



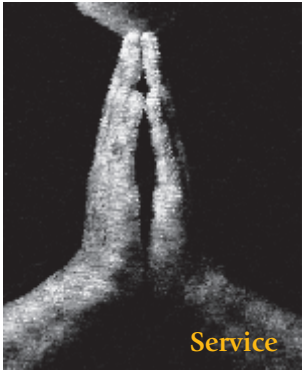
Royal Sundaram
General Insurance

20TH ANNUAL REPORT 2019-2020



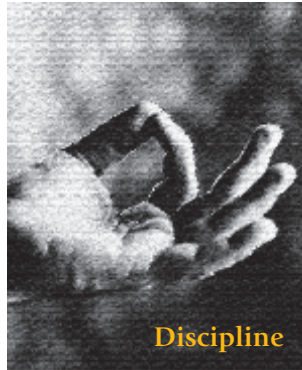
Growth | Quality | Profitability

Royal Sundaram General Insurance Co. Limited



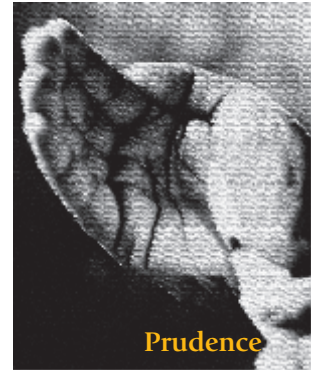
Service

To be of service even when time is against you



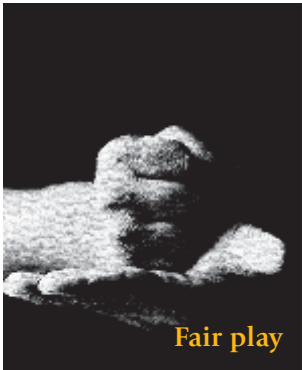
Discipline

To know that discipline is your ally in all situations



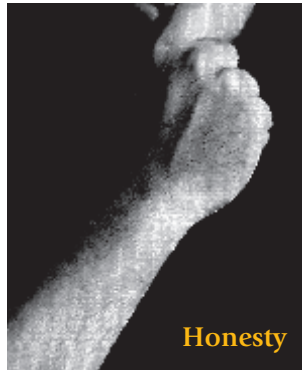
Prudence

To be the voice of prudence in the midst of chaos



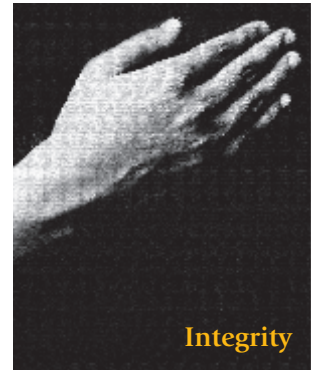
Fair play

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



Honesty

To believe that honesty is the only policy



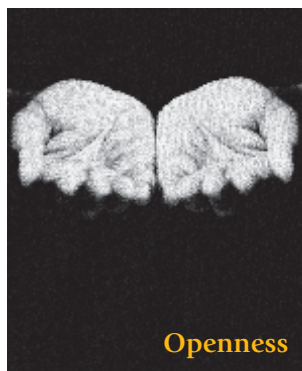
Integrity

To put integrity above all else



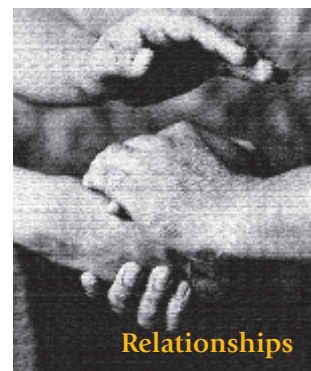
Humility

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	S Viji	Chairman
	T T Srinivasaraghavan	Director
	S Prasad	Director
	M S Sundara Rajan	Director
	Harsha Viji	Director
	Radha Unni	Director
	B D Banerjee	Director
	Gary Lee Crist	Director
	Filip A L Coremans	Director
M S Sreedhar	Managing Director	
Audit Committee	S Prasad	Chairman
	T T Srinivasaraghavan	Member
	Harsha Viji	Member
	M S Sundara Rajan	Member
	Radha Unni	Member
	B D Banerjee	Member
	Gary Lee Crist	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. C V Ramaswamy and Co. , Chartered Accountants No.1, Vidwan Sundaram Street Nungambakkam, Chennai – 600034	
Concurrent Auditors (Investments)	M/s. R G N Price & Co. , Chartered Accountants Simpsons Buildings 861, Anna Salai, Chennai - 600 002	
Secretarial Auditors	M/s. M Damodaran & Associates LLP 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 425 0000 Email: customer.services@royalsundaram.in Website: www.royalsundaram.in	
Regional Office	Chennai, Gurgaon, Kolkata & Mumbai	

Contents	Page No.
Board's Report	3
Report on Corporate Governance	14
Annual Report on CSR	23
Secretarial Audit Report	25
Extract of Annual Return	31
Independent Auditors' Report	38
Independent Auditors' Certificate	46
Fire Insurance Revenue Account	47
Marine Insurance Revenue Account	48
Miscellaneous Insurance Revenue Account	49
Profit & Loss Account	50
Balance Sheet	51
Schedules forming part of Financial Statements	52
Significant Accounting Policies	67
Notes to Financial Statements	72
Management Report	91
Cash Flow Statement	97
Balance Sheet Abstract & Company's General Business Profile	98

BOARD'S REPORT TO MEMBERS

The Directors of your Company have pleasure in presenting their Twentieth (20th) Annual Report along with the Audited Financial Statements for the financial year ended 31st March 2020. This Report includes the Management discussion and analysis.

Analysis of the performance and financial results for 2019-20

The Gross Written Premium (GWP) of the general insurance industry during the year, including the stand-alone health insurers and specialised insurers, grew from ₹1,69,449 cr., to ₹1,89,302 cr., registering a growth of 11.7%.

Your Company achieved a Gross Direct Premium (GDP) of ₹3667 cr., during 2019-20 (2018-19: ₹3,172 cr.) reflecting a growth of 16%. The market share of your Company marginally improved to 1.94% during the year (2018-19: 1.87%).

The highlights of the Financial Results of your Company are as follows

Particulars	2019-20	2018-19
Gross Direct Premium	3,667	3,172
Net Written Premium	2,355	2,211
Net Earned Premium	2,280	2,186
Net Incurred Claims	1,939	1,854
Net Commission Outgo/(Income)	152	136
Expenses of Management	462	380
Underwriting Profit/(Loss)	(273)	(184)
Investment Income – Policyholders	337	302
General Insurance Results Profit/(Loss)	64	118
Investment Income – Shareholders	82	83
Other Income/(Outgo)	(105)	(19)
Profit Before Tax	41	182
Provision for taxation	(17)	(61)
Profit/(Loss) After Tax	24	121

During the year 2019-20, your Company sold over 20.6 lakh policies (2018-19:19.2 lakh) and settled more than 5.69 lakh claims in 2019-20 (2018-19: 4.5 lakh).

Commercial Insurance

During 2019-20, your Company's Commercial insurance business amounted to ₹512 cr. (2018-19: ₹396 cr.) reflecting a significant growth of 29.3% on the back of price increase in property segment, increased capacity, risk appetite and new business.

Including commercial motor business, Your Company's commercial insurance business recorded a GWP of ₹1158 cr. (2018-19: ₹1063 cr.), recording a growth of 8.9%. The Commercial Motor business at ₹646 cr. (2018-19: ₹667 cr.) was impacted by severe slowdown in the sale of new commercial vehicles.

Your Company continues to focus on prudence in underwriting and risk management in a highly competitive market. We expect that commercial insurance business will continue to grow on the back of infrastructure development, economic growth and further rate correction.

Personal Insurance

Your Company achieved a personal insurance GWP (including Crop Insurance) of ₹2553 cr. (2018-19: ₹2133 cr.) thereby registering a 19.6% growth.

Private Car Insurance was impacted by slow down in auto sales, aggressive pricing and competition in the market. GWP of Private car at ₹1398 cr. more or less remained flat at previous year level of ₹1396 cr. The pricing of motor OD portion

continued to witness severe pressure due to price drop. Further, the increased claims pay-out due to various natural calamities across the country, resulted in increase in the motor OD loss ratios. In Motor TP, while the premium inadequacy continues, the decision of the Regulatory Authority to defer the annual price increase in Motor TP rates during 2020-21, is likely to impact the portfolio further.

Your Company, as part of its overall strategy, continues to develop its Accident & Health (A&H) book with a GWP of ₹337 cr. registering a growth of 12.7% (2018-19: ₹299 cr.).

Your Company's flagship product "Life-Line", launched in January 2015, had witnessed several favourable comparisons against products of leading stand-alone health players. Based on the performance of this product and our experience, we have filed an updated version with IRDAI. With the increasing awareness levels – due to Covid 19 – we expect more customers to show interest in taking sufficient insurance cover to protect their health as well as their family.

We are confident that with our focus, innovative products and sales drive, we will be able to consolidate our position as a key player in the health insurance sector.

Crop Insurance

Your Company's crop GWP grew from ₹400 cr. in the previous year to ₹761 cr. as we won bids for clusters in the state of Odisha and Jharkhand. Under the crop insurance scheme in both the states, we were able to provide cover to more than 16.8 lakh farmers.

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 ₹1021.5 cr., under Rural sector as against the Regulatory requirement of ₹256.7 cr. Further, in the Social sector, 2,15,112 lives were covered as against the Regulatory requirement of 1,70,155 lives.

Network

During 2019-20, your Company opened 13 new branch offices across the country taking the total count to 156 thereby increasing its footprint in more geographies. We have a balanced distribution of branches across all regions with South contributing 42%, West 26% and East and North representing the remaining 32%.

Investments

The Investment portfolio (Assets Under Management) increased to ₹5745 cr. as at 31st March 2020 (₹5075 cr. as at 31st March 2019) with an accretion of ₹670 cr. The net investment income for the year was ₹417.4 cr. (2018-19: ₹382.8 cr.).

The portfolio yield based on net investment income was at 7.51% (2018-19: 7.84%). Your Company has complied with the mandatory investment requirements and limits prescribed by the IRDAI and the Investment Policy of the Company, in respect of its investments as at 31st March 2020. The investments in Gilt and AAA rated and AAA equivalent instruments constituted 81.7% of the total investment portfolio.

During the year, the Company had to classify its Investment in debt security of one of the Investee Companies as Non Performing Assets. Accordingly the Company had provided for diminution in the value of Investments of ₹22.55 cr. besides writing off ₹65.33 cr., representing default of principal repayment. Further recognition of Interest income from the NCD has been stopped.

Market developments

Towards the tail end of the Financial Year 2019-20, we witnessed the outbreak of COVID 19 cases in India leading to lock down. These are extra-ordinary and unprecedented times for the entire world. The initial lock down was extended and a gradual phased reopening and return to normalcy is being contemplated.

This lock down resulted in the temporary closure of offices at key locations with employees being asked to work from home. This situation is expected to have a significant impact on the Indian economy as a whole in the forthcoming financial year, with negative growth in GDP being forecast. As with every other sector, Insurance Industry whose growth is dove tailed to that of Industrial growth, macro economy and per capita income are likely to be impacted. The extent and magnitude of impact will very much depend on the trajectory of the virus, it's spread and how quickly the economy opens up and recovers.

Notwithstanding that, in general, India's economy is expected to sustain the growth in insurance premiums written post the impact of Covid. The insurance market in the country continues to be competitive, with the players aspiring for growth and improved market share.

The General Insurance market in India was expected to grow at a healthy double-digit rate of 18%-20%. However, the impact of Covid-19 on the sector is to be seen in the coming days.

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

Coupled with Covid enforced work from home practices, Companies have 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 claims servicing.

It is quite evident and clear that the future of the insurance industry, despite set-backs caused by Covid-19, looks promising with the various changes and developments so far, and those that are on the anvil.

Information Technology

Your company continues to attach significant importance to investment in information technology that are "fit for purpose" to improve the delivery capabilities to our customers/intermediaries.

During the year, the company has been working on projects in new technology advancements including digital straight through processing, digital marketing stack, data analytics, Robotic Process Automation (RPA), new solution for health claims and Smart bots to ensure that our service standards are enhanced.

We are happy to share that the investments we have made in technology over the last few years have enabled us to support the servicing of customers / intermediaries during the lock down without any major disruption. Most of our employees were provided the facility to Work from home (WFH) immediately on the lock down.

The Customer service team has been empowered to handle customer service calls from their home and we continue to support the customers through Voice/ Email / Social media.

We had implemented workflow enabled claims solution for motor own damage claims and this has helped us to support processing of claims end to end on a digital mode. We have also invested on solution for Health claims and this has helped us to move from paper backed process to a complete digital process with integrations with our TPAs for all our cashless processing.

Another significant technology capability which your company has been able to leverage is extending the WFH to our Intermediaries, Intermediaries were provided with Digital tools / solution for:

- Policy fulfilment including digital proposal from customers and digital payments,
- Remote risk inception,
- Microsite for customer on-boarding.

As directed by IRDAI to all insurance companies, a crisis management team was constituted to review all the above initiatives rolled out by the Company on a periodical basis.

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 in reporting 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.

Covid-19 related actions proposed

The COVID 19 pandemic has affected the entire globe, and this is likely to impact the economy globally. The lock downs implemented in several phases across India to protect the people, is expected to affect the economic growth for the company as many industries are still not in a position to operate fully. The General Insurance industry is also likely to witness a decline in its growth as the automotive sector is yet to return to normalcy. Further, the slowdown in economy will affect infrastructure growth as a result of which the commercial business is also likely to be affected. The year 2020-21 is likely to witness the impact of the lock down. Your Company has taken various measures to mitigate the impact by enhancing its focus on renewal business, exploring ways to augment the growth in the health portfolio and control its expenses. Post lock down, the Company will evaluate the business environment to recalibrate its business plans for 2020-21 and beyond.

Registration

Your Company has paid to the Insurance Regulatory and Development Authority of India the annual fees for the year 2020-21 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 2020, your Company had an employee strength of 2390.

Your Company continues to attach a lot of importance to employee engagement, employee wellbeing, overall learning and professional development and employee satisfaction. This focus and initiatives result in improved productivity, which is measured and monitored.

The on-going tie up with Manipal Global academy provides for customized general insurance training program.

Capital and Solvency position

Your Company's Authorised Capital is ₹500 cr., and its paid-up capital is ₹449 cr.

The Company's solvency ratio as at 31st March, 2020 was 1.69 times, which is well above the regulatory requirement of 1.50 times.

Debentures

During 2019-20, no fresh 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 1st April 2010. The same was subsequently amended by IRDAI in May 2016 and made applicable from 2017-18 onwards. A detailed report on our compliance for the year ended 31st March 2020 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.

During the year, the Board was reconstituted by the appointment of Mr. B D Banerjee as an Independent Director on the Board effective 31st July 2019. The Audit Committee of the Board was also suitably reconstituted to enable induction of Mr. B D Banerjee as a member of the Committee.

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. Harsha Viji and Mr. M S Sreedhar, Directors, 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 Four (4) Independent Directors, viz., Mr. M S Sundara Rajan, Mr. S Prasad, Mrs. Radha Unni and Mr. B D Banerjee 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) and 149 (7) 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)

In terms of Section 203 of the Companies Act, 2013, Mr. M S Sreedhar, Managing Director, Mr. T C Rangarajan, Chief Financial Officer and Mr. S R Balachandher, Company Secretary are the Key Managerial Personnel of your Company as on 31st March 2020.

Appointed Actuary

Mr. Supriyo Chaki is the Appointed Actuary of your Company.

Board Evaluation

In terms of Section 134 of the Companies Act, 2013, Schedule IV and Rules made thereunder, the Board carried out an annual evaluation of its own performance, the performance of its directors and the Committees constituted therein.

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. S Viji, Member

Ms. Radha Unni, Member

Mr. Gary Lee Crist, 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 2019-20, 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 five (5) times.

The mandatory Committees as per the Corporate Governance Guidelines issued by IRDAI viz., Audit Committee, Investment Committee, Risk Management Committee and Policyholders Committee met at least 4 times during the year. Details are hereunder:

Board (26.4.2019, 31.7.2019, 24.10.2019, 29.1.2020 and 18.3.2020)	5
Audit Committee (25.4.2019, 30.7.2019, 23.10.2019, 28.1.2020 and 18.3.2020)	5
Investment Committee (25.4.2019, 30.7.2019, 23.10.2019, 28.1.2020 and 17.3.2020)	5
Risk Management Committee (25.4.2019, 30.7.2019, 23.10.2019 and 28.1.2020)	4
Policyholders' Protection Committee (25.4.2019, 31.7.2019, 24.10.2019 and 29.1.2020)	4
Nomination & Remuneration Committee (25.4.2019, 31.7.2019, 29.1.2020 and 17.3.2020)	4
Corporate Social Responsibility Committee (29.1.2020)	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.

As per IRDAI's Guidelines on Appointment of Joint Statutory Auditors for Insurance Companies, M/s N C Rajagopal & Co., Chartered Accountants, Chennai (Registration Number 004283S), having completed their term of 5 years, can be considered again for reappointment as the Statutory Auditors of the Company for another term of 5 years. Being eligible, the Auditors have offer themselves for reappointment. Based on the decision of the Audit Committee and the Board of Directors, it was decided to reappoint M/s N.C. Rajagopal & Co., Chartered Accountants, Chennai (Registration Number 003398S), as the Statutory Auditors for another term of 5 years, i.e. till the completion of the 25th Annual General Meeting, subject to ratification at every General Meeting.

Necessary resolutions for reappointment and ratifications of appointment of Auditors will be placed before the Members at the ensuring Annual General Meeting.

Concurrent Auditors for Investment

M/s. R G N Price & 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 2019-20.

Information Security Assurance Services Auditors

Your Company's operations are highly automated, taking advantage of advances in modern information technology. M/s. C V Ramaswamy and Co., Chartered Accountant, Chennai, provides the required information security assurance services to your Company. 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 LLP, Practising Company Secretaries 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 thirteen complaints and the same were 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 two complaints and the same were 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 Practising 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 Directors' Appointment and remuneration and other details

Your Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act 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 ₹0.04 cr. and the outgo amounted to ₹100.75 cr. for the year ended 31st March 2020.

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 of 50% of the total paid up capital in your Company, will be considered as an "Associate" Company under Section 2(6) of the Companies Act, 2013, for the year ended 31st March 2020.

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 28th January 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 Agents

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.

All the paid-up equity shares of your Company are held in dematerialised form.

Any Investor services related queries/requests/complaints are handled by the following RTA:

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 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 2020, 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 2020;
- 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

S Viji
Chairman
(DIN: 00139043)

Place: Chennai

Date : May 6, 2020

REPORT ON CORPORATE GOVERNANCE

Corporate Governance provides the framework for attaining the objectives and practically encompasses every sphere of management, from listing down the action plans, laying strong systems and internal controls and evaluating the performance in a transparent and ethical manner. Corporate Governance is all about how a Company is managed and involves balancing the interests and expectations of the various stakeholders viz; its Shareholders, Management, Customers, Suppliers, Regulatory Authorities and the entire community. In a nutshell, good Corporate Governance is a commitment to ensure that the business is conducted in a fair, transparent and ethical manner within the boundaries of appropriate laws.

Your Company believes that for an effective and transparent operations, a strong Corporate Governance practice is essential. Your Company is committed to follow Corporate Governance practices and has imbibed the core values of its Promoters viz; 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 and ethics. These values have stood your Company in good stead so far and has enabled us to earn and retain the trust and goodwill of its investors, business partners, employees and the communities, where we operate. Your Company continues to focus on the above core values to run its business based on the principles of good Corporate Governance.

The Corporate Governance Guidelines dated 18th May 2016 for the Insurance Companies were issued by the Insurance Regulatory and Development Authority of India (IRDAI) and it clearly outlines the framework of corporate governance policies and practices to be followed in the Company.

Your Company has complied with the prescribed Corporate Governance guidelines for the Financial Year 2019-20 and a Report is furnished hereunder:

I. Governance Structure

The Company's Governance structure broadly comprises of the Board of Directors and the 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 strategic guidance and direction 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. The Company's day to day affairs are managed by the Managing Director and his team under the overall supervision of the Board.

Board of Directors

The Board has been constituted in an appropriate manner comprising of Executive/Non-Executive and Independent Directors to ensure proper governance and management. All the Members of the Board are eminent persons with considerable expertise and varied experience in Insurance, Finance, Transport, Automobile, Engineering and Banking sectors. The Company stands to immensely benefit by the range of experience and skills that the Directors bring to the Board.

As on 31st March 2020, your Board consists of ten (10) members, of which nine (9) are Non-Executive Directors. The Managing Director is the only Executive Director. The Board is chaired by Mr. S Viji, a Non-Executive Director with more than five decades of experience in the Banking, Finance, Insurance & Automotive Component Manufacturing Industry.

Mr. S Prasad, Mr. M S Sundara Rajan, Mrs. Radha Unni and Mr. B D Banerjee are the four (4) 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 put in a process to familiarise the Independent Directors about their roles, rights and responsibilities in the Insurance industry. Further at every Board and Committee Meetings, the developments and changes on the Regulatory/

statutory fronts are provided to the Directors to ensure that they are periodically updated about the industry as well as market. All the Board Members including the Independent Directors interacts with the Management team periodically.

During the year, three of our Independent Directors attended the two days orientation programme conducted by the National Insurance Academy, Pune.

All Directors have executed the Deed of Covenant and necessary Annual declarations as required by the Corporate Governance guidelines issued by IRDAI are obtained.

Composition of the Board of Directors as at 31st March 2020

Name of the Director/(DIN)	Category	Qualification	Specialisation
Mr. S Viji (DIN: 00139043)	Chairman 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. S Prasad (DIN: 00063667)	Non- Executive Independent Director	F.C.A	Finance and Audit
Mr. Harsha Viji (DIN: 00602484)	Non-Executive Director	B.Com, ACA, M.B.A	Finance and Strategy, JV negotiations and new business development
Mr. Gary Lee Crist (DIN: 00942109)	Non-Executive Director	B.A. MIM	General Insurance
Mr. Filip A L Coremans (DIN: 03178684)	Non-Executive Director	MBA, Actuarial	General Insurance
Mr. M S Sundara Rajan (DIN: 00169775)	Non- Executive Independent Director	ACS, MA, CAIIB	Banking, Finance, Insurance and Capital Market
Mrs. Radha Unni (DIN: 03242769)	Non- Executive Independent Woman Director	M.A., B.Ed., CAIIB	Banking
Mr. B D Banerjee (DIN:00064354)	Non- Executive Independent Director	MA, AIII	Insurance, Risk Management and Ombudsman
Mr. M S Sreedhar (DIN: 07153983)	Managing Director	B.Com.,ACS, FIII	General Insurance

Committee of Directors

With a view to have a more focused attention on various facets of business, better accountability and as per regulatory requirements, the Board has constituted the following committees viz; Audit Committee, Investment Committee, Risk Management Committee, Policyholders Protection Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. 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. The various recommendations of the Committees are submitted to the Board for its consideration and approval as required. The Minutes of the Meetings of all the Committees are also placed before the Board for its information and noting the key deliberations. In addition, Members of the senior management team are invited to Board/Committee meetings as and when necessary.

II. Board Meetings

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

The Board periodically reviews the performance of the Company from all key aspects. During the year under review, five (5) meetings of the Board of Directors were held on 26.4.2019, 31.7.2019, 24.10.2019, 29.1.2020 and 18.3.2020.

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

Name of Director	Board Meetings attended	Directorships in other Public Companies		Committees in which Chairman/Member of other Companies [#]	
		Chairman	Director	Chairman	Member
Mr. S Viji	5/5	1	3	1	1
Mr. T T Srinivasaraghavan	5/5	1	7	-	4
Mr. Harsha Viji	5/5	-	5	1	4
Mr. Gary Lee Crist	5/5	-	1	-	-
Mr. Filip Coremans	5/5	-	1	-	-
Mr. S Prasad	5/5	-	5	6	2
Mr. M S Sundara Rajan	5/5	1	4	1	3
Ms. Radha Unni	5/5	-	7	1	4
Mr. B D Banerjee*	3/3	-	-	-	-
Mr. M S Sreedhar	5/5	-	-	-	-

* Appointed as Independent Director w.e.f.31st July 2019.

(# Foreign companies, private companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above said purpose. Audit Committee and Stakeholders' Relationship Committee considered.)

Mr. Supriyo Chaki, Appointed Actuary is a permanent invitee to the Board Meetings.

III. Committee Meetings

a. Audit Committee

Audit Committee was constituted as per the requirements of Companies Act and IRDAI Guidelines.

Terms of Reference:

The 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 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 fixing their remuneration. In addition, the Committee evaluates the financial and risk management policies and practices adopted by the Company. The Committee also ensures effectiveness of internal controls in critical areas of operations. It reviews and approves the transactions with related parties as per the requirements of the Companies Act, 2013. The Company has a separate team that looks into the areas of frauds and carries out detailed investigations. The reports of this team are placed before the Audit Committee periodically.

Composition:

During the year under review, the Committee was reconstituted with the induction of Mr. Gary Crist and Mr. B D Banerjee as Members effective 31st July 2019. The Composition of the Audit Committee is 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 inhouse Internal Auditors, Statutory Auditors and their representatives, Managing Director and other senior officials of the Company are invitees to the Audit Committee, as required.

During the year the Committee met 5 times. The composition of the Committee along with the attendance of the members at the Committee Meetings held during the year are given below

Name of the Members		No. of meetings attended	Meeting dates
S Prasad, Independent Director	Chairman	5 / 5	25.4.2019, 30.7.2019, 23.10.2019, 28.1.2020 and 18.3.2020 (5 meetings)
T T Srinivasaraghavan	Member	5 / 5	
Harsha Viji	Member	5 / 5	
Gary Lee Crist*	Member	3 / 3	
M S Sundara Rajan, Independent Director	Member	4 / 5	
Radha Unni, Independent Director	Member	5 / 5	
B D Banerjee*, Independent Director	Member	3 / 3	

* Member effective 31st July 2019

b. Investment Committee

The Company's Investment Committee is 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 reviews the investment operations and performance of the Company on a quarterly basis and updates the Board.

Composition:

The Committee is chaired by Mr. T T Srinivasaraghavan. The Committee met five times during the year. 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
T T Srinivasaraghavan	Chairman	5 / 5	25.4.2019, 30.7.2019, 23.10.2019, 28.1.2020 and 17.3.2020 (5 meetings)
Harsha Viji	Member	5 / 5	
Filip Coremans	Member	5 / 5	
M S Sundara Rajan	Member	4 / 5	
M S Sreedhar	Managing Director	5 / 5	
Supriyo Chaki	Appointed Actuary	5 / 5	
T C Rangarajan	Chief Financial Officer	5 / 5	
Ramu Govindan	Chief Investment Officer	5 / 5	
C V Srinivasan	Chief Risk Officer	5 / 5	

c. Risk Management Committee

The Risk Management Committee 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 system by performing analysis and quality reviews of the risks to which the Company is exposed to and the mitigation measures put in place by the Company to manage and mitigate these risks 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 currently chaired by Mr. M S Sundara Rajan. Along with the other members of the Committee, the Chief Risk Officer, the Appointed Actuary and the Chief Compliance Officer take part in the Committee Meetings. The Committee met four times during the year. 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
M S Sundara Rajan	Chairman	3 / 4	25.4.2019, 30.7.2019, 23.10.2019 and 28.1.2020 (4 meetings)
T T Srinivasaraghavan	Member	4 / 4	
Harsha Viji	Member	4 / 4	
Filip Coremans	Member	4 / 4	
M S Sreedhar	Member	4 / 4	

Mr. C V Srinivasan, the Chief Risk Officer, participated in all the Committee Meetings held during 2019-20.

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. The Committee further reviews initiatives taken by the Company to improve the quality of Customer service.

Composition:

The Committee is chaired by Mr. S Viji.

During the year under review, the Committee was reconstituted by the Board by inducting Mr. B D Banerjee as a Member, effective 18th March 2020.

The Committee met four times during the year. The Composition of the 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
S Viji	Chairman	4 / 4	25.4.2019, 31.7.2019, 24.10.2019 and 29.1.2020 (4 meetings)
Harsha Viji	Member	4 / 4	
Gary Lee Crist	Member	4 / 4	
Radha Unni	Member	4 / 4	
M S Sreedhar	Member	4 / 4	

The Grievance Redressal Officer, Mr. T M Shyam Sunder participates as an Invitee to the Committee Meetings. 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 in assessing 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 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 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
T T Srinivasaraghavan	Chairman	1 / 1	29.1.2020 (1 meeting)
S Viji	Member	1 / 1	
Gary Lee Crist	Member	1 / 1	
Radha Unni	Member	1 / 1	
M S Sreedhar	Member	1 / 1	

f. Nomination and Remuneration Committee

The Companies Act, 2013 and the Insurance Regulatory and Development Authority of India vide its Corporate Governance Guidelines mandates the constitution of Nomination and Remuneration Committee by certain class of companies and prescribes broadly the functions of the Committee. Accordingly, the Company had constituted the Nomination & Remuneration 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

assists in the identification of persons for appointment as Directors and as Key Managerial Personnel by carrying out a due diligence process to ensure that the applicant meets the fit and proper criteria. 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

- d) 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:

The Nomination and Remuneration Committee comprises of six members. Mr. M S Sundara Rajan, Independent director is the Chairman of the Committee. The Committee met four times during the year. 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	4 / 4	25.4.2019, 31.7.2019, 29.1.2020 and 17.3.2020 (4 meetings)
T T Srinivasaraghavan	Member	4 / 4	
Harsha Viji	Member	4 / 4	
Gary Lee Crist	Member	4 / 4	
S Prasad, Independent Director	Member	4 / 4	
Radha Unni, Independent Director	Member	4 / 4	

IV. Independent Directors' Meeting

During the year under review, the Independent Directors met separately on 5th March 2020 to discuss and evaluate

- (a) the performance of the non-independent Directors and the Board as a whole
- (b) Chairperson/Chairman of the Company, considering the views of the Executive and Non-Executive Directors, and
- (c) 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 Independent Directors participated in the Meeting. The details of their 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

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

Financial Year	Date of Meeting	Time	Venue
2018-19	19.07.2019	09.15 a.m	21, Patullos Road, Chennai 600 002
2017-18	19.07.2018	11.00 a.m	
2016-17	14.07.2017	02.00 p.m	

Broadly the subjects considered at the Annual General Meeting include the adoption of the Annual Accounts and appointment/reappointment of Directors and Statutory Auditors.

VI. Extraordinary General Meetings (EGM)

During the year, the Company has conducted two Extraordinary General Meetings. The details of which are as follows:

Sl No.	Date of the Meeting	Purpose of the Meeting
1	24.10.2019	Appointment of Mr. B D Banerjee as an Independent Director.
2	16.03.2020	Reappointment of Mr. S Prasad, Independent Director for another term of 5 years. Reappointment of Mr. M S Sreedhar as the Managing Director for another term of 3 years and revision in remuneration effective 1 st April 2020.

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 entire 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.

The Non-Executive Directors including the Independent Directors are paid sitting fees for every meeting of the Board and Audit Committee attended by them. The details of remuneration paid to the Directors during the Financial Year ended 31st March 2020 are provided in the extract of Annual Return (Form MGT 9) which is annexed to the Directors Report.

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.

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.

The Company is in compliance with the Corporate Governance Guidelines issued by IRDAI vide its circular dated 18th May 2016 and a certificate to this effect as provided to the Authority on an annual basis, is provided below.

For and on behalf of the Board

Place: Chennai
Date : May 6, 2020

S Viji
Chairman

Certification of compliance of the Corporate Governance Guidelines for 2019-20

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 2019-20, as amended from time to time, and nothing has been concealed or suppressed.

Place: Chennai
Date : May 6, 2020

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 is available on the company's website at www.royalsundaram.in.

2. The Composition of the CSR Committee

Mr. T T Srinivasaraghavan, (Non-executive Director) is the Chairman of the Committee. The other members of the Committee are (a) Mr. S Viji (b) Mr. Gary Lee Crist (c) Mrs. Radha Unni and (d) Mr. M S Sreedhar (Managing Director).

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 ₹123 cr.

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

The prescribed CSR expenditure requirement for FY 2019-20 is ₹2.48 cr.

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year was ₹2.48 cr.

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is provided in the following table

(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: Directly or through implementing agency
1	Health care activity contribution	Health	Chennai	₹100 Lakh	₹100 Lakh	₹100 Lakh	Contribution to Sundaram Medical Foundation
2	Contribution towards PAN India Insurance Awareness and Education Campaign	Education - Consumer education and awareness	All India	₹92.63 Lakh	₹92.63 Lakh	₹92.63 Lakh	Contribution to General Insurance Council
3	Contribution towards Education	Education	Chennai	₹20 Lakh	₹20 Lakh	₹20 Lakh	Contribution to Laxmi Charities
4	Contribution towards Education	Education	Chennai	₹15 Lakh	₹15 Lakh	₹15 Lakh	Contribution to Velammal Education Trust
5	Health care activity contribution	Health	Chennai	₹1 Lakh	₹1 Lakh	₹1 Lakh	Contribution to Tanker Foundation
6	Contribution for Road Safety Training in Emergency Response Management	Road Safety	Chennai	₹6 Lakh	₹6 Lakh	₹6 Lakh	Contribution to ALERT
7	Contribution towards Education	Education	Chennai	₹13.50 Lakh	₹13.50 Lakh	₹13.50 Lakh	Contribution to Single Teachers School
Total				₹248.13 Lakh	₹248.13 Lakh	₹248.13 Lakh	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report

Not applicable

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 6, 2020

M S Sreedhar
Managing Director
(DIN: 07153983)

T T Srinivasaraghavan
Chairman-CSR Committee
(DIN: 00018247)

Annexure B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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
No. 21, Patullos Road,
Chennai - 600 002.

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2020 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:

We 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, 2020 according to the provisions of

- (i) The Companies Act, 2013 (the Act) and the Rules made there under.
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, if any, received during the above said Financial Year.
- (iii) 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 applicable to the company.

We have also examined compliance with the applicable clauses of the following 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.

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors and there was change 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. 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.

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

We further report that during the audit period the company had no specific events/ actions having a major bearings on the Company's affairs.

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

ICSI UDIN No.: F005837B000209557

Place: Chennai

Date : May 6, 2020

Disclaimer Certificate

To,
The Members,
ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED
21, Patullos Road, Chennai - 600002.

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

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

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

ICSI UDIN No.: F005837B000209557

Place: Chennai

Date : May 6, 2020

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 the related parties on an arm's length basis were not material in nature.

Place: Chennai

Date : May 6, 2020

S Viji
Chairman
(DIN: 00139043)

Annexure D

REMUNERATION POLICY

Objective

The objective of this policy is to put in place a framework for the remuneration payable to the employees of the Company including the key management personnel (KMPs) Company, Executive and Non-Executive Directors, including Independent Directors.

Philosophy

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

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 and 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 variable 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 levels 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 positions 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

Remuneration policy for NEDs

The key elements of remuneration for the Non-Executive Directors (NED's) will be sitting fees payable for attending the meetings of the Board and Committees. The quantum shall be determined by the Board taking into consideration the provisions of the Companies Act, 2013 and IRDAI remuneration guidelines issued from time to time and subject to approval of the Shareholders, where required. The NEDs may also be entitled to receive commission as and when the same is approved by the Board based on the performance of the Company. In addition, the Directors are entitled to seek reimbursement of the expenses incurred by them for participating in the Board and other Meetings, in accordance with the provisions of the Companies Act, 2013.

The amount of sitting fees and commission, if any, payable to the NEDs shall be approved by the Board from time to time.

Remuneration to MD/CEO/WTD

IRDAI has vide its circular dated August 5, 2016 has issued fresh guidelines on remuneration of Non-Executive Directors and Executive Directors like Managing Director/Chief Executive Officer/Whole-Time Directors. The Managing Director (MD)/Chief Executive Officer (CEO)/ Whole Time Directors (WTD's) are appointed for a fixed tenure as approved by the Board, Shareholders and the Insurance Regulatory and Development Authority of India (IRDAI). Reappointment for further tenure is also subject to necessary approvals as may be required.

The Remuneration or variation in remuneration payable to the MD/ CEO/ WTD shall be governed by the Insurance Act, 1938 (under Section 34A of the Act) and the Rules made thereunder or any other guidelines that are issued by IRDAI from time to time. The remuneration is subject to approvals by the Nomination and Remuneration Committee (NRC), Board, Shareholders and IRDAI.

The remuneration to MD/CEO/WTD shall mainly comprise of fixed pay and variable pay. Remuneration may include basic salary, house rent allowance, other allowances, perquisites, variable pay in the form of performance bonus, stock options, other benefits and allowances as may be approved by the NRC/Board from time to time.

Severance pay will be in accordance with the provisions of the Companies Act, 2013 and shall be constituted by accrued benefits such as gratuity, provident fund, superannuation etc.

The remuneration structure for MD/CEO/WTD is subject to revision from time to time, depending on individual contribution, the company's performance and provisions of Companies Act, 2013 and rules framed there-under and the IRDAI guidelines/directions in this regard.

The annual increments to the MD/CEO/WTD shall be aligned to the overall performance of Company and market dynamics and as approved by the NRC/Board/Shareholders/IRDAI.

Variable Pay Composition

Total remuneration or total salary is defined to include in addition to the fixed pay, the variable pay and other perquisites payable to MD/ CEO/ WTD for a Financial Year. While designing the remuneration arrangements, it is ensured that there is a balance between fixed and variable pay. At higher levels of responsibility, the proportion of variable pay to fixed pay may be higher.

In terms of IRDAI's Remuneration guidelines issued on August 5, 2016, the Company may define what is 'substantial' in its remuneration policy. Where the variable pay constitutes a substantial portion of the total pay, then an appropriate portion of such variable pay to be deferred over a period of not less than 3 years.

'Substantial' portion of Total Pay for the purpose of this policy means where the variable pay or performance bonus constitutes 50% or more of the total remuneration (including such variable pay or performance bonus) as approved by the NRC/Board. In such an event, 40% of the total variable pay will be deferred and paid over the subsequent 3 years or where the term or tenure of the MD is less than 3 years consequent to his superannuation, then at such terms as may be approved by IRDAI.

Annual Increments

The annual increment including fixed and variable pay would be considered at the end of the relevant financial years based on the performance parameters set by the NRC, which will include the following

- Topline and bottom-line targets of the Company achieved.
- Deliverables on key strategies and operational efficiencies.
- Overall financial position of the company; adherence to solvency margin ratios and expenses of management limits being adhered to.
- Satisfactory claim settlement and repudiation performance.
- Putting in place an effective grievance redressal mechanism and monitoring the same periodically.
- Overall compliance with applicable laws, Regulations and Guidelines issued by IRDAI and other Statutory as applicable to Insurance Companies.

Claw-back

Where variable pay is deferred, the unpaid portion may be subject to claw back provisions in case the performance of the Company is not in line with the parameters defined by the NRC/Board. However, the decision of NRC/Board shall be after due consideration of the actual/realized performance of the Company considering any unforeseen or special circumstances.

ESOP

ESOPs granted of the Insurance Company or that of the Promoter/Group/Associate Companies, if any, shall be in line with the guidelines issued by the Authority, from time to time. ESOP as per the guidelines, is kept outside the computation of the total remuneration. The details of ESOP granted should also be disclosed in terms of the disclosure requirements stipulated for the financial statements of the Company.

Disclosures

Necessary disclosures as are required under the Companies Act, 2013 and the Rules made thereunder and the IRDAI Remuneration guidelines, shall be made in the Annual Report of the Company.

Review

This policy is subject to review at such time intervals as may be deemed necessary by the Management to incorporate any statutory changes or otherwise.

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 31.03.2020

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 Limited by Shares/Indian non-government Company
v	Address of the Registered Office & contact details	No.21, Patullos Road, Chennai 600 002. Contact Details: Mr. 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/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Sundaram Finance Limited No.21, Patullos Road, Chennai 600 002.	L65191TN1954PLC002429	Associate	50	2(6)

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	1,34,700	-	1,34,700	0.03	1,34,700	-	1,34,700	0.03	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	26,92,65,300	-	26,92,65,300	59.97	26,92,65,300	-	26,92,65,300	59.97	
d) Bank/FI	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	
SUB TOTAL (A) (1)	26,94,00,000	-	26,94,00,000	60.00	26,94,00,000	-	26,94,00,000	60.00	-
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	
b) Other individuals	-	-	-	-	-	-	-	-	
c) Bodies Corporate	17,96,00,000	-	17,96,00,000	40.00	17,96,00,000	-	17,96,00,000	40.00	-
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	
SUB TOTAL (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter A= (A)(1)+(A)(2)	44,90,00,000	-	44,90,00,000	100.00	44,90,00,000	-	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) FIs	-	-	-	-	-	-	-	-	-
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 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
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)	44,90,00,000	-	44,90,00,000	100.00	44,90,00,000	-	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	22,45,00,000	50.00	-	22,45,00,000	50.00	-	-
2	India Motor Parts & Accessories Limited	3,27,75,522	7.30	-	3,27,75,522	7.30	-	-
3	Sundharams Private Limited	1,19,89,778	2.67	-	1,19,89,778	2.67	-	-
4	S. Ram	44,900	0.01	-	44,900	0.01	-	-
5	S Viji	44,900	0.01	-	44,900	0.01	-	-
6	R.Ramanujam	44,900	0.01	-	44,900	0.01	-	-
7	Ageas Insurance International N.V.	17,96,00,000	40.00	-	17,96,00,000	40.00	-	-
	Total	44,90,00,000	100.00	-	44,90,00,000	100.00	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

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
No Change					

(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	44,900	0.01	44,900	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the Year	44,900	0.01	44,900	0.01

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	-	278	-	278
Total (i+ii+iii)	-	10,278	-	10,278
Change in Indebtedness during the financial year-(including interest accrued)				
i. Addition	-	1,075	-	1,075
ii. Reduction	-	1,071	-	1,071
Net Change (i-ii)	-	4	-	4
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	-	282	-	282
Total (i+ii+iii)	-	10,282	-	10,282

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	303.58 0.39 -
2.	Stock Option*	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	-
5.	Other payouts	12.67
Total		316.65

* 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	Total Amount
1	Independent Directors				
	Mr. S Prasad	2.40	NIL	NIL	2.40
	Mr. M S Sundara Rajan	2.90	NIL	NIL	2.90
	Ms. Radha Unni	2.90	NIL	NIL	2.90
	Mr. BD Banerjee	1.20	NIL	NIL	1.20
2	Other Non-Executive Directors				
	Mr. S Viji	1.50	NIL	NIL	1.50
	Mr. T T Srinivasaraghavan	3.40	NIL	NIL	3.40
	Mr. Harsha Viji	3.70	NIL	NIL	3.70
Total					18.00

C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

SI No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Financial Officer	Company Secretary	Other KMPs*	TOTAL
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	59.02	67.39	872.05	998.46
	(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	59.02	67.39	872.05	998.46

*Other KMPs as defined under Corporate Governance guidelines issued by IRDAI.

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

Place: Chennai

Date : May 6, 2020

 S Viji
 Chairman
 (DIN: 00139043)

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 Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and Revenue Accounts, the Profit and Loss Account and Receipts and Payments Account of the Company for the year ended, and notes to the standalone financial statements, including 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 (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, the Profit and Loss Account and Receipts and Payments Account are, therefore, drawn up in conformity with the Regulations.
3. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
 - b) in the case of Revenue Accounts, of the operating profit for the year ended on that date;
 - c) in the case of Profit and Loss Account, of the profit for the year ended on that date;
 - d) in the case of Receipts and Payments Statement, of the receipts and payments for the year ended on that date;
 - e) 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.

Basis for Opinion

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independent requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 31 of Schedule 17 of the Financial Statements, which describes the uncertainties and the impact of COVID-19, wherein based on the prudence principles applied, the company did not find any adverse impact on its Financial Statements as on date with the available information and will continue to closely monitor developments based on the circumstances that may emerge. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl No.	Key Audit Matter	Our audit procedures related to Key Audit Matter
1.	<p>Contingent Liabilities</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Hence we consider this as Key Audit Matter.</p> <p>Total tax contingent liabilities as at 31st March, 2020 is ₹ 721,830 thousands.</p> <p>Refer Note No. 2(a) of Schedule 17 of the standalone financial statements.</p>	<ul style="list-style-type: none"> • Obtained from the management of the company a list of litigation cases and the changes therein as compared to previous year; also undertaken a detailed understanding of the disputes as well as reviewed the conclusions arrived by the management along with assumptions required under AS 29. • We reviewed the details of pending tax demands as at 31st March, 2020. • We involved our internal experts to consider legal precedence and other ruling in evaluating the company's position on these uncertain tax positions. • We also reviewed Company's correspondences with tax authorities, legal counsels, grounds of appeal filed with various appellate authorities and industry position on various tax disputes. • Reviewed the minutes of board meetings, including the sub-committees. • Based on the legal opinion and other audit evidences obtained, while noting the inherent uncertainty with such legal, regulatory and tax litigations we have verified the tax provisions and disclosures made in respect of contingent liabilities as at 31st March, 2020.

Sl No.	Key Audit Matter	Our audit procedures related to Key Audit Matter
2.	<p>Valuation of investment</p> <p>Please refer note 6 to Schedule 16, Accounting policy for investments and Schedule 8 and 8A on Investments. Also refer to note 5(b) to Schedule 17 on write off / provision for diminution of in value of investments.</p> <p>We have considered this area as a Key Audit Matter since the carrying value of investments as at 31st March, 2020, was ₹5,74,50,467 thousands which is approximately 84.85% of the assets of the company. The management's assessment of the value of investment as on the reporting date involves management judgement which can materially impact the impairment loss, if any and the carrying value of investment.</p>	<ul style="list-style-type: none"> • Reviewed the accounting policies used by the Company for accounting and disclosing Investments together with the process followed for valuation of investments for compliance with the accounting framework / IRDAI regulation. • Assessed the adequacy of internal controls and tested the operating effectiveness of such controls for initial recognition, measurement, subsequent valuation and disclosure of investments as on the reporting date as per applicable regulations. • Verified the investment position at the year-end using direct third-party confirmation, bank statements and other substantive procedure and also independently re-performed the valuation check on a sample basis to confirm their appropriateness. • Investments identified for impairment/write off by the management are verified on a 100% basis by independently assessing the risk of impairment loss and probability of realization of investment value by considering publicly available information about the investee, directions issued by Regulator and Government. We also checked the compliance with IRDAI prudential norms for the assessment of impairment provision / write off. • Based on the outcome of the audit procedures carried out by us as stated above, investments and its valuation as at the year-end is ensured.
3.	<p>Valuation of outstanding claims ("OC") including claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER)</p> <p>We considered this as a key audit matter because the valuation of OC including IBNR and IBNER are significant in magnitude and requires use of judgements and estimates. OC including IBNR/IBNER are estimates for settlement of claims in future which are impacted by number of factors which includes the trends in nature of historical claims, severity of historical claims, frequency of historical claims, any change in the assumptions and IRDAI regulations.</p> <p>Please refer Point No. 19 of Schedule 17 of standalone financial statements</p>	<p>In relation to this, our audit response included the following</p> <ul style="list-style-type: none"> • We reviewed and tested the operating effectiveness of key controls relating to the claims handling and reserving process of the claim estimates recorded; • Substantive tests were performed on the amounts recorded for a sample of OC, to ensure whether claims are appropriately estimated and recorded; • We reviewed the certificate given by the appointed actuary and we had detailed discussions with the actuary about the assumptions used for their valuations and accordingly relied on the certificate given by the Actuary. <p>We reviewed the adequacy of Company's related disclosures by reference to relevant accounting standards and IRDAI Regulations.</p>

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, including Annexure to Board's Report, report on Corporate Governance and Management Report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with Governance for the Standalone Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and Receipts and Payments Account of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, provisions of Sub section (1) of Section 129 of The Act, provisions of Section 11 of the Insurance Act read with the IRDA Regulations/Guidelines/Circulars/orders. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

10. We report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) 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;
- c) The Balance Sheet, the Revenue Accounts, Profit and Loss Account, and Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
- d) The financial accounting system of the Company is centralised and therefore accounting returns are not required to be submitted by branches;
- e) In our opinion, the aforesaid standalone financial statements 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 IRDAI Regulations/Circulars/Orders;
- f) 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 valuation 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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, the remuneration paid/payable by the Company to its Managing Director during the year is in accordance with Section 34A of the Insurance Act. As the company is an insurance company, the provisions contained in Section 197 of the Act are not applicable;
- k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in Note No.2 (a) of Schedule 17 to the standalone financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any outstanding long term derivative contracts.
 - 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

V Chandrasekaran
 Partner
 Membership No: 024844

P Babu
 Partner
 Membership No: 203358

Place: Chennai
 Date : May 6, 2020

ANNEXURE (A) REFERRED TO IN PARAGRAPH (10)(i) 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 31st March 2020 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, 2020, 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 Brahmaya & Co.
Chartered Accountants
Registration No : 000511S

V Chandrasekaran
Partner
Membership No: 024844
UDIN: 20024844AAAAAV5289

P Babu
Partner
Membership No: 203358
UDIN: 20203358AAAAIQ5991

Place: Chennai
Date : May 6, 2020

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' 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.

1. Management's Responsibility for the statement

The Company's Board of Directors is 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 IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

2. 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 IRDA 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.

3. 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 31st March 2020, we certify that:

- We have reviewed the Management Report attached to the financial statements for the financial year ended 31st March 2020 and there is no apparent mistake or material inconsistency therein with the financial statements.
- The Company has complied with the terms and conditions of registration stipulated by IRDAI vide their letter dated 23rd October 2000.
- We have verified the cash and bank balances at the corporate office of the company and the investments of the Company.
- The Company is not a trustee of any trust.
- 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.
- 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

V Chandrasekaran
Partner
Membership No: 024844
UDIN: 20024844AAAAAV5289

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

P Babu
Partner
Membership No: 203358
UDIN: 20203358AAAAIQ5991

Place: Chennai
Date : May 6, 2020



Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020 (FIRE BUSINESS)

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

		(₹' 000)	
Particulars	Schedule	31st March 2020	31st March 2019
1 Premiums earned (Net)	1A	3,80,712	3,08,193
2 Profit/(Loss) on sale/redemption of Investments		9,143	5,677
3 Others - Coinsurance Admin Income		2,421	958
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹1,23,105 thousands (Previous Year: ₹1,30,612 thousands)] (Refer note 17 of Schedule 17)		1,21,184	1,28,911
Total (A)		5,13,460	4,43,739
1 Claims Incurred (Net)	2A	1,99,737	2,40,407
2 Commission	3A	24,180	25,198
3 Operating Expenses related to Insurance Business	4	1,69,055	1,29,519
4 Premium Deficiency		-	-
Total (B)		3,92,972	3,95,124
Operating Profit/(Loss) from Fire Business C = (A-B)		1,20,488	48,615
Appropriations			
Transfer to Shareholders' Account		1,20,488	48,615
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		1,20,488	48,615
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 Brahmaya & Co.
Chartered Accountants
Registration No.000511S

V Chandrasekaran
Partner
Membership No:024844

P Babu
Partner
Membership No:203358

Place: Chennai
Date : May 6, 2020

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020 (MARINE BUSINESS)

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

		(₹' 000)	
Particulars	Schedule	31st March 2020	31st March 2019
1 Premiums earned (Net)	1B & 1C	1,99,703	1,83,509
2 Profit/(Loss) on sale/redemption of Investments		1,904	1,146
3 Others - Exchange Gain/Coinsurance Admin Income		222	72
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 19,374 thousands (Previous Year: ₹ 17,588 thousands)] (Refer note 17 of Schedule 17)		18,974	17,245
Total (A)		2,20,803	2,01,972
1 Claims Incurred (Net)	2B & 2C	1,17,758	1,58,383
2 Commission	3B & 3C	26,934	7,661
3 Operating Expenses related to Insurance Business	4	43,742	49,053
4 Premium Deficiency		-	-
Total (B)		1,88,434	2,15,097
Operating Profit/(Loss) from Marine Business C = (A-B)		32,369	(13,125)
Appropriations			
Transfer to Shareholders' Account		32,369	(13,125)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		32,369	(13,125)
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 Brahmayya & Co.
Chartered Accountants
Registration No.000511S

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

V Chandrasekaran
Partner
Membership No:024844

P Babu
Partner
Membership No:203358

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

Place : Chennai
Date : May 6, 2020

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

Form B - RA
REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020 (MISCELLANEOUS BUSINESS)

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

(₹' 000)			
Particulars	Schedule	31st March 2020	31st March 2019
1 Premiums earned (Net)	1D	2,22,20,741	2,13,70,189
2 Profit/(Loss) on sale/redemption of Investments		2,76,768	1,66,766
3 Others - Transfer fee and Duplicate fee/Coinsurance Admin Income		3,217	2,873
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹30,06,486 thousands (Previous Year: ₹27,54,510 thousands)] (Refer note 17 of Schedule 17)		29,45,959	26,99,561
Total (A)		2,54,46,685	2,42,39,389
1 Claims Incurred (Net)	2D	1,90,71,248	1,81,49,729
2 Commission	3D	14,65,700	13,31,595
3 Operating expenses related to Insurance Business	4	44,10,198	36,08,455
4 Premium Deficiency		-	-
Total (B)		2,49,47,146	2,30,89,779
Operating Profit/(Loss) from Miscellaneous Business C=(A-B)		4,99,539	11,49,610
Appropriations			
Transfer to Shareholders' Account		4,99,539	11,49,610
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		4,99,539	11,49,610
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 6, 2020

For and on behalf of the Board of Directors

S Viji
 Chairman
 (DIN:00139043)

M S Sreedhar
 Managing Director
 (DIN:07153983)

Filip A L Coremans
 Director
 (DIN:03178684)

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 2020

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

(₹' 000)

Particulars	Schedule	31st March 2020	31st March 2019
1 OPERATING PROFIT/(LOSS)			
a) Fire Insurance		1,20,488	48,615
b) Marine Insurance		32,369	(13,125)
c) Miscellaneous Insurance		4,99,539	11,49,610
2 INCOME FROM INVESTMENTS			
a) Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹7,57,864 thousands (Previous Year: ₹7,89,160 thousands)] (Refer note 17 of Schedule 17)		7,42,217	7,73,766
b) Profit on sale of investments Less : Loss on sale of investments	89,082 (14,611)	74,471	68,274 (16,837)
3 OTHER INCOME			
a) Profit/(Loss) on Sale of Assets		(1)	20
b) Other Income		960	1,114
Total (A)		14,70,043	20,11,437
4 PROVISION (Other than taxation)			
a) For diminution in the value of investments		-	-
b) For doubtful debts (Refer note 12 of Schedule 17)		20,255	30,382
c) Others - Provision for doubtful investments [Refer note 5(b) of Schedule 17]		2,25,549	-
d) Others (Refer note 12 of Schedule 17)		5,536	19,699
5 OTHER EXPENSES			
a) Expenses other than those related to Insurance business		-	-
b) Employees' remuneration and welfare benefits		16,665	14,474
c) Bad debts written off (Investments) [Refer note 5(b) of Schedule 17]		6,53,278	-
d) Expenses of Investment & Penalties		3,398	4,192
e) CSR Contribution & Donations (Refer note 28 of Schedule 17)		24,813	15,074
f) Interest on Borrowings (Refer note 27 of Schedule 17)		1,07,573	1,07,500
Total (B)		10,57,067	1,91,321
Profit/(Loss) Before Tax (A - B)		4,12,976	18,20,116
Provision for Taxation			
- Current		1,62,000	5,52,000
- Deferred Tax		5,508	56,094
Profit/(Loss) after tax		2,45,468	12,12,022
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		44,17,283	32,05,261
Balance carried forward to Balance Sheet		46,62,751	44,17,283
Significant accounting policies	16		
Notes to financial statements	17		
Earning per Share (Basic and Diluted)		0.55	2.70

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 6, 2020

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

Form B - BS
BALANCE SHEET AS AT 31ST MARCH 2020

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

(₹' 000)

Particulars	Schedule	31st March 2020	31st March 2019
SOURCES OF FUNDS			
SHARE CAPITAL	5	44,90,000	44,90,000
RESERVES AND SURPLUS	6	72,12,751	69,67,283
FAIR VALUE CHANGE ACCOUNT			
- SHAREHOLDER FUNDS		(2,09,542)	(24,532)
- POLICYHOLDER FUNDS		(8,65,140)	(92,225)
BORROWINGS	7	10,00,000	10,00,000
TOTAL		1,16,28,069	1,23,40,526
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS	8	1,12,01,731	1,06,63,990
INVESTMENTS - POLICYHOLDERS	8A	4,62,48,735	4,00,90,972
LOANS	9	-	-
FIXED ASSETS	10	3,14,251	3,08,900
DEFERRED TAX ASSETS - NET (Refer note 7 of Schedule 17)		2,84,672	2,90,180
CURRENT ASSETS			
CASH AND BANK BALANCES	11	5,94,791	7,34,942
ADVANCES AND OTHER ASSETS	12	90,65,481	56,76,678
Sub- Total (A)		96,60,272	64,11,620
CURRENT LIABILITIES			
PROVISIONS	14	1,21,63,795	1,14,11,823
Sub - Total (B)		5,60,81,592	4,54,25,136
NET CURRENT ASSETS (C)=(A-B)		(4,64,21,320)	(3,90,13,516)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		-	-
TOTAL		1,16,28,069	1,23,40,526
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 6, 2020

For and on behalf of the Board of Directors

S Viji
 Chairman
 (DIN:00139043)

M S Sreedhar
 Managing Director
 (DIN:07153983)

Filip A L Coremans
 Director
 (DIN:03178684)

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 2020	31st March 2019
SCHEDULE 1A		
PREMIUM EARNED (NET) - FIRE BUSINESS		
Premium from direct business written	22,52,364	15,04,742
Add: Premium on reinsurance accepted	4,14,073	2,12,237
Less: Premium on reinsurance ceded	(22,02,128)	(13,22,486)
Net Premium	4,64,309	3,94,493
Adjustment for change in reserve for unexpired risks	(83,597)	(86,300)
Total Premium Earned (Net)	3,80,712	3,08,193
SCHEDULE 1B		
PREMIUM EARNED (NET) - MARINE CARGO BUSINESS		
Premium from direct business written	3,82,519	3,71,839
Add: Premium on reinsurance accepted	7,954	6,578
Less: Premium on reinsurance ceded	(1,86,676)	(1,83,087)
Net Premium	2,03,797	1,95,330
Adjustment for change in reserve for unexpired risks	(4,233)	(12,115)
Total Premium Earned (Net)	1,99,564	1,83,215
SCHEDULE 1C		
PREMIUM EARNED (NET) - MARINE HULL BUSINESS		
Premium from direct business written	-	2,051
Add: Premium on reinsurance accepted	-	-
Less: Premium on reinsurance ceded	-	(1,912)
Net Premium	-	139
Adjustment for change in reserve for unexpired risks	139	155
Total Premium Earned (Net)	139	294
SCHEDULE 1D		
PREMIUM EARNED (NET) - MISCELLANEOUS BUSINESS		
Premium from direct business written	3,40,34,689	2,98,47,073
Add: Premium on reinsurance accepted	89,144	90,242
Less: Premium on reinsurance ceded	(1,12,37,632)	(84,17,309)
Net Premium	2,28,86,201	2,15,20,006
Adjustment for change in reserve for unexpired risks	(6,65,460)	(1,49,817)
Total Premium Earned (Net)	2,22,20,741	2,13,70,189

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



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st March 2020	31st March 2019
SCHEDULE 2A		
CLAIMS INCURRED (NET) - FIRE BUSINESS		
Claims paid		
Direct	14,04,573	4,71,171
Add: Reinsurance accepted	33,176	33,523
Less: Reinsurance ceded	(12,21,972)	(3,58,290)
Net Claims paid	2,15,777	1,46,404
Add: Claims outstanding at the end of the year	3,01,399	3,17,439
Less: Claims outstanding at the beginning of the year	(3,17,439)	(2,23,436)
Total Claims Incurred (Net)	1,99,737	2,40,407
SCHEDULE 2B		
CLAIMS INCURRED (NET) - MARINE CARGO BUSINESS		
Claims paid		
Direct	2,33,237	2,11,684
Add: Reinsurance accepted	9,653	-
Less: Reinsurance ceded	(1,33,947)	(1,14,208)
Net Claims paid	1,08,943	97,476
Add: Claims outstanding at the end of the year	1,62,425	1,53,610
Less: Claims outstanding at the beginning of the year	(1,53,610)	(92,703)
Total Claims Incurred (Net)	1,17,758	1,58,383
SCHEDULE 2C		
CLAIMS INCURRED (NET) - MARINE HULL BUSINESS		
Claims paid		
Direct	-	-
Add: Reinsurance accepted	-	-
Less: Reinsurance ceded	-	-
Net Claims paid	-	-
Add: Claims outstanding at the end of the year	206	206
Less: Claims outstanding at the beginning of the year	(206)	(206)
Total Claims Incurred (Net)	-	-
SCHEDULE 2D		
CLAIMS INCURRED (NET) - MISCELLANEOUS BUSINESS		
Claims paid		
Direct	1,86,66,899	1,45,96,616
Add: Reinsurance accepted	1,766	42,850
Less: Reinsurance ceded	(50,96,814)	(30,68,287)
Net Claims paid	1,35,71,851	1,15,71,179
Add: Claims outstanding at the end of the year	3,31,79,491	2,76,80,094
Less: Claims outstanding at the beginning of the year	(2,76,80,094)	(2,11,01,544)
Total Claims Incurred (Net)	1,90,71,248	1,81,49,729

All claims paid, less reinsurance, are to claimants in India.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st March 2020	31st March 2019
SCHEDULE 3A		
COMMISSION - FIRE BUSINESS		
Commission paid		
Direct	2,46,893	1,60,374
TOTAL	2,46,893	1,60,374
Add: Commission on Reinsurance Accepted	38,468	18,080
Less: Commission on Reinsurance Ceded	(2,61,181)	(1,53,256)
Net Commission	24,180	25,198
Break-up of the expenses (Gross) incurred to procure business :		
Agents	28,941	26,707
Brokers	1,99,348	1,02,575
Corporate Agency	18,419	30,832
Referral	-	-
Others	185	260
TOTAL	2,46,893	1,60,374
SCHEDULE 3B		
COMMISSION - MARINE CARGO BUSINESS		
Commission paid		
Direct	61,677	43,737
TOTAL	61,677	43,737
Add: Commission on Reinsurance Accepted	111	66
Less: Commission on Reinsurance Ceded	(34,708)	(35,686)
Net Commission	27,080	8,117
Break-up of the expenses (Gross) incurred to procure business :		
Agents	25,965	21,512
Brokers	35,691	22,200
Corporate Agency	21	24
Referral	-	-
Others	-	1
TOTAL	61,677	43,737



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st March 2020	31st March 2019
SCHEDULE 3C		
COMMISSION - MARINE HULL BUSINESS		
Commission paid		
Direct	-	62
TOTAL	-	62
Add: Commission on Reinsurance Accepted	-	-
Less: Commission on Reinsurance Ceded	(146)	(518)
Net Commission	(146)	(456)
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	-	62
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	-	62
SCHEDULE 3D		
COMMISSION - MISCELLANEOUS BUSINESS		
Commission paid		
Direct	28,45,835	28,40,118
TOTAL	28,45,835	28,40,118
Add: Commission on Reinsurance Accepted	6,666	6,742
Less: Commission on Reinsurance Ceded	(13,86,801)	(15,15,265)
Net Commission	14,65,700	13,31,595
Break-up of the expenses (Gross) incurred to procure business :		
Agents	4,58,650	3,37,087
Brokers	15,85,071	18,32,458
Corporate Agency	4,03,218	4,09,980
Referral	-	-
Others	3,98,896	2,60,593
TOTAL	28,45,835	28,40,118

(₹ 000)

Particulars	Fire Revenue Account			Marine Revenue Account						Miscellaneous Revenue Account										Grand Total		
	31st March 2020	31st March 2019	31st March 2020	Marine Cargo	Marine Hull	Total Marine	Total Motor	Workmen's Compensation / Employers Liability	Total Public / Product Liability	Engineering	Total Personal Accident	Total Health Insurance	Crop	Others	Miscellaneous Total	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	
Premium Earned (Net)	22,52,564	15,04,742	3,82,519	3,71,839	-	3,82,519	2,08,16,046	69,700	78,982	84,994	7,88,527	6,09,344	5,71,123	5,81,512	3,40,34,689	2,98,47,073	3,66,69,572	3,17,25,705				
Premium from direct business written	4,14,073	2,12,257	7,954	6,578	-	7,954	6,578	-	-	47,292	41,192	21,984	49,050	19,868	89,144	90,242	5,11,171	3,09,057				
Add: Premium on reinsurance accepted	(2,20,128)	(13,22,486)	(1,86,676)	(1,83,087)	(1,912)	(1,86,676)	(34,54,883)	(8,155)	(11,295)	(5,586)	(7,85,979)	(5,69,337)	(83,053)	(1,09,170)	(1,12,37,632)	(1,03,447)	(1,36,26,436)	(99,24,794)				
Less: Premium on reinsurance ceded	4,64,309	3,94,493	2,08,797	1,95,330	139	2,08,797	1,73,61,163	61,545	67,687	33,408	1,29,840	81,199	5,10,072	5,21,392	2,28,86,201	52,565	2,35,54,307	2,21,09,968				
Adjustment for change in reserve for unexpired risks	(83,597)	(86,300)	(4,233)	(12,115)	139	(4,094)	(44,077)	3,110	(4,905)	490	517	(9,407)	(30,487)	(2,08,100)	(6,65,460)	3,333	(7,53,131)	(2,48,077)				
Total Premium Earned (Net)	3,80,712	3,08,193	1,99,564	1,83,215	139	1,99,703	1,83,50,149	64,655	62,782	33,898	1,30,357	71,792	4,90,569	4,90,905	7,68,451	55,898	2,28,00,156	2,18,61,891				
Claims Incurred (Net)	14,04,573	4,71,171	2,33,237	2,11,684	-	2,33,237	1,31,30,233	8,934	9,818	6,034	3,739	3,04,302	2,49,223	2,10,207	1,86,66,899	1,45,96,616	2,03,04,709	1,52,79,471				
Claims paid	33,176	33,523	9,653	-	-	9,653	-	-	-	-	1,766	648	42,202	-	1,766	42,830	44,595	76,373				
Add: Reinsurance accepted	(1,22,192)	(3,58,290)	(1,33,947)	(1,14,208)	-	(1,33,947)	(25,31,173)	(447)	(491)	(1,87)	(2,68,531)	(2,19,875)	(29,158)	(60,606)	(30,68,287)	(64,52,733)	(35,40,785)					
Less: Reinsurance ceded	2,15,777	1,46,404	1,08,943	97,476	-	1,08,943	97,476	8,807	9,327	5,701	37,327	29,996	1,81,009	2,12,254	1,45,2,864	1,80,887	1,38,96,571	1,18,15,059				
Add: Claims remaining unpaid at the end of the year	3,01,399	3,17,439	1,62,425	1,53,600	206	1,62,631	3,10,54,532	41,920	31,154	9,818	64,227	79,324	2,30,950	2,19,764	1,61,252	43,730	2,76,80,094	2,81,51,349				
Less: Claims remaining unpaid at the beginning of the year	(3,17,439)	(2,23,456)	(1,53,600)	(92,703)	(206)	(1,53,816)	(2,60,54,213)	(31,154)	(31,182)	(13,602)	(79,324)	(72,382)	(2,19,764)	(2,19,764)	(8,07,203)	(2,532)	(2,81,51,349)	(2,14,17,889)				
Total Claims Incurred	1,99,737	2,40,407	1,17,758	1,58,383	-	1,17,758	1,55,99,379	19,253	9,299	1,917	6,101	22,420	36,938	1,93,235	1,90,71,248	9,862	1,93,88,743	1,85,48,519				
Commissions																						
Commission paid	2,46,893	1,60,374	61,677	43,237	62	61,677	22,17,288	9,646	9,080	7,574	71,649	64,180	68,081	69,460	28,45,835	11,424	31,54,405	30,44,291				
Direct	2,46,893	1,60,374	61,677	43,237	62	61,677	22,17,288	9,646	9,080	7,574	71,649	64,180	68,081	69,460	28,45,835	11,424	31,54,405	30,44,291				
Less: Commission on reinsurance accepted	38,468	18,080	111	66	-	111	-	-	-	-	4,220	3,778	519	2,964	6,666	6,742	45,245	24,888				
Less: Commission on reinsurance ceded	(2,61,181)	(1,53,256)	(34,708)	(35,686)	(146)	(34,854)	(680,861)	(568)	(896)	(11,057)	(1,65,408)	(1,36,501)	(16,968)	(19,306)	(2,46,876)	(23,076)	(1,62,82,836)	(1,70,47,225)				
Net commission	24,180	25,198	27,080	8,117	(146)	26,934	15,36,427	9,078	8,184	(3,483)	(87,559)	(68,543)	51,632	(8,759)	14,05,700	7,711	15,16,414	13,64,554				
Operating Expenses	1,69,055	1,29,519	43,742	49,022	-	43,742	32,61,029	12,297	11,215	5,656	5,171	31,088	29,002	1,29,734	44,10,198	9,403	36,08,455	46,22,995				



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2020	31st March 2019
SCHEDULE 4		
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS		
1 Employees' remuneration and welfare benefits	18,31,778	16,23,426
2 Travel, conveyance and vehicle running expenses	90,581	85,975
3 Training expenses	16,603	11,891
4 Rents, rates and taxes	1,73,200	1,60,534
5 Repairs and maintenance	61,546	58,622
6 Printing and stationery	64,658	49,266
7 Communication	1,05,871	93,803
8 Legal and professional charges	20,020	30,430
9 Auditors' fees and expenses		
(a) as auditors	3,000	3,000
(b) as adviser or in any other capacity, in respect of		
(i) Taxation matters	300	300
(ii) Insurance matters	-	-
(iii) Management services	-	-
(c) in any other capacity - certification	1,182	1,054
(d) out of pocket expenses	195	318
10 Advertisement and publicity	3,45,450	3,78,671
11 Bank charges	54,069	51,819
12 Others		
- Data processing and outsourcing expenses	4,32,546	1,74,663
- Marketing and related expenses	8,94,999	5,78,538
- Software and Hardware maintenance charges	3,27,147	2,91,070
- Policy Stamp expenses	2,649	2,506
- Directors' sitting fees	1,800	1,750
- Miscellaneous expenses	67,901	69,511
13 Depreciation	1,20,418	1,15,035
14 GST on premium (Net)	7,082	4,845
TOTAL	46,22,995	37,87,027
Allocation of expenses		
Revenue Account - Fire Business	1,69,055	1,29,519
Revenue Account - Marine Business	43,742	49,053
Revenue Account - Miscellaneous Business	44,10,198	36,08,455
TOTAL	46,22,995	37,87,027

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2020	31st March 2019
SCHEDULE 5		
SHARE CAPITAL		
1 Authorised Capital 500,000,000 (31 st March 2019 - 500,000,000) equity shares of ₹10/- each	50,00,000	50,00,000
2 Issued Capital 44,90,00,000 (31 st March 2019 - 44,90,00,000) equity shares of ₹10/- each, fully paid up	44,90,000	44,90,000
3 Subscribed Capital 44,90,00,000 (31 st March 2019 - 44,90,00,000) equity shares of ₹10/- each, fully paid up	44,90,000	44,90,000
4 Called-up Capital 44,90,00,000 (31 st March 2019 - 44,90,00,000) equity shares of ₹10/- each, fully paid up 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)	44,90,000 - - - -	44,90,000 - - - -
TOTAL	44,90,000	44,90,000

SCHEDULE 5A

SHARE CAPITAL

PATTERN OF SHAREHOLDING

[As certified by the Management]

Particulars	31st March 2020		31st March 2019	
	Number of Shares	% of holding	Number of Shares	% of holding
Shareholder				
Promoters				
Indian	26,94,00,000	60%	26,94,00,000	60%
Foreign	17,96,00,000	40%	17,96,00,000	40%
	44,90,00,000	100%	44,90,00,000	100%
Others	-	-	-	-
TOTAL	44,90,00,000	100%	44,90,00,000	100%



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2020	31st March 2019
SCHEDULE 6		
RESERVES AND SURPLUS		
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	25,50,000	25,50,000
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	46,62,751	44,17,283
TOTAL	72,12,751	69,67,283
SCHEDULE 7		
BORROWINGS		
1 Debentures / Bonds (Refer note 27 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

Particulars	(₹' 000)	
	31st March 2020	31st March 2019
SCHEDULE 8		
INVESTMENTS - SHAREHOLDERS		
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	40,03,154	33,13,333
2 Other Approved Securities	-	-
3 Other Approved Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	26,27,352	22,68,687
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	-	-
4 Investments in Infrastructure and Social Sector	20,60,647	17,11,572
5 Other Investments - Alternative Investment Funds/Corporate Debentures	4,59,713	4,44,951
Less: Provision for Doubtful Investments	(40,030)	-
	4,19,683	4,44,951
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	-	-
2 Other Approved Securities	-	-
3 Other Approved Investments		
(a) Shares		
(aa) Equity	4,38,358	6,22,302
(bb) Preference	-	-
(b) Mutual Funds	2,72,209	46,197
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	7,92,692	12,60,044
(e) Other Securities-CD/TREP/CP	1,94,954	2,28,901
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	-	31,516
4 Investments in Infrastructure and Social Sector	3,40,738	5,56,421
5 Other Investments - Corporate Debentures / Equity	55,892	1,80,066
Less: Provision for Doubtful Investments	(3,948)	-
	51,944	1,80,066
TOTAL	1,12,01,731	1,06,63,990
Aggregate market value of quoted investments other than Equity Shares, Mutual Funds and AIF	1,00,38,602	93,95,884
Aggregate book value of quoted investments other than Equity Shares, Mutual Funds and AIF	1,00,69,159	95,10,796
Historical cost of Equity Shares valued on fair value basis	6,87,731	6,89,799
Historical cost of Alternative Investment Funds/Mutual Funds valued on fair value basis	5,03,407	2,27,509
Aggregate Book value of unquoted investments	1,94,954	2,60,417



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st March 2020	31st March 2019
SCHEDULE 8A		
INVESTMENTS - POLICYHOLDERS		
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	1,65,27,873	1,24,56,384
2 Other Approved Securities	-	-
3 Other Approved Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	1,08,47,581	85,29,067
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	-	-
4 Investments in Infrastructure and Social Sector	85,07,821	64,34,608
5 Other Investments - Alternative Investment Funds/Corporate Debentures	18,98,021	16,72,782
Less: Provision for Doubtful Investments	(1,65,271)	-
	17,32,751	16,72,782
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	-	-
2 Other Approved Securities	-	-
3 Other Approved Investments		
(a) Shares		
(aa) Equity	18,09,855	23,39,527
(bb) Preference	-	-
(b) Mutual Funds	11,23,871	1,73,672
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	32,72,797	47,37,099
(e) Other Securities-CD/TREP/CP	8,04,911	8,60,547
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	-	1,18,484
4 Investments in Infrastructure and Social Sector	14,06,812	20,91,848
5 Other Investments - Corporate Debentures / Equity	2,30,763	6,76,954
Less: Provision for Doubtful Investments	(16,300)	-
	2,14,463	6,76,954
TOTAL	4,62,48,735	4,00,90,972
Aggregate market value of quoted investments other than Equity Shares, Mutual Funds and AIF	4,14,46,507	3,53,23,565
Aggregate book value of quoted investments other than Equity Shares, Mutual Funds and AIF	4,15,72,666	3,57,55,572
Historical cost of Equity Shares valued on fair value basis	28,39,445	25,93,280
Historical cost of Alternative Investment Funds and Mutual Funds valued on fair value basis	20,78,424	8,55,314
Aggregate book value of unquoted investments	8,04,911	9,79,031

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2020	31st March 2019
SCHEDULE 9		
LOANS		
1. Security-wise classification		
Secured		
(a) On mortgage of Property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
TOTAL	-	-
2. Borrower-wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
TOTAL	-	-
3. Performance-wise classification		
(a) Loans Classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-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 1st April 2019	Additions	Deductions	Closing as at 31st March 2020	Upto 31st March 2019	For the year	On sales	Upto 31st March 2020	As at 31st March 2020	As at 31st March 2019
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Information Technology Software	4,96,219	77,940	-	5,74,159	4,04,016	47,810	-	4,51,826	1,22,333	92,203
Furniture and Fittings	35,270	2,180	-	37,450	24,548	1,998	-	26,546	10,904	10,722
Improvements to Leased premises	2,79,904	12,380	-	2,92,284	2,05,617	24,634	-	2,30,251	62,033	74,287
Information Technology Equipment - Server	3,12,271	20,967	-	3,33,238	2,56,826	18,057	-	2,74,883	58,355	55,445
Information Technology Equipment - Others	2,53,266	21,192	49	2,74,409	2,16,245	20,327	3	2,36,569	37,840	37,021
Vehicles	10,490	1,224	-	11,714	7,250	854	-	8,104	3,610	3,240
Office Equipment	1,48,576	7,420	172	1,55,824	1,30,232	6,738	172	1,36,798	19,026	18,344
TOTAL	15,35,996	1,43,303	221	16,79,078	12,44,734	1,20,418	175	13,64,977	3,14,101	2,91,262
Work in progress	17,638	10,487	27,975	150	-	-	-	-	150	17,638
GRAND TOTAL	15,53,634	1,53,790	28,196	16,79,228	12,44,734	1,20,418	175	13,64,977	3,14,251	3,08,900
As at 31 st March 2019	14,10,709	1,82,497	39,572	15,53,634	11,30,116	1,15,035	417	12,44,734	3,08,900	



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	31st March 2020	31st March 2019
SCHEDULE 11		
CASH AND BANK BALANCES		
1 Cash (including cheques, drafts and stamps)	10,561	66,450
2 Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current Accounts	5,84,230	6,68,492
(c) Others	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
TOTAL	5,94,791	7,34,942



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	31st March 2020	31st March 2019
SCHEDULE 12		
ADVANCES AND OTHER ASSETS		
ADVANCES		
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	64,058	68,755
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source [Net of provision for tax amounting to ₹24,10,862 thousands (Previous Year: ₹23,34,353 thousands)]	22,61,346	16,89,454
6 MAT Credit Entitlement	-	-
7 Others - Deposits for premises	90,447	85,819
- Service Tax & GST unutilised credit/Advance Payments	5,51,623	2,06,976
- Other Advances	29,002	25,579
TOTAL (A)	29,96,476	20,76,583
OTHER ASSETS		
1 Income accrued on investments	15,98,685	16,11,561
2 Outstanding Premiums	32,55,210	9,74,915
3 Agents' Balances	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business (including reinsurers)	1,64,782	74,824
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	9,84,741	8,83,364
- Unclaimed Amount of Policyholders - Assets	56,308	49,591
- Investment Income accruing on Unclaimed Amount	9,279	5,654
- Investment Related Receivables	-	186
TOTAL (B)	60,69,005	36,00,095
TOTAL (A+B)	90,65,481	56,76,678

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	31st March 2020	31st March 2019
SCHEDULE 13		
CURRENT LIABILITIES		
1 Agents' Balances	3,09,575	2,57,585
2 Balances due to other insurance companies (including reinsurers)	58,48,371	28,18,772
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	18,74,708	9,96,920
5 Unallocated Premium	3,45,784	1,20,583
6 Sundry creditors	16,75,184	14,39,419
7 Unclaimed amount of Policyholders	57,153	50,811
8 Investment Income accruing on Unclaimed Amount	9,279	5,654
9 Due to subsidiaries / holding company	-	-
10 Claims Outstanding	3,36,43,521	2,81,51,349
11 Due to Officers / Directors	15,488	15,808
12 Others - GST Payable	71,960	37,562
- Claims approved under settlement	66,774	1,18,850
TOTAL	4,39,17,797	3,40,13,313
SCHEDULE 14		
PROVISIONS		
1 Reserve for Unexpired Risk	1,21,50,603	1,13,97,452
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	736	3,672
- Leave compensated absence	12,456	10,699
TOTAL	1,21,63,795	1,14,11,823
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 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. 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 as stipulated in the IRDAI circular no. IRDA/F&A/CIR/CPM/056/03/2016. 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. 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 7 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 are 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.
 - iv. At each Balance Sheet date the company assesses, whether any impairment by way of diminution, other than temporary in value of its investments has occurred, and recognizes the resultant impairment as an expense in the Profit and Loss account.

SIGNIFICANT ACCOUNTING POLICIES

(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 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 Profit and Loss account.

(h) Alternative Investment Funds

- i. Investments in Alternative Investment Funds (AIFs) are valued at latest available Net Asset Value.
- 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 - AIF".

7. 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.

SIGNIFICANT ACCOUNTING POLICIES

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

SIGNIFICANT ACCOUNTING POLICIES

(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) Actuarial gains/losses are recognized in the Revenue Account.

13. 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.

14. 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.

15. 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.

16. 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 2020	31st March 2019
Partly paid investments	565*	565*
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	7,13,323**	6,07,585**
- Disputed Service tax Liability***	8,507	7,599
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 ₹44,49,532 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.

The company has paid ₹19,96,700 thousands based on the directions of ITAT and the Income tax Department for the purpose of obtaining a stay for various demands.

*** Based on the Show Cause Notice issued by 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 ₹16,96,964 (tax and penalty) thousands as a contingent liability on the basis of expert legal advice and similar decisions of jurisdictional court in favour of the assesses that the demands are not sustainable and the likelihood of outflow of resources is remote.

**** 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.

b) Commitments made for Investments and Fixed Assets

(₹' 000)

Particulars	31st March 2020	31st March 2019
Commitments made and outstanding for Loans and Investments	4,92,867	4,21,560
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	28,671	18,773

NOTES TO FINANCIAL STATEMENTS

- c) Service Tax Advance Payments under “Advances & Other Assets” (Sch.12) includes ₹24,200 thousands (previous year ₹24,200 thousands) 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 2020	31st March 2019
Lease payments debited to the Profit and Loss Account	1,57,623	1,45,042
Future minimum lease payments		
- Not later than one year	1,46,134	1,32,664
- Later than 1 year but not later than 5 years	2,51,060	2,57,054
- Later than 5 years	52,948	61,335

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

Particulars	31st March 2020		31st March 2019	
	Nos.	Amount	Nos.	Amount
Claims outstanding for a period exceeding six months	20,618	1,19,10,188	18,237	1,07,39,546
Other Claims (less than 6 months)	18,765	39,41,316	22,906	38,12,158
Grand Total	39,383	1,58,51,504	41,143	1,45,51,704

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, 2020, 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 2020	31st March 2019
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 2020	31st March 2019
Non-Performing Investment	11,04,376	Nil

The Non performing investment represents Non-Convertible Debentures (NCDs) amounting to ₹17,57,306 thousands (amortised book value at the beginning of the financial year) of Dewan Housing Finance Limited (DHFL) comprising of debentures with different coupon rates and maturity dates. These investments were made on various dates at the time when the credit rating of the NCDs were at “AAA” which gradually got downgraded to “AA” upto the end of the previous financial year.

However, during the year, the rating was further downgraded to “D” as DHFL could not meet its financial obligation. Further it was noted that an Administrator has been appointed by Reserve Bank of India(RBI) to take charge of the affairs of DHFL and to finalize a resolution plan. Meanwhile, RBI has also filed an application before NCLT for initiation of corporate insolvency resolution process against DHFL.

In the case of the company, both interest dues and part of principal which fell due for repayment during the year has been defaulted. Consequently, as per IRDAI Guidelines on prudential norms, the said investments have become NPA. The Company has reviewed the financial status /other developments in DHFL and considering the uncertainty, ₹6,53,278 thousands representing default of principal repayment by DHFL up to 31st March 2020, has been written off to Profit and Loss Account. Further, recognition of interest income from the NCDs has been stopped.

NOTES TO FINANCIAL STATEMENTS

As a matter of prudence, the Company has also made a provision of ₹2,25,549 thousands towards diminution in value of investments for the remaining exposure. The Company would continue to review the position periodically and take every action for recovering the investments as well as making suitable adjustments in the books as and when required.

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 2020	31st March 2019
Present value of obligations as at the end of the year	1,78,379	1,57,751
Fair value of plan assets as at the end of the year	177,642	1,54,079
Unrecognized Past Service Cost	-	-
Funded status Asset/(Liability)	(736)	(3,672)
Net Asset/(Liability) recognised in the Balance Sheet	(736)	(3,672)

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

Particulars	31st March 2020	31st March 2019
Current Service cost	23,085	19,345
Past Service cost	-	63
Interest Cost	12,517	10,932
Expected return on plan assets	(11,430)	(8,211)
Net Actuarial loss/ (Gains) recognized in the year	(1,999)	9,211
Expenses to be recognized in Revenue Accounts	22,174	31,340

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

Particulars	31st March 2020	31st March 2019
Changes in present value of obligations		
Present value of obligations as at the beginning of the year	1,57,751	1,26,760
Interest cost	12,517	10,932
Current Service Cost	23,085	19,345
Past Service Cost	-	-
Benefits Paid	(9,588)	(9,563)
Actuarial (gain)/loss on obligation	(3,911)	10,278
Present value of obligations as at the end of the year	1,78,379	1,57,751

(₹' 000)

Particulars	31st March 2020	31st March 2019
Changes in the fair value of plan assets – LIC Fund		
Fair value of plan assets at the beginning of the year	1,54,079	1,09,784
Expected return on plan assets	11,430	8,211
Contributions	25,109	44,581
Benefits paid	(9,589)	(9,563)
Actuarial gain / (Loss) on plan assets	(1,913)	1,067
Fair value of plan assets at the end of the year	1,77,643	1,54,079

NOTES TO FINANCIAL STATEMENTS

d) Asset Information

Category of Assets (% Allocation)	Year Ended			
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	%	%	(₹'000)	(₹'000)
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Insurer Managed Funds	100%	100%	1,77,643	1,54,079
Others	-	-	-	-
Grand Total			1,77,643	1,54,079

e) Experience Adjustments (₹' 000)

	Year Ended				
	31st March 2016	31st March 2017	31st March 2018	31st March 2019	31st March 2020
Defined benefit Obligation	81,509	1,09,494	1,26,760	1,57,751	1,78,379
Plan Assets	64,735	83,373	1,09,784	1,54,079	1,77,643
Surplus / (Deficit)	(16,774)	(26,121)	(16,976)	(3,672)	(736)
Exp. Adj. on Plan Liabilities	473	6,926	(6,311)	9,973	1,263
Exp. Adj. on Plan Assets	78	1,590	(419)	1067	(1,913)

f) Assumptions

Particulars	31st March 2020	31st March 2019
i) Discount rate	6.50%	7.40%
ii) Salary Escalation	7.00%	8.33%
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 (2012-14) Ult table		
v) Rates of leaving service has been assumed as under		

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 31st March 2020 as per Actuarial Certificate is ₹12,456 thousands (Previous Year: ₹10,699 thousands) and is provided for in the books of Accounts. The basis of provision for compensated absences is as follows

(₹' 000)

Particulars	31st March 2020	31st March 2019
Changes in present value of obligations		
Present value of obligations as at the beginning of the year	10,699	9,404
Interest cost	-	-
Current Service Cost	1,757	1,295
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	-	-
Present value of obligations as at the end of the year	12,456	10,699

Assumptions

Particulars	31st March 2020	31st March 2019
Discount rate	6.50%	7.40%
Salary Escalation	7.00%	8.33%
Earned leave	As per Company rules	
Retirement age	60 Years	60 Years
Mortality rate Table	IALM (2012-2014)	IALM (2012-2014)

7. Deferred Tax

(₹' 000)

Particulars	31st March 2020	31st March 2019
Deferred Tax Assets		
Reserve for Unexpired risk	1,82,647	2,38,829
Depreciation	23,022	30,112
Accumulating Compensated Absence	3,135	3,739
Provision for Investments	56,771	-
Provision for Doubtful Debts	19,097	17,500
Net Deferred Tax Asset	2,84,672	2,90,180

The Taxation Laws (Amendment) Act, 2019 has amended the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019 by inserting section 115BAA that provides for domestic companies to opt for lower tax rates, provided they do not claim certain deductions.

The Company has decided to exercise the option and has accordingly recognized the provision for Income Tax for the year ended 31st March 2020. Further, the opening deferred tax assets as at 01st April 2019, amounting to ₹81,164 thousands has been reversed and debited to the Profit and Loss account for the year ended 31st March 2020.

NOTES TO FINANCIAL STATEMENTS

8. Participation in Indian Terrorism Risk Insurance Pool

The Company has accounted for the retro cession for 4 Quarters upto December 2019 during the year.

(₹' 000)

Particulars	31st March 2020	31st March 2019
Due from the Pool Manager, beginning of the year	8,83,364	7,76,479
Premium on reinsurance accepted	82,516	73,552
Investment Income	37,574	54,399
Premium on reinsurance ceded	(7,253)	(8,369)
Claims paid on reinsurance accepted	(181)	(3,450)
Commission/Brokerage paid on reinsurance accepted	(10,453)	(8,509)
Operating expenses related to insurance business	(826)	(738)
Profit Commission on XL	Nil	Nil
Due from the Pool Manager, end of the year	9,84,741	8,83,364
Claims outstanding, end of the year	(412)	(1,000)
Reserve for Unexpired risk, end of the year	(75,263)	(65,183)
Reserve for Unexpired risk, beginning of the year	65,183	70,130

9. Solatium Fund

(₹' 000)

Particulars	31st March 2020	31st March 2019
Contribution to the Solatium Fund @ 0.1% of the Gross Written Premium of Motor Third Party Business	9,156	8,457

10. The Sector-wise Gross Written Premium Direct

(₹' 000)

	31st March 2020		31st March 2019	
	Amount	%	Amount	%
Rural Sector (including Social Sector)*	1,02,15,190	27.86	58,50,799	18.44
Other Sectors	2,64,54,383	72.14	2,58,74,906	81.56
Total Gross Direct Premium	3,66,69,573	100.00	3,17,25,705	100.00

Particulars	31st March 2020	31st March 2019
Social Sector		
No. of Lives Covered	2,15,122	2,02,849
No. of Policies Issued	76,742	482

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

11. a) Premium Recognition on Varying Risk Pattern

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

b) Risk retention / reinsurance

Particulars	31st March 2020	31st March 2019
Risk retained (%)	63	69
Risk reinsured (%)	37	31

NOTES TO FINANCIAL STATEMENTS

12. During the financial year, the Company has provided a sum of ₹25,791 thousands (Previous year: ₹50,081 thousands) for doubtful recoveries on premium receivable from Government & other receivables.

13. Remuneration to Managing Director (as approved by IRDAI)

(₹' 000)

Particulars	2019-20	2018-19
Mr. M S Sreedhar		
Salary	5,969	5,190
Allowances and perquisites	10,209	8,987
Variable Pay	15,488	15297*
Total	31,665	29,474
Less:-Transferred to Revenue Account	15,000	15,000
Balance Transferred to P&L A/c	16,665	14,474

* Actual amount paid was ₹13,400 thousands.

The Stock Options granted to Managing Director by M/S. Sundaram Finance Ltd. in the previous year 2018-19 comprising of 750 Shares costing ₹1,077 thousands is subject to IRDAI Approval.

14. Related Party Transactions

Enterprise having significant influence on the reporting enterprise

i. Joint Promoters/Investors

a) Sundaram Finance Limited b) Ageas Insurance International N.V.

ii. Key Management personnel (KMP)

Mr. M S Sreedhar	Managing Director
------------------	-------------------

Transactions with related parties and balances

(₹' 000)

Sl No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/ Categories	2019-20		2018-19	
				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 till 21 st Feb,2019 Joint promoter from 22 nd Feb, 2019	Insurance Premium Income -As Beneficiary - Holding Company	-	-	8,206	-
			Insurance Premium Received -As Beneficiary - Associate	15,702	-	950	-
			Insurance Premium Received -As others - Holding company	-	-	12,263	-

NOTES TO FINANCIAL STATEMENTS

(₹' 000)

Sl No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/ Categories	2019-20		2018-19	
				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)
	Sundaram Finance Limited	Holding Company till 21 st Feb, 2019	Insurance Premium Received -As others - Associate	5,527	-	140	-
		Joint promoter from 22 nd Feb, 2019	Interest on Investment Received -Holding Company	-	-	29,099	-
			Interest on Investment Received - Associate	36,623	-	2,647	-
			Rent Paid - As holding company	-	-	6,527	-
			Rent Paid - Associate	6,760	-	604	-
			Payment for Services Received - As holding company	-	-	46,470	-
			Payment for Services Received - Associate	52,108	-	1,745	-
			Agency Commission Paid - As holding company	-	-	1,63,207	-
			Agency Commission Paid - Associate	1,84,037	-	21,449	-
			Insurance Claims Paid-As Beneficiary - Holding Company	-	-	3,121	-
			Insurance Claims Paid-As Beneficiary - Associate	4,663	-	367	-
			Insurance Claims Paid -As Others - Holding Company	-	-	8,229	-
			Insurance Claims Paid -As Others -	9,810	-	-	-
			Investment Redemption	2,00,000	-	1,80,000	-
			Interest on debentures	53,529	-	1,07,500	-

NOTES TO FINANCIAL STATEMENTS

(₹' 000)

Sl No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/ Categories	2019-20		2018-19	
				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)
	Sundaram Finance Limited	Holding Company till 21 st Feb,2019 Joint promoter from 22 nd Feb, 2019	Other Receivables	-	(26,670)	-	(23,831)
			Investment Held	-	(8,29,097)	-	(5,07,554)
			Rental Deposit	-	(3,625)	-	(3,625)
			Other Payable	-	17,114	-	50,377
			Insurance Deposit	-	1,473	-	3,649
			Share Capital	-	22,45,000	-	22,45,000
			Subscription of debentures	-	-	-	10,00,000
2	Ageas Insurance International N.V.	Joint Promoter/ Investor from 22 nd Feb,2019	Reinsurance Premium	10,82,107	-	-	-
			Claims on Re-insurance	1,07,231	-	-	-
			Commission on reinsurance ceded	36,887	-	-	-
			Share capital	-	17,96,000	-	17,96,000
			Other Payable	-	6,20,035	-	-
3	M S Sreedhar	Key Managerial Personnel	Insurance Premium Income	55	-	76	-
			Remuneration	31,665	-	29,474	-
			Other Payable	-	15,488	-	15,297*

* Actual amount paid was ₹13,400 thousands.

NOTES TO FINANCIAL STATEMENTS

15. Penal Actions by various statutory authorities

(For the year ended 31st March 2020)

(₹' 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	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

(For the year ended 31st March 2019)

(₹' 000)

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	- *	500	500	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

*The order does not quantify the amount.

16. 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

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

(₹ '000)

Particulars	31st March 2020	31st March 2019
Revenue Account – Policyholders’ Funds		
Fire	1,921	1,700
Marine	400	343
Miscellaneous	60,528	54,942
Profit and Loss Account – Shareholders’ Funds	15,647	15,401
Total	78,496	72,386

18. 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.

19. The liability of IBNR & IBNER for the year ending 31st March 2020 has been estimated by the Appointed Actuary in compliance with the guidelines issued by the IRDAI.

20. Details of Outsourcing Expenses

(₹ '000)

Nature of Outsourcing	31st March 2020	31st March 2019
Data processing and outsourcing expenses	4,32,546	1,74,663
Marketing and related expenses	8,94,999	5,78,538
Advertising And Brand Building	3,37,459	3,70,807
Data Centre Service Charges	41,308	37,709
Professional Fees Staff Depute	1,92,098	1,48,686
Others	1,20,102	1,24,148
Total	20,18,512	14,34,551

21. Statement showing the age-wise analysis of the Unclaimed Amount of the Policyholders

(For the year ended 31st March 2020)

(₹ '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)	3,654	1,523	731	574	411	48	367
Cheque issued but not encashed by the policyholder/Insured	84,968	33,154	4,406	5,260	8,379	5,441	28,328

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

NOTES TO FINANCIAL STATEMENTS

(For the year ended 31st March 2019)

(₹' 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)	3,884	3,054	411	48	88	98	185
Cheque issued but not encashed by the policyholder/Insured	60,676	17,781	9,341	5,186	7,569	3,804	16,995

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

Statement Showing movement of Unclaimed Amount of Policyholders due

(₹' 000)

Particulars	31st March 2020	31st March 2019
Opening Balance	56,465	46,602
Add:- Amount Transferred to Unclaimed amount	6,908	4,532
Add:- Cheques issued out of the unclaimed amount but not encashed by the policy holders (To be included only when the cheques are Stale)	-	-
Add:- Investment Income	3,628	5,658
Less:- Paid during the year	569	327
Closing Balance of Unclaimed Amount	66,432	56,465

22. In accordance with the regulatory guidelines, there is no premium deficiency to be recognized at segmental level (i.e Fire, Marine and Miscellaneous).

23. Earning Per Share (EPS)

(Amount in ₹)

Particulars		31st March 2020
Profit/(Loss) after tax	- A	24,54,68,300
No. of Shares		44,90,00,000
Weighted avg. no. of Shares	- B	44,90,00,000
EPS – Basic & Diluted	- (A / B)	0.55

(Amount in ₹)

Particulars		31st March 2019
Profit/(Loss) after tax	- A	1,21,20,21,695
No. of Shares		44,90,00,000
Weighted avg. no. of Shares	- B	44,90,00,000
EPS – Basic & Diluted	- (A / B)	2.70

24. During the year the foreign exchange gain/loss included in the Revenue account of the Company is loss of ₹5,669 thousands (Previous year loss ₹1,364 thousands).

NOTES TO FINANCIAL STATEMENTS

25. Expenses not directly identifiable to business segments, apportioned to Revenue Accounts (₹' 000)

Product Segment	31st March 2020*		31st March 2019*	
	Investment Expenses	Other Expenses	Investment Expenses	Other Expenses
Fire	417	57,328	407	40,759
Marine Cargo	87	29,501	82	23,749
Marine Hull	-	-	-	17
Miscellaneous	12,628	30,47,803	11,970	25,23,882
Total	13,132	31,34,632	12,459	25,88,407
*Basis of Allocation	Mean Policy Holder Fund	NWP - Direct	Mean Policy Holder Fund	NWP - Direct

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

Sl No.	Sch	Particulars	Previous year figures reported in current year	Reported in previous year	Difference	Reason
1	3d	Commission - Direct	30,44,291	25,25,290	5,19,001	Reclassified/ Regrouped for appropriate presentation
2	4	Employees' remuneration and welfare benefits	16,23,426	16,25,969	(2,543)	
3	4	Miscellaneous expenses	69,511	1,97,080	(1,27,569)	
4	4	Marketing Related Expenses	5,78,538	9,67,427	(3,88,889)	
5	13	Balances due to other insurance companies (including reinsurers)	28,18,772	16,56,650	11,62,122	
6	13	Due to subsidiaries / holding company	-	50,377	(50,377)	
7	13	Sundry creditors	14,76,079	25,87,824	(11,11,745)	

27. The company has raised ₹5,00,000 thousands on 30th September 2016 at a coupon rate of 11.00% and ₹5,00,000 thousands on 27th March 2017 at coupon rate of 10.50 % through Unsecured Sub-ordinate Redeemable Non-Convertible Debentures for the tenor of 10 years with interest payment on an Annual basis. Previous due date for payment of Interest on Non-Convertible Debentures: Paid on 27th March, 2020. Next due date for payment of Interest on Non-Convertible Debentures: 29th September, 2020.

28. During the year 2019-20, as per provisions of Section 135 of Companies Act 2013, the Company was required to spend ₹24,800 thousands (previous year: ₹14,900 thousands) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The Company has spent ₹24,813 thousands (previous year: ₹15,073 thousands) towards Corporate Social Responsibility activities during the year.

NOTES TO FINANCIAL STATEMENTS

29. Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below

(₹' 000)

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers under MSMED Act	6,409	14,276
Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

30. IRDAI vide circular no. IRDAI/NL/CIR/MOT/079/04/2020 dated 02nd April 2020 and IRDAI/NL/CIR/ MOT/090/04/2020 dated 16th April 2020 has stipulated that, the Policyholders whose motor vehicle third party insurance policies fell due for renewal during the period on and from 25th March 2020 up to 03rd May 2020 and who are unable to make payment of their renewal premium on time in view of the prevailing situation due to COVID-19 are allowed to make premium payment for renewal of policies to their insurers on or before 15th May 2020 to avail the continuity benefit of the statutory motor vehicle third party insurance cover from the date on which the policy fell due for renewal, so that any valid claim triggered during this period are to be paid.

The Company has renewed motor vehicle third party insurance which fell due for renewal between 25th March 2020 and 31st March 2020 in respect of 1,932 policies based on Gross premium amounting to ₹11,080 thousands received in the month of April 2020. The policy cover has been extended from the expiry date of previous policy. Considering the difficulties in accounting these policies in manual mode and amount involved, the premium will be accounted in next financial year. The impact on earnings and underwriting results for the Financial year 2019 -2020 is not material.

31. The COVID-19 has been declared a pandemic by the World Health Organization on 11th March 2020. The pandemic has led to a significant impact on the Indian Financial markets with overall decline in the economic activities across the world. On 24th March 2020, the Government of India announced a 21-day lockdown, which has been further extended by 33 Days, across the country aimed at the containment of the pandemic.

The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess and provide for the impact of the pandemic on the Financial Statements. This has come at the tail end of the Financial year 2019-20 and as such does not have material impact on the accounts.

However, due to the uncertainties associated with the pandemic, the actual impact may not be in the current estimates. The Company will continue to closely monitor developments / changes to the estimates – basis the future macro-economic impact. Further the impact assessment as on date with the available information does not indicate any adverse impact on the ability of the company to continue as a going concern.

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 6, 2020

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

Filip A L Coremans
Director
(DIN:03178684)

T C Rangarajan
Chief Financial Officer

M S Sreedhar
Managing Director
(DIN:07153983)

S Prasad
Director
(DIN:00063667)

S R Balachandher
Company Secretary

- 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 10 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 6 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 2020

Particulars	Fire	Marine Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmens Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Crop	Others	Investment of Shareholders funds	Total Excluding Motor TP Pool	Motor Pool & Declined Pool	Total Including Motor TP Pool
Gross Direct Premium	22,52,364	3,82,519	-	1,16,60,484	91,55,562	2,08,16,046	69,700	70,821	7,88,527	5,71,123	39,80,521	76,07,807	1,30,144	-	3,66,69,572	-	3,66,69,572
Premium inward	4,14,073	7,954	-	-	-	-	-	-	47,292	21,984	-	-	19,868	-	5,11,171	-	5,11,171
Net Written Premium	4,64,309	2,03,797	-	86,98,412	86,62,751	1,73,61,163	61,545	32,441	1,29,840	5,10,072	32,01,968	15,36,607	52,565	-	2,35,54,307	-	2,35,54,307
Premium earned (net)	3,80,712	1,99,564	139	88,24,952	80,89,134	1,69,14,086	64,655	32,415	1,30,357	4,90,569	29,93,868	15,38,893	55,898	-	2,28,01,156	-	2,28,01,156
Profit/(Loss) on sale / redemption of investments	9,143	1,901	2	42,932	2,02,281	2,45,213	439	213	1,238	3,257	15,753	10,225	430	74,470	3,62,285	-	3,62,285
Others	2,421	222	-	2,738	-	2,738	3	1	110	14	333	-	18	-	5,861	-	5,861
Interest (net of amortisation)	1,21,184	18,951	23	4,27,890	20,16,056	24,43,947	4,371	2,119	19,851	32,462	1,57,006	1,01,913	4,290	7,42,217	36,48,334	1,80,000	38,28,334
Total segmental revenue	5,13,460	2,20,639	164	92,98,513	1,03,07,471	1,96,05,984	69,467	34,748	1,51,556	5,26,303	31,66,960	16,51,032	60,637	8,16,687	2,68,17,636	1,80,000	2,69,97,636
Claims incurred (net)	(1,99,737)	(1,17,758)	-	(71,81,893)	(81,46,867)	(1,53,28,760)	(19,253)	(1,917)	(22,420)	(1,93,235)	(20,21,033)	(11,73,535)	(40,476)	-	(1,91,18,124)	(2,70,619)	(1,93,88,743)
Commission received / (paid), net	(24,180)	(27,080)	146	(15,50,211)	13,784	(15,36,427)	(9,078)	3,483	87,539	(51,632)	(2,04,874)	2,36,530	8,759	-	(15,16,814)	-	(15,16,814)
Operating expenses related to insurance business	(1,69,055)	(43,742)	-	(19,10,773)	(13,50,256)	(32,61,029)	(12,297)	(5,656)	(31,018)	(1,29,734)	(8,19,820)	(1,41,241)	(9,403)	-	(46,22,995)	-	(46,22,995)
Total segmental expenses	(3,92,972)	(1,88,580)	146	(1,06,42,877)	(94,83,339)	(2,01,26,216)	(40,628)	(4,090)	34,101	(3,74,601)	(30,45,727)	(10,78,246)	(41,120)	-	(2,52,57,933)	(2,70,619)	(2,55,28,552)
Segmental (loss) / profit	1,20,488	32,059	310	(13,44,364)	8,24,132	(5,20,232)	28,839	30,658	1,85,657	1,51,702	1,21,233	5,72,786	19,517	8,16,687	15,59,703	(90,619)	14,69,084
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	959	959	-	959
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,57,067)	(10,57,067)	-	(10,57,067)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,67,508)	(1,67,508)	-	(1,67,508)
Net profit (Loss) for the year	1,20,488	32,059	310	(13,44,364)	8,24,132	(5,20,232)	28,839	30,658	1,85,657	1,51,702	1,21,233	5,72,786	19,517	(4,06,929)	3,36,087	(90,619)	2,45,468
Segment Assets	25,00,919	3,26,071	382	71,71,147	3,36,11,213	4,07,82,360	74,050	35,304	4,20,531	5,40,855	26,81,668	47,52,933	71,949	1,22,82,045	6,44,69,068	29,55,922	6,74,24,990
Segment Liabilities	20,17,193	3,72,603	206	87,62,055	3,58,82,662	4,46,44,718	84,125	43,291	3,51,738	6,27,008	33,09,526	32,73,975	1,35,488	-	5,48,59,871	12,21,722	5,60,81,592
Capital Expenditure	10,768	1,619	-	48,338	37,954	86,292	289	294	3,409	2,459	16,358	31,538	765	-	1,53,790	-	1,53,790
Amortisation of premium & discount	(1,921)	(400)	-	(9,021)	(42,503)	(51,523)	(92)	(45)	(260)	(684)	(3,310)	(2,149)	(90)	(15,647)	(76,122)	(2,374)	(78,496)
Depreciation	8,431	1,267	-	37,849	29,718	67,567	226	230	2,669	1,925	12,808	24,694	599	-	1,20,418	-	1,20,418
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Aviation Segment Business for 2019-20 - NIL

ANNEXURE TO THE FINANCIAL STATEMENTS

 For the year ended 31st March 2019

Particulars	Fire	Marine Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmens Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Crop	Others	Investment of Shareholders funds	Total Excluding Motor TP Pool	Motor Pool & Declined Pool	Total Including Motor TP Pool
Gross Direct Premium	15,04,742	3,71,839	2,051	1,23,01,783	84,56,964	2,07,58,747	78,982	84,994	6,09,344	5,81,512	35,79,232	39,99,296	1,54,966	-	3,17,25,705	-	3,17,25,705
Premium inward	2,12,237	6,578	-	-	-	-	-	-	41,192	49,050	-	-	-	-	3,09,057	-	3,09,057
Net Written Premium	3,94,493	1,95,330	139	91,62,694	79,99,394	1,71,62,088	67,687	33,408	81,199	5,21,392	28,28,927	7,73,808	51,497	-	2,21,09,968	-	2,21,09,968
Premium earned (net)	3,08,193	1,83,215	294	94,31,410	78,83,349	1,73,14,759	62,782	33,898	71,792	4,90,905	25,74,104	7,68,451	53,498	-	2,18,61,891	-	2,18,61,891
Profit/(Loss) on sale / redemption of investments	5,677	1,144	3	30,854	1,20,481	1,51,335	284	153	760	2,183	9,048	2,701	303	51,437	2,25,026	-	2,25,026
Others	958	72	-	2,502	-	2,502	1	-	231	11	126	-	2	-	3,903	-	3,903
Interest (net of amortisation)	1,28,911	17,194	49	4,64,132	18,12,407	22,76,539	4,267	2,301	22,318	32,846	1,36,106	40,626	4,558	7,73,766	34,39,482	1,80,000	36,19,482
Total segmental revenue	4,43,739	2,01,626	347	99,28,897	98,16,237	1,97,45,134	67,334	36,351	95,102	5,25,945	27,19,384	8,11,777	58,362	8,25,203	2,55,30,302	1,80,000	2,57,10,302
Claims incurred (net)	(2,40,407)	(1,58,383)	-	(62,32,983)	(91,69,546)	(1,54,02,529)	(9,299)	(6,101)	(36,938)	(2,12,318)	(16,42,730)	(8,29,932)	(9,862)	-	(1,85,48,519)	-	(1,85,48,519)
Commission received / (paid), net	(25,198)	(8,117)	456	(13,42,126)	18,708	(13,23,417)	(8,184)	2,013	68,543	(52,918)	(1,45,128)	1,19,786	7,711	-	(13,64,454)	-	(13,64,454)
Operating expenses related to insurance business	(1,29,519)	(49,022)	(31)	(15,05,113)	(9,63,136)	(24,68,249)	(11,215)	(5,171)	(29,002)	(1,26,719)	(9,05,283)	(50,104)	(12,713)	-	(37,87,027)	-	(37,87,027)
Total segmental expenses	(3,95,124)	(2,15,522)	425	(90,80,222)	(1,01,15,974)	(1,91,94,195)	(28,698)	(9,259)	2,603	(3,91,955)	(26,93,141)	(7,60,270)	(14,864)	-	(2,37,00,000)	-	(2,37,00,000)
Segmental (loss) / profit	48,615	(13,896)	772	8,48,675	(2,97,737)	5,50,939	38,636	27,092	97,705	1,33,990	26,243	51,507	43,498	8,25,203	18,30,302	1,80,000	20,10,302
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	1,134	1,134	-	1,134
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,91,321)	(1,91,321)	-	(1,91,321)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,08,094)	(6,08,094)	-	(6,08,094)
Net profit (Loss) for the year	48,615	(13,896)	772	8,48,675	(2,97,737)	5,50,939	38,636	27,092	97,705	1,33,990	26,243	51,507	43,498	26,922	10,32,021	1,80,000	12,12,022
Segment Assets	21,01,643	2,67,727	756	70,90,487	2,76,10,076	3,47,00,563	64,971	36,541	3,59,328	5,00,110	21,85,982	14,33,858	69,580	1,116,891,129	5,34,10,187	41,01,955	5,75,12,142
Segment Liabilities	15,35,977	3,21,284	724	77,56,163	2,93,87,007	3,71,43,170	71,753	43,135	2,57,101	5,47,506	25,56,245	15,52,451	88,460	-	4,41,17,806	13,43,990	4,54,61,796
Capital Expenditure	9,464	2,161	12	70,243	48,289	1,18,532	451	485	3,635	3,600	20,297	22,836	1,025	-	1,82,497	-	1,82,497
Amortisation of premium & discount	(1,700)	(342)	(1)	(9,238)	(36,074)	(45,312)	(85)	(46)	(228)	(654)	(2,709)	(809)	(91)	(15,401)	(67,376)	(5,010)	(72,386)
Depreciation	5,965	1,362	7	44,276	30,438	74,715	284	306	2,291	2,270	12,794	14,394	646	-	1,15,035	-	1,15,035
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Aviation Segment Business for 2018-19 - NIL

ANNEXURE TO THE FINANCIAL STATEMENTS

ANNEXURE 2

		(₹' Lakhs)				
Sl. No	Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
OPERATING RESULTS						
1	Gross Premiums Written-Direct	3,66,696	3,17,257	2,62,344	2,18,878	1,69,412
2	Net Premium Income#	2,35,543	2,21,100	2,03,209	1,90,455	1,47,326
3	Income from investments (net)@	33,739	30,193	26,773	25,043	19,106
4	Other income -Transfer fee etc	59	39	47	28	25
5	Total Income	2,69,341	2,51,332	2,30,029	2,15,526	1,66,457
6	Commissions (net)	15,168	8,455	5,214	5,991	5,645
7	Operating Expenses	46,230	43,060	52,772	55,846	45,451
8	Net Incurred Claims	1,93,887	1,85,485	1,56,037	1,34,468	1,08,018
9	Change in Unexpired Risk Reserve	7,532	2,481	9,165	18,356	8,324
10	Operating Profit/(Loss)	6,524	11,851	6,841	866	(981)
NON OPERATING RESULT						
11	Total income shareholders' account	(2,394)	6,350	5,761	5,413	4,602
12	Profit/(Loss) before tax	4,130	18,201	12,602	6,279	3,612
13	Provision for tax	(1,675)	(6,081)	(4,272)	(1,974)	(945)
14	Profit/(Loss) after tax	2,455	12,120	8,330	4,305	2,666
MISCELLANEOUS						
15	Policyholders' Account :					
	Total funds	5,00,854	4,21,318	3,39,632	2,77,705	2,28,750
	Total investments	4,62,487	4,00,910	3,41,951	2,66,531	2,18,020
	Yield on investments	7.5%	7.8%	8.5%	10.1%	8.9%
16	Shareholders' Account :					
	Total funds	1,14,932	1,14,328	1,02,437	64,840	57,094
	Total investments	1,12,017	1,06,640	87,269	69,928	53,541
	Yield on investments	7.5%	7.8%	8.5%	10.1%	8.9%
17	Paid up equity capital	44,900	44,900	44,900	33,100	31,500
18	Net worth	1,14,932	1,14,328	1,02,437	64,840	57,094
19	Total assets	6,77,097	5,78,023	4,77,135	3,72,570	3,04,396
20	Yield on total investments	7.5%	7.8%	8.5%	10.1%	8.9%
21	Earnings per share (₹)*	0.55	2.70	2.10	1.32	0.85
22	Book Value per share (₹)	25.60	25.46	22.81	19.59	18.13
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	2,455	12,120	8,330	4,305	2,666
	Weighted Average Number of Shares at the end of the year	44,90,00,000	44,90,00,000	39,68,90,411	32,71,42,466	31,50,00,000

Note:(1) The Company determine 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 7 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 March 2020	31st March 2019
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	15.6%	20.9%
2	Gross premium to shareholders' fund ratio (Gross premium for the current year divided by the paid up capital plus free reserves)	3.19	2.77
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)	0.5%	11.6%
4	Net retention ratio (segment wise) (Net premium divided by gross premium) Refer Accounting Ratios Schedule 2	63.4%	69.0%
5	Net commission ratio (segment wise) (Commission net of reinsurance for a class of business divided by net premium) Refer Accounting Ratios Schedule 3	6.4%	6.2%
6	Expenses of Management to gross direct premium ratio (Expenses of Management divided by the total gross direct premium)	21.2%	21.5%
7	Expenses of Management to Net Written Premium ratio (Expenses of Management divided by the net written premium)	33.0%	30.9%
8	Net Incurred Claims to Net Earned Premium	85.0%	84.8%
9	Combined ratio (Net Incurred Claims divided by Net Earned Premium plus Expenses of Management divided by Net Written Premium)	111.1%	108.1%
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)	1.94	1.79
11	Underwriting balance ratio (segment wise) (Underwriting profit divided by net premium for the respective class of business) Refer Accounting Ratios Schedule 4	-0.12	-0.08
12	Operating profit ratio (Underwriting Profit plus Investment Income divided by Net Earned Premium)	2.9%	5.4%
13	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.25	0.37
14	Net earnings ratio (Profit after tax divided by Net Written Premium)	1.0%	5.5%
15	Return on networth (Profit after tax divided by net worth)	2.1%	10.6%
16	Available Solvency Margin(ASM) to Required Solvency Margin (RSM) Ratio	1.69	1.93
17	Gross NPA ratio	1.9%	NA
18	Net NPA ratio	1.5%	NA

ANNEXURE TO THE FINANCIAL STATEMENTS

ACCOUNTING RATIOS - SCHEDULE 1

GROSS PREMIUM GROWTH RATE

Segment	Growth (%)	
	2019-20	2018-19
Fire	50%	7%
Marine	2%	2%
Motor	0%	2%
Workmen's Compensation/ Employers Liability	-12%	25%
Public/Product Liability	-17%	7%
Engineering	29%	25%
Personal Accident	-2%	-4%
Health Insurance	11%	26%
Crop Insurance	90%	21078%
Others	-16%	72%
Total	16%	21%

ACCOUNTING RATIOS - SCHEDULE 2

NET RETENTION RATIO

Segment	% to GWP	
	2019-20	2018-19
Fire	17%	23%
Marine	52%	51%
Motor	83%	83%
Workmen's Compensation/ Employers Liability	88%	86%
Public/Product Liability	46%	39%
Engineering	16%	12%
Personal Accident	86%	83%
Health Insurance	80%	79%
Crop Insurance	20%	19%
Others	35%	40%
Total	63%	69%

ACCOUNTING RATIOS - SCHEDULE 3

NET COMMISSION RATIO

Segment	% to NWP	
	2019-20	2018-19
Fire	5%	6%
Marine	13%	4%
Motor	9%	8%
Workmen's Compensation/ Employers Liability	15%	12%
Public/Product Liability	-11%	-6%
Engineering	-67%	-84%
Personal Accident	10%	10%
Health Insurance	6%	5%
Crop Insurance	-15%	-15%
Others	-17%	-15%
Total	6%	6%

ACCOUNTING RATIOS - SCHEDULE 4

UNDERWRITING BALANCE RATIO

Segment	to NEP	
	2019-20	2018-19
Fire	-0.03	-0.28
Marine	0.06	-0.17
Motor	-0.21	-0.11
Workmen's Compensation/ Employers Liability	0.37	0.54
Public/Product Liability	0.87	0.73
Engineering	1.26	1.04
Personal Accident	0.24	0.20
Health Insurance	-0.02	-0.05
Crop Insurance	0.30	0.01
Others	0.26	0.51
Total	-0.12	-0.08

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 2019/2020.
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 2020 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 realizable 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 amortized cost and non-performing investments which are shown at amortized cost less provision.
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 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 2020

(₹ '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	633	71,861	209	2,89,300	128	5,14,668	86	5,61,906	-	-84	1,056	14,37,652
Marine Cargo	3,381	36,173	2,356	1,18,724	189	59,257	46	14,494	4	14,242	5,976	2,42,890
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,78,201	52,06,060	31,892	40,16,572	2,529	9,56,035	2,961	21,54,834	764	7,96,733	3,16,347	1,31,30,233
Workmen compensation	5	854	21	5,541	9	2,345	2	195	-	-	37	8,934
Liability	10	1,200	14	4,484	1	291	1	59	-	-	26	6,033
Engineering	189	6,619	218	58,738	78	26,745	28	1,80,794	-	33,088	513	3,05,984
Personal Accident	1,550	63,269	52	1,02,312	-	26,191	-	17,861	-	574	1,602	2,10,207
Health	50,640	11,05,048	4,744	11,91,285	-	77,220	-	4,198	-	584	55,384	23,78,334
Crop	1,87,237	25,34,467	-	-	-	-	-	-	-	-	1,87,237	25,34,467
Others	678	15,250	249	56,906	51	4,147	10	17,934	1	150	989	94,388
Total	5,22,524	90,40,800	39,755	58,43,864	2,985	16,66,900	3,134	29,52,274	769	8,45,286	5,69,167	2,03,49,123

Ageing as on 31st March 2019

(₹ '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	651	29,832	211	1,76,906	126	1,33,416	95	1,61,209	-	477	1,083	5,01,840
Marine Cargo	2,678	36,553	1,725	1,10,683	197	45,169	73	19,013	2	265	4,675	2,11,684
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,79,052	47,28,533	32,863	36,75,361	2,881	9,48,897	3,526	20,13,513	1,171	7,69,379	3,19,493	1,21,35,683
Workmen compensation	9	-	17	2,940	18	5,831	8	1,047	-	-	52	9,818
Liability	12	1,701	9	1,827	1	88	-	120	-	3	22	3,738
Engineering	152	2,460	246	1,79,810	67	21,782	36	45,097	-	128	501	2,49,277
Personal Accident	1,681	2,00,334	61	72,581	-	-	-	-	-	-	1,742	2,72,914
Health	42,135	11,56,211	1,835	6,20,478	-	-	-	-	-	-	43,970	17,76,689
Crop	33,674	1,68,539	-	-	-	-	-	-	-	-	33,674	1,68,539
Others	489	8,380	227	8,207	29	3,029	7	2,554	-	44	752	22,213
Total	3,60,533	63,32,541	37,194	48,48,793	3,319	11,58,211	3,745	22,42,552	1,173	7,70,296	4,05,964	1,53,52,394

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

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 amortization.
- 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 CCIL, NSCCL/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. Unrealized gains or losses arising due to change in the fair value of Mutual Funds are recognized in the Balance Sheet under "Fair value change account".
- Investments in Alternative Investment Funds (AIFs) are valued at latest available NAV. Unrealized gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognized in the Balance Sheet under "Fair value change account".

11. The Company has adopted a prudent investment policy with emphasis on optimizing 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/CRISIL security level valuation.

The average yield on investments after considering the profit/loss on sale and amortization of costs of investments is 7.51%. All investments in our portfolio as at 31st March 2020 are performing investments other than the investments made in Dewan Housing Finance Limited(DHFL) Debentures/Bonds. The Company has taken necessary steps for recovering the money along with other Debenture/Bond Holders having exposure to DHFL.

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

- a) 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 2020.
- 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 / 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.
- f) The COVID-19 has been declared a pandemic by the World Health Organization on March 11, 2020. The pandemic has led to a significant impact on the Indian Financial markets with overall decline in the economic activities across the world. On March 24, 2020, the Government of India announced a 21-day lockdown, which has been further extended by 33 Days, across the country aimed at the containment of the pandemic.

The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess and provide for the impact of the pandemic on the Financial Statements. This has come at the tail end of the Financial year 2019-20 and as such does not have material impact on the accounts.

However, due to the uncertainties associated with the pandemic, the actual impact may not be in the current estimates. The Company will continue to closely monitor developments / changes to the estimates – basis the future macro-economic impact. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.

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	Director	6,760	Rent
		T T Srinivasaraghavan	Director	49,162	Information Technology and Others
		S Prasad	Director	1,84,037	Agency Commission
		Harsha Viji	Director	4,663	Insurance Claims
2	Sundaram Home Finance Limited	T T Srinivasaraghavan	Director	55,151	Interest on Debentures
		Radha Unni	Director	2,945	Other services
		Harsha Viji	Director	691	Insurance Claims
3	Sundaram Asset Management Company Limited	T T Srinivasaraghavan	Director	52,500	Interest on Debentures
		Harsha Viji	Director	158	Insurance Claims
4	Sundaram Finance Holdings Limited	T T Srinivasaraghavan	Director	63	Insurance Claims
		S Prasad	Director	1,08,820	Payment for Services Received
		Harsha Viji	Director	88,923	Insurance Claims
5	TV Sundram Iyengar & Sons Private Limited	S Viji	Director		

Transactions with related parties in terms of Accounting Standard 18 are included in note 14 of Schedule 17.

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

Place : Chennai
Date : May 6, 2020

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary



RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

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

	(₹' 000)	
Particulars	31st March 2020	31st March 2019
Cash flows from operating activities		
Receipts from policyholders, including advance receipts & GST	4,12,15,456	3,69,83,007
Other receipts	6,821	5,017
Payments to the re-insurers, net of commissions and claims	(24,63,629)	(35,43,467)
Payments to co-insurers, net of claims recovery	(80,345)	25,649
Payments of claims	(2,03,26,704)	(1,53,27,573)
Payments of commission and brokerage	(32,18,758)	(28,59,429)
Payments of other operating expenses	(43,84,039)	(38,22,260)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(9,453)	(59,105)
Income taxes paid (Net)	(7,19,700)	(14,64,928)
GST paid	(55,62,445)	(53,30,026)
Other payments	(8,440)	(375)
Cash flows before extraordinary items	-	-
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	44,48,765	46,06,511
Cash flows from investing activities		
Purchase of fixed assets	(86,818)	(1,35,678)
Proceeds from sale of fixed assets	47	103
Purchases of investments	(3,09,18,281)	(1,71,62,450)
Loans disbursed	-	-
Sales of investments	2,37,02,649	91,89,931
Repayments received	-	-
Rents/Interests/Dividends received	38,68,214	33,89,722
Investments in money market instruments and in liquid mutual funds (Net)	(10,32,836)	3,17,655
Expenses related to investments	(16,529)	(16,151)
Net cash flow from investing activities	(44,83,554)	(44,16,868)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	(1,04,970)	(1,09,608)
Net cash flow from financing activities	(1,04,970)	(1,09,608)
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	(391)	(443)
Net increase in cash and cash equivalents	(1,40,151)	79,591
Cash and Cash equivalents at the beginning of the year	7,34,942	6,55,351
Cash and cash equivalents at the end of the year	5,94,791	7,34,942

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 6, 2020

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

Filip A L Coremans
Director
(DIN:03178684)

T C Rangarajan
Chief Financial Officer

M S Sreedhar
Managing Director
(DIN:07153983)

S Prasad
Director
(DIN:00063667)

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	-	2	0

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

Public Issue							N	I	L
Rights Issue									
Bonus Issue							N	I	L
Private Placement							N	I	L

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

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

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

Turnover	2	6	9	9	8	5	9	6	
(Net Earned Premium, income from Investments and other incomes)									
Total Expenditure	2	6	5	8	5	6	1	9	
Profit before Tax			4	1	2	9	7	6	
Profit after Tax			2	4	5	4	6	8	
Earnings per share (₹)					0	.	5	5	
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

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

Filip A L Coremans
Director
(DIN:03178684)

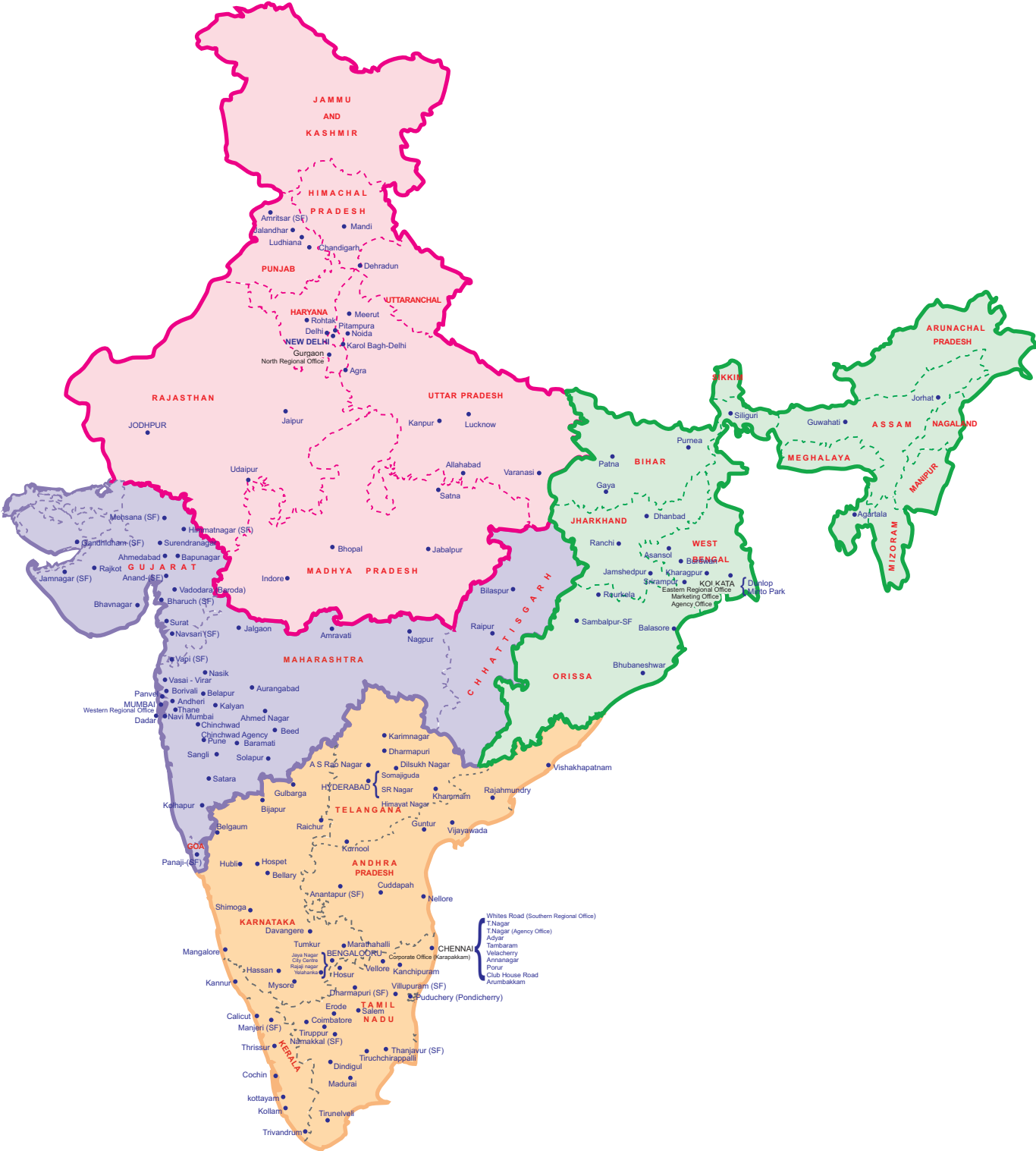
S Prasad
Director
(DIN:00063667)

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

Place : Chennai
Date : May 6, 2020

Royal Sundaram Branch Network - 156 Branches





Royal Sundaram

General Insurance

Royal Sundaram General Insurance Co. Limited

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

Registered Office: 21, Patullos Road, Chennai - 600 002.

We Insure:

Health



Motor



Home



Accident



Travel



Marine



Establishment



Industry



Rural



Crop



Reach us:



Call
1860 425 0000



Visit
any of our 156 offices



Follow
us on Facebook/Twitter
<http://twitter.com/royalsundaram>



Log on to
www.royalsundaram.in



Email
customer.services@royalsundaram.in



Mobile App
m-Chatra