13	77,522	2,35,367	3,12,889	615	389	1,548	4,770	17,599	629	1,01,302	4,54,019	-	4,54,019
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest (net of amortisation)	1,09,770	13,811	78	4,65,411	14,13,051	18,78,462	3,694	2,333	18,781	28,637	1,05,660	3,773	6,08,181	27,73,181	1,59,600	29,32,781
Total segmental revenue	4,20,974	1,76,100	802	1,01,76,557	82,12,554	1,83,89,111	56,984	34,878	89,640	5,17,636	21,56,641	79,360	7,09,483	2,26,31,610	1,59,600	2,27,91,210
Claims incurred (net)	(1,33,894)	(74,531)	(18)	(61,34,547)	(72,67,226)	(1,34,01,773)	(17,099)	(1,749)	(38,709)	(1,98,463)	(13,47,529)	(25,957)	-	(1,52,39,721)	(3,64,009)	(1,56,03,730)
Commission received / (paid), net	2,969	(11,431)	967	(5,40,347)	(5,432)	(5,45,778)	(5,732)	2,862	82,643	(28,994)	(20,860)	1,924	-	(5,21,430)	-	(5,21,430)
Operating expenses related to insurance business	(1,71,189)	(47,656)	(34)	(32,38,349)	(8,58,478)	(40,96,827)	(9,340)	(5,275)	(31,605)	(1,63,928)	(7,32,831)	(18,475)	-	(52,77,160)	-	(52,77,160)
Total segmental expenses	(3,02,114)	(1,33,618)	915	(99,13,242)	(81,31,136)	(1,80,44,378)	(32,171)	(4,162)	12,329	(3,91,385)	(21,01,220)	(42,508)	-	(2,10,38,311)	(3,64,009)	(2,14,02,320)
Segmental (Loss)/profit	1,18,860	42,482	1,717	2,63,315	81,418	3,44,733	24,813	30,716	1,01,970	1,26,251	55,421	36,852	7,09,483	15,93,299	(2,04,409)	13,88,890
Other income	-	-	-	4,737	-	4,737	-	-	-	-	-	-	3,646	8,382	-	8,382
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	(1,37,050)	(1,37,050)	-	(1,37,050)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	(4,27,252)	(4,27,252)	-	(4,27,252)
Net profit (Loss) for the year	1,18,860	42,482	1,717	2,68,052	81,418	3,49,470	24,813	30,716	1,01,970	1,26,251	55,421	36,852	1,48,827	10,37,379	(2,04,409)	8,32,970
Segment Assets	18,13,551	2,22,074	1,223	72,81,637	2,21,07,978	2,93,89,615	57,789	37,421	3,18,910	4,48,039	17,75,022	59,219	94,34,739	4,35,57,582	38,09,672	4,73,67,254
Segment Liabilities	12,87,643	2,31,542	1,418	76,13,341	2,30,08,372	3,06,21,714	61,644	37,110	1,97,907	4,94,385	18,76,003	64,336	-	3,48,73,700	16,02,261	3,64,75,961
Capital Expenditure	7,300	1,688	29	58,027	36,882	94,909	297	372	2,373	2,980	13,257	576	-	1,23,781	-	1,23,781
Amortisation of premium & discount	(2,084)	(401)	(2)	(13,506)	(41,006)	(54,512)	(107)	(68)	(270)	(831)	(3,066)	(110)	(17,649)	(79,100)	(6,606)	(85,706)
Depreciation	6,848	1,583	27	54,436	34,599	89,035	279	349	2,226	2,795	12,436	540	-	1,16,119	-	1,16,119
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Aviation Segment Business for 2017-18 - NIL

ANNEXURE TO THE FINANCIAL STATEMENTS

	(₹'000)															
Particulars	Fire	Marine Cargo Hull	Marine Hull	Motor OD	Motor TP	Motor Total	Workmen Compensation / Employers Liability	Public / Product Liability	Engineering Accident	Personal Accident	Health Insurance	Others	Investment of Shareholders funds	Total Excluding Motor TP Pool	Motor Pool & Declined Pool	Total Including Motor TP Pool
Gross Direct Premium	11,83,890	3,30,826	13,715	1,06,97,174	63,45,135	1,70,42,309	58,295	68,738	4,32,592	4,72,818	21,72,460	1,12,190	-	2,18,87,833	-	2,18,87,833
Premium inward	1,88,224	-	-	-	-	-	-	-	21,209	-	-	-	-	2,09,433	-	2,09,433
Net Written Premium	3,17,023	1,54,562	712	1,01,16,173	59,92,684	1,61,08,857	49,975	31,782	67,173	4,24,324	18,33,915	57,058	-	1,90,45,381	86	1,90,45,467
Premium earned (net)	2,42,902	1,47,100	485	93,34,450	50,27,252	1,43,61,702	46,605	31,475	64,656	4,08,520	18,53,706	52,641	-	1,72,09,792	86	1,72,09,878
Profit/(Loss) on sale /redemption of investments	17,593	3,948	23	1,22,466	3,12,118	4,34,583	837	733	2,398	7,079	27,355	1,054	1,30,029	6,25,631	-	6,25,631
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest (net of amortisation)	98,836	13,965	81	4,33,222	11,04,117	15,37,339	2,962	2,592	17,632	25,041	96,768	3,729	4,59,976	22,58,921	2,09,800	24,68,721
Total segmental revenue	3,59,332	1,65,013	589	98,90,138	64,43,486	1,63,33,624	50,405	34,800	84,685	4,40,640	19,77,829	57,424	5,90,005	2,00,94,345	2,09,886	2,03,04,231
Claims incurred (net)	(1,16,832)	(74,519)	43	(63,67,445)	(51,91,269)	(1,15,58,714)	(13,533)	(3,627)	(20,335)	(1,52,396)	(12,52,201)	(15,277)	-	(1,32,07,391)	(2,39,383)	(1,34,46,774)
Commission received / (paid), net	20,619	(8,224)	1,070	(5,64,098)	(3,546)	(5,67,644)	(4,270)	248	68,263	(39,790)	(68,244)	(1,094)	-	(5,99,066)	-	(5,99,066)
Operating expenses related to insurance business	(1,18,649)	(46,659)	(78)	(41,18,779)	(6,61,859)	(47,80,638)	(8,650)	(5,405)	(23,427)	(1,19,716)	(4,63,246)	(17,561)	-	(55,84,029)	(559)	(55,84,588)
Total segmental expenses	(2,14,862)	(1,29,402)	1,035	(1,10,50,322)	(58,56,674)	(1,69,06,996)	(26,453)	(8,784)	24,501	(3,11,902)	(17,83,691)	(33,932)	-	(1,93,90,486)	(2,39,942)	(1,96,30,428)
Segmental (Loss)/profit	1,44,470	35,611	1,624	(11,60,184)	5,86,812	(5,73,372)	23,952	26,016	1,09,186	1,28,738	1,94,138	23,492	5,90,005	7,03,859	(30,056)	6,73,803
Other income	-	-	-	2,788	-	2,788	-	-	-	-	-	-	1,241	4,029	-	4,029
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	(49,943)	(49,943)	-	(49,943)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	(1,97,409)	(1,97,409)	-	(1,97,409)
Net profit (Loss) for the year	1,44,470	35,611	1,624	(11,57,396)	5,86,812	(5,70,584)	23,952	26,016	1,09,186	1,28,738	1,94,138	23,492	3,43,894	4,60,536	(30,056)	4,30,480
Segment Assets	15,04,782	2,13,043	1,196	63,80,670	1,62,61,871	2,26,42,541	43,838	38,207	2,70,724	3,68,819	15,39,083	55,629	66,99,670	3,33,77,530	36,39,433	3,70,16,963
Segment Liabilities	10,46,078	2,10,929	2,514	72,81,549	1,71,11,263	2,43,92,813	50,931	40,538	1,62,600	3,93,962	14,84,892	60,790	-	2,78,46,049	18,44,093	2,96,90,141
Capital Expenditure	5,850	1,456	60	47,078	27,925	75,002	257	303	1,964	2,081	9,561	494	-	97,027	-	97,027
Amortisation of premium & discount	(1,355)	(304)	(2)	(9,430)	(24,033)	(33,463)	(64)	(56)	(185)	(545)	(2,106)	(81)	(10,012)	(48,174)	(4,157)	(52,330)
Depreciation	6,777	1,687	70	54,538	32,349	86,887	297	350	2,276	2,411	11,076	572	-	1,12,402	-	1,12,402
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Aviation Segment Business for 2016-17 - NIL

ANNEXURE TO THE FINANCIAL STATEMENTS

Summary of Financial Statements

ANNEXURE 2

		(₹ Lakhs)				
Sl No	Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
OPERATING RESULTS						
1	Gross Premiums Written-Direct	2,62,344	2,18,878	1,69,412	1,56,920	1,43,704
2	Net Premium Income#	2,03,209	1,90,455	1,47,326	1,38,809	1,26,866
3	Income from investments (net)@	26,773	25,043	19,106	17,608	15,005
4	Other income -Transfer fee etc	47	28	25	10	10
5	Total Income	2,30,029	2,15,526	1,66,457	1,56,427	1,41,880
6	Commissions (net)	5,214	5,991	5,645	5,686	4,809
7	Operating Expenses	52,772	55,846	45,451	42,618	35,748
8	Net Incurred Claims	1,56,037	1,34,468	1,08,018	1,01,665	1,00,419
9	Change in Unexpired Risk Reserve	9,165	18,356	8,324	8,463	(4,706)
10	Operating Profit/loss	6,841	866	(981)	(2,004)	5,610
Non Operating Result						
11	Total income shareholders' account	5,761	5,413	4,602	4,821	4,473
12	Profit/(loss) before tax	12,602	6,279	3,612	2,817	10,082
13	Provision for tax	(4,272)	(1,974)	(945)	(618)	(3,260)
14	Profit/(loss) after tax	8,330	4,305	2,666	2,199	6,824
MISCELLANEOUS						
15	Policyholders' Account :					
	Total funds	3,39,632	2,77,705	2,28,750	2,05,624	1,82,090
	Total investments	3,41,951	2,66,531	2,18,020	1,94,110	1,70,240
	Yield on investments	8.5%	10.1%	8.9%	9.3%	8.7%
16	Shareholders' Account :					
	Total funds	1,02,437	64,840	57,094	54,975	52,536
	Total investments	87,269	69,928	53,541	55,035	52,100
	Yield on investments	8.5%	10.1%	8.9%	9.3%	8.7%
17	Paid-up equity capital	44,900	33,100	31,500	31,500	31,500
18	Net worth	1,02,437	64,840	57,094	54,975	52,536
19	Total assets	4,77,135	3,72,570	3,04,396	2,80,814	2,52,074
20	Yield on total investments	8.5%	10.1%	8.9%	9.3%	8.7%
21	Earnings per share (₹)*	2.10	1.32	0.85	0.70	2.17
22	Book Value per share (₹)	22.81	19.59	18.13	17.45	16.68
23	Total Dividend	-	-	-	-	-
24	Dividend per share (₹)	-	-	-	-	-
	# Net of reinsurance					
	@ Net of losses					
	* EPS has been calculated in accordance with AS-20 Basic & Diluted (Face Value ₹10/- each)					
	Profit / (Loss) for the year	8,330	4,305	2,666	2,199	6,824
	Weighted Average Number of Shares at the end of the year	39,68,90,411	32,71,42,466	31,50,00,000	31,50,00,000	31,50,00,000

Note: (1) The Company determines the Policyholders' Fund and the Shareholders' Fund on the basis stipulated in IRDAI Circular no. IRDA/F&A/CIR/CPM/010/01/2017 (Refer Point 8 of Schedule 16 relating to Accounting Policy).

ANNEXURE TO THE FINANCIAL STATEMENTS

RATIOS FOR NON-LIFE INSURANCE COMPANIES

ANNEXURE 3

Sl. No	Performance Ratio	31st Mar 2018	31st Mar 2017
1	Gross premium growth rate (segment wise) (Gross premium for the current year divided by gross premium for the previous year) Refer Accounting Ratios Schedule 1	19.9%	29.2%
2	Gross premium to shareholders' fund ratio: (Gross premium for the current year divided by the paid up capital plus free reserves)	2.56	3.38
3	Growth rate of shareholders' funds: (Shareholders' funds as at the current balance sheet date divided by the shareholders' funds at the previous balance sheet date)	58.0%	13.2%
4	Net retention ratio (segment wise) (Net premium divided by gross premium) Refer Accounting Ratios Schedule 2	76.7%	86.2%
5	Net commission ratio (segment wise) (Commission net of reinsurance for a class of business divided by net premium) Refer Accounting Ratios Schedule 3	2.6%	3.1%
6	Expenses of Management to Gross Direct Premium ratio (Expenses of Management divided by the total gross direct premium)	27.2%	30.9%
7	Expenses of Management to Net Written Premium ratio (Expenses of Management divided by the net written premium)	35.1%	35.5%
8	Net Incurred Claims to Net Earned Premium	80.4%	78.1%
9	Combined ratio: (Net Incurred Claims divided by Net Earned Premium plus Expenses of Management divided by Net Written Premium)	108.9%	110.6%
10	Technical reserves to net premium ratio (Reserve for Unexpired Risks plus Premium Deficiency Reserve plus reserve for Outstanding Claims divided by Net Written Premium)	1.60	1.42
11	Underwriting balance ratio (segment wise) (Underwriting profit divided by net premium for the respective class of business) Refer Accounting Ratios Schedule 4	-0.10	-0.14
12	Operating profit ratio (Underwriting Profit plus Investment Income divided by Net Earned Premium)	3.53%	0.50%
13	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.30	0.29
14	Net earnings ratio (Profit after tax divided by Net Written Premium)	4.1%	2.3%
15	Return on networth (Profit after tax divided by net worth)	8.1%	6.6%
16	Available Solvency Margin(ASM) to Required Solvency Margin (RSM) Ratio	2.21	1.69

ANNEXURE TO THE FINANCIAL STATEMENTS

Accounting Ratios - Schedule 1

Gross premium growth rate

Segment	Growth (%)	
	2017-18	2016-17
Fire	19%	26%
Marine	6%	4%
Motor	19%	34%
Workmen's Compensation/ Employers Liability	9%	20%
Public/Product Liability	16%	8%
Engineering	13%	19%
Personal Accident	28%	20%
Health Insurance	30%	11%
Others	10%	19%
Total	20%	29%

Accounting Ratios - Schedule 3

Net commission ratio

Segment	% to NWP	
	2017-18	2016-17
Fire	-1%	-7%
Marine	6%	5%
Motor	3%	4%
Workmen's Compensation/ Employers Liability	10%	9%
Public/Product Liability	-9%	-1%
Engineering	-112%	-102%
Personal Accident	6%	9%
Health Insurance	1%	4%
Others	-3%	2%
Total	3%	3%

Accounting Ratios - Schedule 2

Net retention ratio

Segment	% to GWP	
	2017-18	2016-17
Fire	27%	23%
Marine	46%	45%
Motor	83%	95%
Workmen's Compensation/ Employers Liability	86%	86%
Public/Product Liability	40%	46%
Engineering	14%	15%
Personal Accident	80%	90%
Health Insurance	79%	84%
Others	52%	51%
Total	77%	86%

Accounting Ratios - Schedule 4

Underwriting balance ratio

Segment	% to NEP	
	2017-18	2016-17
Fire	-0.01	0.12
Marine	0.17	0.13
Motor	-0.14	-0.19
Workmen's Compensation/ Employers Liability	0.39	0.43
Public/Product Liability	0.87	0.72
Engineering	1.18	1.38
Personal Accident	0.19	0.24
Health Insurance	-0.03	0.04
Others	0.43	0.36
Total	-0.10	-0.14

MANAGEMENT REPORT

In accordance with Part IV Schedule B of the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, the following Report is submitted by the Management:

1. We confirm that the Certificate of Registration granted by the Insurance Regulatory and Development Authority of India, to transact general insurance business, continues to be valid. The fee for renewal of the Certificate of Registration has been paid for 2017-2018.
2. We certify that all dues payable to the Statutory Authorities have been duly paid.
3. We confirm that the shareholding pattern during the year ended 31st March 2018 has been in accordance with the Statutory/Regulatory requirements.
4. We declare that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. The Company has maintained the required solvency margins.
6. The values of all the assets have been reviewed on the date of the Balance Sheet and in our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the headings 'Investments', 'Interest, Dividends and Rents accruing but not due', 'Amounts due from other persons or Bodies carrying on insurance business', 'Cash' and the several items specified under 'Other Accounts', except debt securities which are shown at amortised cost.
7. The Company is exposed to a variety of risks such as quality of risks underwritten, fluctuations in the value of assets, operational risks and higher expenses.

The Company through an appropriate reinsurance programme has kept its risk exposure at a level commensurate with its capacity.

During the year under report, the Company's Management expense are within the allowable limit in all segments prescribed in IRDAI (Expense of Management of Insurer transacting General and Health Insurance Business) Regulation, 2016.

The Company during the year was not able to collect the full premium from the Government of India/State Government in respect of Health Insurance Covers to BPL families of a State under the RSBY scheme within 30 days from the date of intimation of the premium to the Government as per Rule 59(a) of the Insurance Rules.

The Company monitors these risks closely and effective remedial action is taken wherever required.

8. The Company does not have operations in other countries and hence related country/currency fluctuation risk is not applicable.
9. The trend in average claim settlement time for various Segments for the past 5 years are given hereunder :

Ageing as on 31st March 2018

(₹'000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 year and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	594	37,992	413	2,49,099	191	1,56,274	125	1,92,733	-	-	1,323	6,36,098
Marine Cargo	1,735	24,829	1,571	99,123	262	40,458	147	19,304	5	6,110	3,720	1,89,825
Marine Hull	-	-	1	524	-	-	-	-	-	-	1	524
Motor	2,50,165	37,59,841	33,570	34,06,826	3,393	9,01,574	5,018	18,44,697	1,208	5,65,245	2,93,354	1,04,78,183
Workmen compensation	12	272	24	5,169	11	3,626	5	2,876	-	-	52	11,943
Liability	11	2,532	13	1,624	-	22	1	21,506	-	-	25	25,683
Engineering	139	12,289	147	41,720	91	37,758	41	53,412	3	2,481	421	1,47,660
Personal Accident	1,386	69,810	22	1,14,322	-	-	-	-	-	-	1,408	1,84,133
Health	39,547	8,57,908	709	7,08,516	-	-	-	-	-	-	40,256	15,66,425
Crop	35	118	-	-	-	-	-	-	-	-	35	118
Others	259	9,084	182	9,335	35	15,592	9	4,222	-	-	485	38,233
Total	2,93,883	47,74,677	36,652	46,36,258	3,983	11,55,304	5,346	21,38,749	1,216	5,73,837	3,41,080	1,32,78,825

Ageing as on 31st March 2017

(₹'000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 year and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	2,537	61,646	409	1,77,770	200	1,70,380	92	1,48,316	2	7,699	3,240	5,65,811
Marine Cargo	1,774	23,648	1,906	95,633	107	61,555	32	24,976	2	1,696	3,821	2,07,508
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,34,255	37,06,564	46,975	30,34,710	2,755	7,58,195	3,645	19,87,697	660	4,40,313	2,88,290	99,27,479
Workmen compensation	2	10	14	534	9	2,279	3	1,765	2	604	30	5,193
Liability	5	855	14	3,178	5	639	3	793	-	-	27	5,464
Engineering	5	21,666	59	53,331	64	37,534	39	51,395	-	-	167	1,63,927
Personal Accident	1,653	95,554	49	56,142	-	-	-	-	-	-	1,702	1,51,697
Health	47,450	7,47,856	1,922	6,08,696	-	-	-	-	-	-	49,372	13,56,552
Others	344	13,966	27	5,827	5	1,731	4	1,051	-	-	380	22,575
Total	2,88,025	46,71,765	51,375	40,35,822	3,145	10,32,312	3,818	22,15,992	666	4,50,313	3,47,029	1,24,06,205

Ageing as on 31st March 2016

(₹'000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 year and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	8,218	1,24,759	675	1,04,918	143	69,435	47	49,883	3	5,591	9,086	3,54,585
Marine Cargo	1,884	47,085	2,635	85,047	189	33,534	-28	9,558	-1	-246	4,679	1,74,977
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,03,966	31,45,984	39,030	26,51,673	1,753	5,73,170	3,149	18,72,396	964	2,93,824	2,48,862	85,37,047
Workmen compensation	-	-	7	570	9	2,358	4	1,925	-	-	20	4,852
Liability	1	163	15	2,909	10	10,975	3	283	-	-	29	14,330
Engineering	8	512	35	21,125	36	14,448	29	25,190	-	14	108	61,289
Personal Accident	901	68,900	205	88,554	-	-	-	-	-	-	1,106	1,57,454
Health	35,564	6,82,236	27,068	5,80,720	4,751	10,391	-	-	-	-	67,383	12,73,348
Others	263	11,106	36	1,962	4	336	1	238	-	-	304	13,641
Total	2,50,802	40,78,984	69,700	35,36,663	6,891	7,14,145	3,199	19,58,050	966	2,99,183	3,31,577	1,05,91,523

Ageing as on 31st March 2015

(₹'000)

Line of Business	Upto30 days		31 days to 6 months		6 Months to1 Year		1 year to 5 years		5 Years and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	444	13,663	706	1,13,443	113	91,118	49	1,30,222	1	184	1,313	3,48,630
Marine Cargo	3,461	22,537	2,470	4,12,453	191	66,385	30	25,764	-1	-977	6,151	5,26,162
Marine Hull	-	26	-	16	-	16	-	-270	-	-	-	-212
Motor	1,65,617	25,55,991	46,627	20,84,670	6,111	6,65,977	11,382	17,89,231	1,679	2,45,283	2,31,416	73,41,152
Workmen Compensation	1	2	20	1,791	4	857	3	1,152	-	-	28	3,802
Liability	24	261	172	3,838	5	530	-	163	-	-5	201	4,787
Engineering	20	1,307	180	11,494	36	9,170	34	27,847	-	12	270	49,829
PA	856	24,165	894	1,00,606	38	25,924	8	11,381	-	4	1,796	1,62,080
Health	91,732	5,67,459	7,489	5,53,733	703	34,841	147	8,740	4	1,313	1,00,075	11,66,086
Others	371	6,640	90	6,655	6	4,481	8	481	-	-	475	18,257
Total	2,62,526	31,92,051	58,648	32,88,698	7,207	8,99,298	11,661	19,94,712	1,683	2,45,813	3,41,725	96,20,572

Ageing as on 31st March 2014

(₹'000)

Business Class	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 years		5 Years and above		Total	
	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt
Fire	125	47,261	342	1,42,102	121	70,957	36	1,73,854	-	-	624	4,34,174
Marine cargo	1,955	24,584	2,107	74,962	84	39,338	15	9,925	-	-	4,161	1,48,810
Marine Hull	1	37	2	364	1	8	-	-	-	-	4	409
Motor	1,75,564	20,19,272	41,780	22,84,645	4,012	6,40,944	5,142	14,29,899	386	98,069	2,26,884	64,72,829
Workmen compensation	-	-	20	1,098	8	733	1	1,114	3	885	32	3,830
Liability	12	303	37	3,891	11	827	1	183	-	-	61	5,205
Engineering	20	9,157	66	20,551	47	48,951	24	18,116	2	23	159	96,797
PA	518	22,047	839	1,16,779	122	24,094	43	19,680	2	1,013	1,524	1,83,613
Health	76,944	6,72,792	51,125	5,85,160	1,180	10,811	272	4,224	28	940	1,29,549	12,73,926
Others	344	7,146	93	10,483	14	1,400	6	1,276	-	-	457	20,304
Total	2,55,483	28,02,599	96,411	32,40,035	5,600	8,38,062	5,540	16,58,272	421	1,00,929	3,63,455	86,39,897

10. We certify that

- The Investments in Government Securities and other debt securities have been considered as 'held to maturity' and have been measured at historical cost subject to amortisation.
- The market values of debt securities including Government Securities have been ascertained by reference to the quotations published for the last working day of the Financial Year by the CRISIL Security level valuation.
- The market values of quoted equity investments have been ascertained by reference to the last quoted closing prices available on the Balance Sheet date on the National Stock Exchange.
- The market value of Mutual Fund Investments has been ascertained based on the NAV declared by the Asset Management Companies as on Balance Sheet date.
- Investments in Alternative Investment Funds (AIFs) are valued at latest available NAV. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognised in the Balance Sheet under "Fair value change Account".

11. The Company has adopted a prudent investment policy with emphasis on optimising return with minimum risk. Significant weighting of the assets has been made towards low risk/liquid investments such as Government securities, Treasury bills and other good quality debt instruments. Fair value of investments is computed for quoted investments, on the basis of the last available market price/yield-to-maturity valuation.

The average yield on investments after considering the profit on sale and amortisation of costs of investments is 8.49%. All investments in our portfolio as at 31st March 2018 are performing investments.

12. The Management of Royal Sundaram General Insurance Co. Limited certifies that

- In the preparation of financial statements, the applicable Accounting Standards, principles and policies have been followed. To the best of our knowledge there were no material departures from such standards during the year under report.

- b) The Management has adopted accounting policies and applied them consistently and made judgements 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 net profit of the Company for the year ended 31st March 2018.
- c) The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, (4 of 1938) as amended by the Insurance Law (amendment) Act 2015 and Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Management has prepared the financial statements on a going concern basis.
- e) The Management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

13. Particulars of payment made to individuals, firms, companies and organizations in whom / which the directors of the company are interested is as under.

(₹'000)

Sl No.	Entity in which Director is interested	Name of the Director	Interested as	Amount	Nature of Payments
1.	Sundaram Finance Limited	S Viji T T Srinivasaraghavan S Prasad Harsha Viji	Director Director Director Director	6,860 42,346 1,35,470 2,794	Rent Information Technology and Others Agency Commission Insurance Claims
2.	Sundaram BNP Paribas Home Finance Limited	S Viji T T Srinivasaraghavan Srinivas Acharya Radha Unni	Director Director Director Director	389	Insurance Claims
3.	Sundaram Asset Management Company Limited	T T Srinivasaraghavan Harsha Viji	Director Director	1,732	Insurance Claims
4.	TV Sundaram Iyengar & Sons Private Limited	S Viji	Director	1,676 60,175	Insurance Claims Data Processing
5.	Sundaram Finance Holdings Limited	S Viji T T Srinivasaraghavan S Prasad Harsha Viji	Director Director Director Director	24,668	Tele-calling activity

Transactions with related parties in terms of Accounting Standard 18 are included in note 15 of Schedule 17.

For and on behalf of the Board of Directors

P M Venkatasubramanian
Chairman
(DIN:00124505)

M S Sreedhar
Managing Director
(DIN:07153983)

M S Sundara Rajan
Director
(DIN:00169775)

S Prasad
Director
(DIN:00063667)

Place : Chennai
Date : May 2, 2018

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹'000)

Particulars	31st March 2018	31st March 2017
Cash flows from operating activities		
Premium received from policyholders, including advance receipts & Service Tax/GST	3,07,22,200	2,56,72,979
Other receipts	8,253	3,715
Payments to the re-insurers, net of commissions and claims	(12,41,428)	(7,91,639)
Payments to co-insurers, net of claims recovery	(6,235)	28,800
Payments of claims	(1,33,90,851)	(1,24,55,154)
Payments of commission and brokerage	(17,47,624)	(11,83,977)
Payments of other operating expenses	(53,72,937)	(52,95,714)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(33,023)	(1,250)
Income Taxes paid (Net)	(10,52,585)	(2,42,687)
Service Tax/GST paid	(44,37,031)	(33,49,772)
Other payments	10,676	(190)
Cash flows before extraordinary items	-	-
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	34,59,415	23,85,111
Cash flows from investing activities		
Purchase of fixed assets	(1,03,024)	(78,035)
Proceeds from sale of fixed assets	129	438
Purchases of investments	(1,77,61,821)	(2,67,88,718)
Loans disbursed	-	-
Sales of investments	85,84,558	2,21,21,480
Repayments received	-	-
Rents/Interests/Dividends received	26,08,563	23,83,231
Investments in money market instruments and in liquid mutual funds (Net)	1,57,241	(11,22,389)
Expenses related to investments	(13,898)	(8,467)
Net cash flow from investing activities	(65,28,252)	(34,92,460)
Cash flows from financing activities		
Proceeds from issuance of share capital	29,50,000	3,00,000
Proceeds from borrowing	-	10,00,000
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	29,50,000	13,00,000
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	(169)	(101)
Net increase in cash and cash equivalents:	(1,19,006)	1,92,550
Cash and Cash equivalents at the beginning of the year	7,74,356	5,81,806
Cash and cash equivalents at the end of the year	6,55,351	7,74,356

As per our report of even date attached

For N.C. Rajagopal & Co.
 Chartered Accountants
 Registration No.003398S

For Brahmayya & Co.
 Chartered Accountants
 Registration No.000511S

V Chandrasekaran
 Partner
 Membership No:024844

P Babu
 Partner
 Membership No:203358

 Place : Chennai
 Date : May 2, 2018

For and on behalf of the Board of Directors

P M Venkatasubramanian
 Chairman
 (DIN:00124505)

M S Sreedhar
 Managing Director
 (DIN:07153983)

M S Sundara Rajan
 Director
 (DIN:00169775)

S Prasad
 Director
 (DIN:00063667)

T C Rangarajan
 Chief Financial Officer

S R Balachandher
 Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

(Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956, as amended)

1. Registration Details:

Registration No.	1	8	-	4	5	6	1	1
State Code							1	8
Balance Sheet Date	3	1	-	0	3	-	1	8

2. Capital raised during the year: (Amount in ₹ 000)

Public Issue						N	I	L
Rights Issue	1	1	8	0	0	0	0	0
Bonus Issue						N	I	L
Private Placement						N	I	L

3. Position of mobilisation and deployment of funds: (₹ 000)

Total Liabilities	1	1	2	3	7	5	6	7
Total Assets	1	1	2	3	7	5	6	7
Source of Funds:								
Paid-up Capital	4	4	9	0	0	0	0	0
Reserves and Surplus	5	7	5	5	2	6	1	
Fair Value Change Account					(7	6	9	4)
Secured Loans						N	I	L
Unsecured Loans	1	0	0	0	0	0	0	0
Application of Funds:								
Net Fixed Assets			2	8	0	5	9	3
Investments	4	2	9	2	1	9	5	7
Net Deferred Tax Assets			3	4	6	2	7	4
Net Current Assets	(3	2	3	1	1	2	5	7)
Miscellaneous Expenditure						N	I	L
Accumulated Losses						N	I	L

4. Performance of Company: (Amount in ₹ 000)

Turnover	2	2	7	9	9	5	9	2
(Net Earned Premium, income from Investments and other incomes)								
Total Expenditure	2	1	5	3	9	3	7	0
Profit before Tax		1	2	6	0	2	2	2
Profit after Tax			8	3	2	9	7	0
Earnings per share (₹)					2	.	1	0
Dividend Rate (%)						N	I	L

5. Generic names of 3 principal products, services of the Company (as per monetary terms):

Item Code No.	N	.	A	.												
Product Description	G	E	N	E	R	A	L	I	N	S	U	R	A	N	C	E

For and on behalf of the Board of Directors

P M Venkatasubramanian
Chairman
(DIN:00124505)

M S Sreedhar
Mangaging Director
(DIN:07153983)

M S Sundara Rajan
Director
(DIN:00169775)

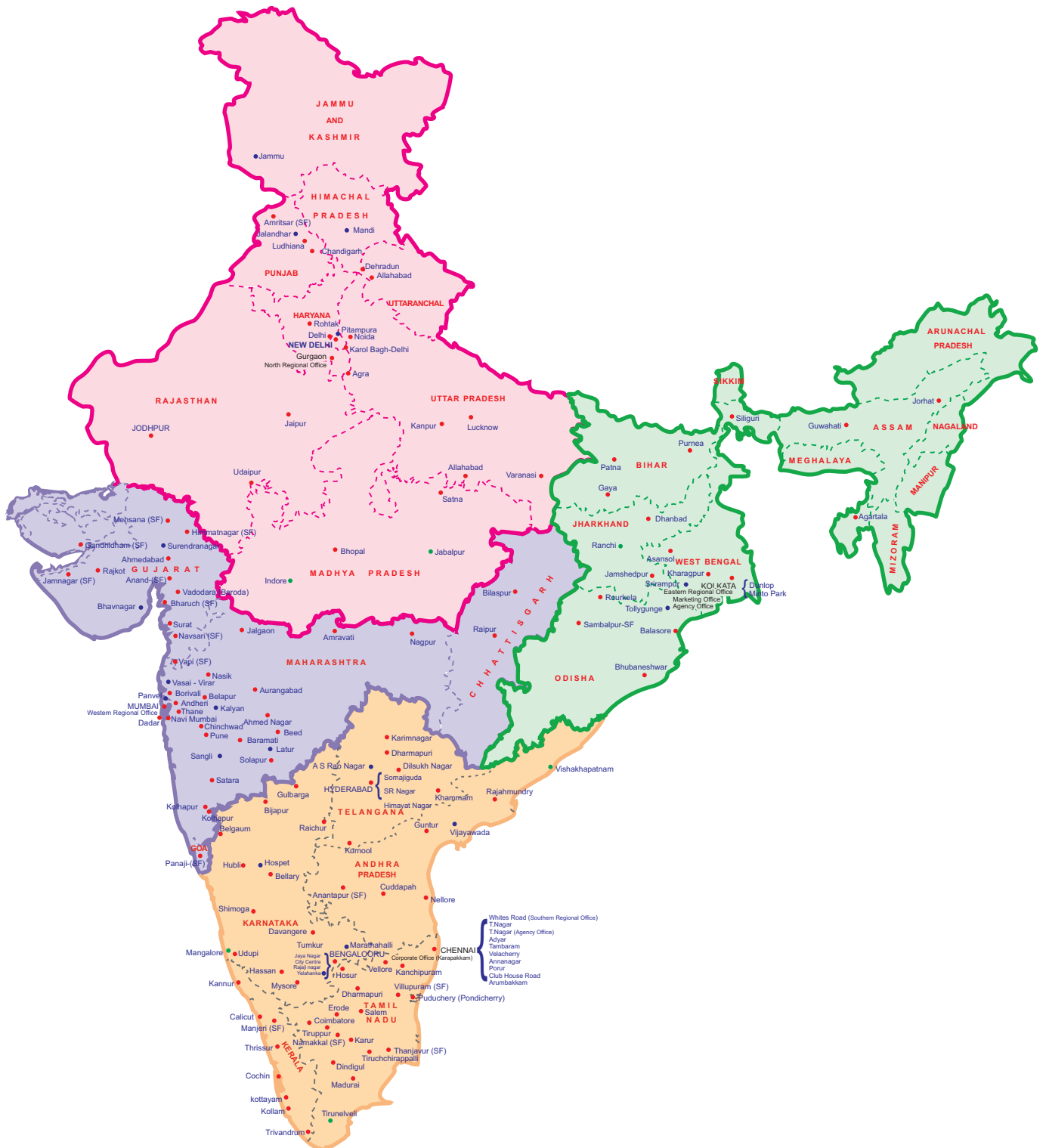
S Prasad
Director
(DIN:00063667)

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

Place : Chennai
Date : May 2, 2018

Royal Sundaram Branch Network - 136 Branches





Royal Sundaram General Insurance Co. Limited

(Formerly known as Royal Sundaram Alliance Insurance Company Limited)

Corporate Office: Vishranthi Melaram Towers, No.2/319, Rajiv Gandhi Salai (OMR), Karapakkam, Chennai - 600097.

Registered Office: 21, Patullos Road, Chennai - 600002.

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