

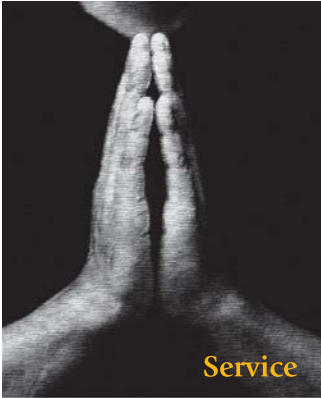
Annual Report
2015 - 2016



Royal Sundaram
General Insurance

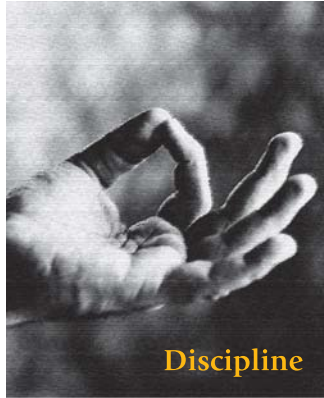


Growth. Quality. Profit.



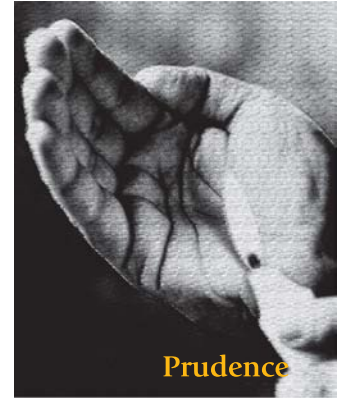
Service

To be of service even when time is against you



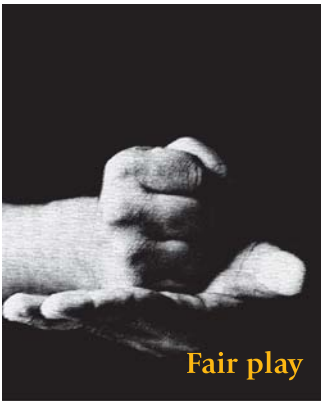
Discipline

To know that discipline is your ally in all situations



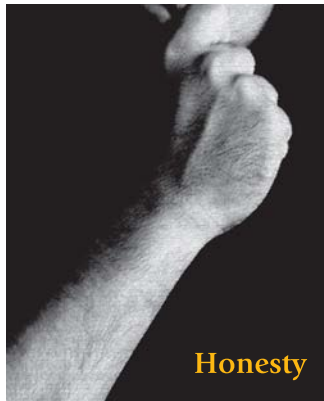
Prudence

To be the voice of prudence in the midst of chaos



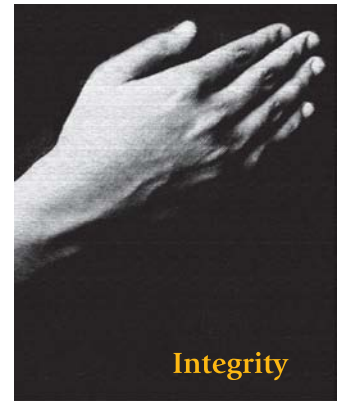
Fair play

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



Honesty

To believe that honesty is the only policy



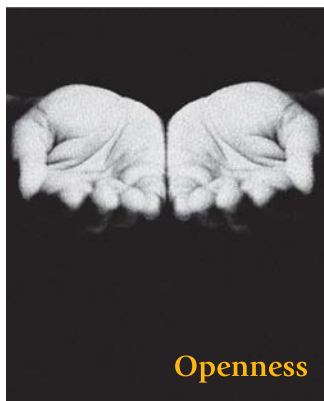
Integrity

To put integrity above all else



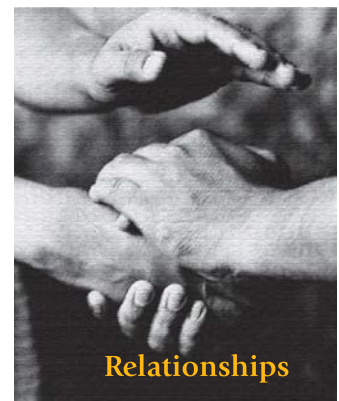
Humility

To realise that humility is the greatest virtue



Openness

To be open to scrutiny, anywhere, anytime



Relationships

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

THE

SUNDARAM

WAY

Board of Directors

P M Venkatasubramanian	Chairman
S Viji	Director
T T Srinivasaraghavan	Director
S Prasad	Director
S Acharya	Director
M S Sundara Rajan	Director
Harsha Viji	Director
Radha Unni	Director
M S Sreedhar	Managing Director

Audit Committee

S Prasad	Chairman
P M Venkatasubramanian	Member
M S Sundara Rajan	Member
Radha Unni	Member

Company Secretary & Chief Compliance Officer

S R Balachandher

Joint Statutory Auditors

M/s. N C Rajagopal & Co., Chartered Accountants
22, V.Krishnaswamy Avenue, Luz Church Road, Mylapore, Chennai 600 004
M/s. Suri & Co., Chartered Accountants
No.4, Old No.55A, Chevalier Sivaji Ganesan Road, T. Nagar, Chennai 600 017

Information Security Assurance Services

M/s. Tejas Brainware Systems (P) Ltd
New No.28, Old No.19, II Main Road, C.I.T.Colony, Mylapore, Chennai 600 004

Internal Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants
New No.4, Old No.23, CP Ramaswamy Road, Alwarpet, Chennai 600 018

Concurrent Auditors (Investments)

M/s. T. Selvaraj & Co., Chartered Accountants
No.32, Dewan Rama Road, Purasawalkam, Chennai 600 084

Secretarial Auditors

M/s. M. Damodaran & Associates
New No.6, Old No.12, Appavoo Gramni 1st Street, Mandaveli, Chennai – 600 028

Registered Office

21, Patullos Road, Chennai 600 002

Corporate Identity Number(CIN)

U67200TN2000PLC045611

Corporate Office

Vishranthi Melaram Towers, No.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, IRDAI Regn. No. 102

Regional Offices

Chennai, Gurgaon, Kolkata & Mumbai.

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BOARD'S REPORT TO MEMBERS

Your Directors have pleasure in presenting their Sixteenth Annual Report along with the Audited financial statements of your Company for the financial year ended 31st March 2016. The Management discussion and analysis have also been incorporated as part of this report.

Performance overview and Financial Results for 2015-16

The General Insurance industry, including the standalone health insurers and specialised Insurers posted a growth of about 14% during 2015-16. The growth rate achieved by the private sector general insurance companies during the year was 13% which was marginally better than the growth rate of 12% achieved by the Public Sector general insurers.

Your Company achieved a Gross Written Premium of ₹1694.12 cr. (previous year ₹1569.20 cr.) reflecting a growth of 8%. The market share of your Company stood at 1.77% amongst all general insurance companies.

The highlights of the Financial Results of the Company are:

Particulars	(₹ in Lakhs)	
	2015-16	2014-15
Gross Written Premium	1,69,412	1,56,920
Net Written Premium	1,47,505	1,37,429
Net Earned Premium	1,38,695	1,28,537
Net Incurred Claims	1,04,358	92,404
Net Commission Outgo/(Income)	5,645	5,686
Expenses of Management	45,442	42,623
Underwriting Profit /(Loss)	-16,749	-12,176
Investment Income - Policyholders	16,231	14,887
General Insurance Results Profit /(Loss)	-518	2,711
Investment Income - Shareholders	4,681	4,895
Other Income/(Outgo)	-74	-54
Profit Before Tax & Motor Pool Losses	4,090	7,552
Motor Pool & DR Pool Losses	-479	-4,735
Provision for taxation	-945	-618
Profit/(Loss) After Tax	2,666	2,199

India has one of the fastest growing service sectors in the World with an annual growth rate of above 9% since 2001 onwards. India also topped the World Bank's growth outlook for 2015-16 for the first time with the economy having grown 7.6% in 2015-16 and expected to grow at about 7.7% to 8% in 2016-17.

The softer market trend in global oil prices has allowed India to eliminate fuel subsidy and achieve a healthy forex position thereby reducing current account deficit. This has helped to further cushion the country against potential disruptions in the financial markets. Coupled with the structural reforms, it has given a boost to domestic demand and allowed India to achieve faster growth despite sluggish exports.

In spite of the slow recovery in the Indian automotive market, passenger cars speeded up the growth trajectory by posting their highest domestic sales growth in the last five years in percentage terms, according to the latest annual report of the Society of Indian Automobile Manufacturers of India (SIAM). Starting from 2011-12 passenger cars reported a domestic sales growth of 2.96%, a negative 7.74% in 2012-13 followed by another negative 4.65% in 2013-14, 5.09% in 2014-15 and 7.87% in 2015-16.

The automotive industry ended 2015-16 on a positive note on a cumulative basis growing by 3.78% in domestic sales. Passenger vehicles grew 7.24% with cars, utility vehicles and vans rising by 7.87%, 6.25% and 3.58% respectively.

The overall commercial vehicles segment reported a growth of 11.51% with medium and heavy commercial vehicles (M&HCVs) clocking 29.91% and light CVs growing marginally by 0.30%.

The non-life industry, which is linked closely with the growth of the overall economy witnessed a healthy double digit growth of 14% in 2015-16 and it is our hope that this growth trend will continue in 2016-17 too.

Your Company's growth in business was driven mainly by strong performance in the private car segment, commercial motor and improved efficiencies across distribution channels. The retail agency grew steadily during this period with improved product mix between motor and non-motor. The new health product "Lifeline" launched by your Company in early 2015, was well received by the market and gained significant momentum during this year which helped to augment the growth of business across retail agency and affinity channels. The Company is gearing up to bring in a few more innovations in the products side so that our customers have a comprehensive choice to choose from.

During the year, the challenges on the claims front were formidable. The city of Chennai witnessed unprecedented floods resulting in huge loss to the industry to the tune of more than ₹ 5000 cr. Your Company had flood claims reported in excess of ₹ 100 cr. and steps were taken to settle the claims as expeditiously as possible. These cat events also highlight and underline your Company's capability to rise up to the demands of the markets and ensure that the entire process of claims settlement was streamlined and expedited to ensure that the customers were provided the necessary succour within the shortest possible time.

The increase in claims outgo, particularly on account of the Chennai floods, to an extent affected the underwriting results of the industry and your Company as well. Consequently, the overall profitability of your Company was impacted by some measure.

The year 2015-16, continued to witness multitude of new regulations, exposure drafts and guidelines issued by the Regulator in its effort to bring the existing regulations in line with the Insurance Laws (Amendment) Act, 2015.

We expect these amendments, as and when introduced, to have a significant impact on the market. Starting from the way in which distribution of insurance products happen, to ushering in changes in reckoning the limits on expenses of management and solvency margin limits, the revised Regulations could redefine the way insurance business is run. We are sure that these changes will be aligned to market and will pave the way for more exciting phase of growth and consolidation for the insurance industry, as a whole.

Market Developments

While competition amongst the insurance players continued during this year too, your Company's philosophy of focussing on growth with profitability helped it to achieve a healthy growth both in terms of Gross Written Premium and overall profits. Our focus on improving our share in the commercial insurance business continues and we are also keen to grow the health book in the coming years. The retail agency channel has been aligning well with an optimum product mix and we hope that their improved performance will help our future growth.

Commercial Insurances

During 2015-16, the commercial insurance business including commercial motor business recorded a GWP of ₹ 547 cr. recording a growth of 8% as against ₹ 506 cr. in 2014-15.

Your company's continued prudence in underwriting and risk management has helped it to grow this business profitably. With the economy expected to do well, we are confident that this channel will continue to gain more visibility and greater momentum in the coming years.

Personal Insurances

The Personal Insurance GWP for 2015-16 was at ₹ 1151 cr as against ₹ 1063 cr. in 2014-15 thereby registering an 8% of growth. Your Company enjoys the confidence of its long term Bancassurance partners and auto manufacturers and this has contributed to the growth of this business.

Rural and Social Sector Obligations

It has been heartening that your Company continued to achieve and surpass its obligations in both the Rural and Social sectors. During the year, it achieved a premium of ₹ 134.03 cr. under Rural sector as against the Regulatory requirement of ₹ 119.21 cr. Further, in the Social sector, it covered 1,09,481 lives as against the Regulatory requirement of 55,000 lives.

Investments

The Investment portfolio had increased from ₹ 2491.44 cr. in 2014-15 to ₹ 2715.60 cr. by 31st March 2016 showing an accretion of ₹ 224.16 cr. an increase of about 9%. The net investment income stood at ₹ 233 cr. at a yield of 8.93%. The portfolio duration was at 3.6 years with adequate liquidity.

Information Technology

During the year your Company implemented several IT initiatives including the successful changeover of the mailing platform for its employees. The Motor claims software ACME has stabilised well and the teams have been able to experience greater efficiencies in processing and improvements in the overall TAT on account of this.

Your company continues to implement several key IT initiatives in ensuring that our service capabilities to the customers are continuously improved thereby bringing in greater efficiency and transparency in the system.

Risk Management Framework

Your Company continues to monitor the key risks on a regular basis. It has an effective risk management framework in place that ensures 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 suitable steps are taken on time to ensure that adequate mitigation mechanism is available.

The process for formulating a defined risk assessment framework encompasses, inter alia, a methodology for assessing and identifying risks on an ongoing basis. The various types of risks identified include market related risks, underwriting risks, operational risks and credit risks.

The framework structure include (a) identification of the risk, its assessment (b) monitoring and management of the risks (c) defining a mitigation process if and when the risk crystallises, and (d) reporting mechanism to the Risk Management Committee at periodic intervals. This Committee reviews key risks in the areas such as credit risk, market risk, underwriting risk, operational risk and strategic risk on a regular basis.

The Company's reinsurance program defines the retention limit in respect of the various classes of business. In addition, the Company has a well-defined underwriting policy that clearly documents the product-wise approval limits and the underwriting authorities. The underwriting policy of your Company was recently reviewed in the light of the new File & Use Guidelines implemented by the IRDAI effective from 1st April 2016 and updated.

On the Investment side, the Company has a well-defined Asset Liability Management policy that ensures adequate liquidity to the 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 the Company's financial position.

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

Your Board regularly reviews the risks and the management initiatives taken.

Registration

Your Company has paid to the Insurance Regulatory and Development Authority of India the annual fees for the year 2016-17 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 w.e.f 26th December 2014, under which the process of annual renewal of certificate of registration, has been dispensed with.

Outlook for 2016-17

Your Company looks forward to 2016-17 with optimism and positivity. The industry is expected to maintain its double digit growth rate during 2016-17 too. The year is expected to witness improved penetration of the industry, supported by the various initiatives being rolled out by the Regulator and the Government including in the area of low cost health insurance, crop insurance etc. The annual revision in Motor Third Party premium introduced a few years back has helped the insurance companies to narrow down the gap between the price and the losses suffered in the Motor Third party claims, but the prices when compared to the loss ratios, are still inadequate in certain segments.

Human Resources

As on 31st March 2016, your Company had an employee strength of 1669.

Your Company continues to attach lot of importance to employee engagement. Our belief has always been that investing in the training of employees will help to translate the objectives of the Company into reality thereby ensuring that they are well geared up to understanding and fulfilling the needs of our discerning customers.

The Company monitors employee productivity as one of the key parameters to measure performance. The performance management systems are used effectively to improve staff capabilities in areas such as leadership, team building and productivity enhancement. In addition, extensive in house training programmes were conducted during the year to upgrade the skills of employees and achieve functional effectiveness. In addition, where required, executives were deputed for various external training programmes and seminars including overseas.

New employees and agents are put through an induction programme that covers business requirements, process orientation, regulatory and compliance related aspects in addition to personality development. Further many knowledge sharing sessions are conducted by the HR team in association with the domain experts to impart technical knowledge as well as for the overall personality development for the employees.

During the year the Company opened additional offices across the country taking the total count to 116 thereby increasing its footprints in more geographies. The Company sold over 1.63 million policies in FY 2015-16.

Capital

Your Company's Authorized Capital is currently at ₹ 350 cr. In view of the Company meeting the prescribed solvency margin requirements, there had been no infusion of capital during the year under review. Your Company's paid up capital continues to be at ₹ 315 cr.

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

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 the Company and its future operations.

Corporate Governance

Your Company has complied with the Guidelines on Corporate Governance for Insurance Companies issued by the Insurance Regulatory and Development Authority of India (IRDAI) effective from April 1, 2010. A detailed report on our compliance for the year ended 31st March 2016 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 is furnished in the Corporate Governance Report.

Retirement by rotation

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

Based on the above, at the ensuing Annual General Meeting, Mr. P M Venkatasubramanian and Mr. S Viji, Non-Executive Directors of your Company, retire by rotation and are eligible for re-appointment. Necessary resolutions are being placed at the ensuing AGM for the approval of the members.

Changes in the Board during the year

During the year 2015-16, Mr Srinivas Acharya was appointed as an Additional Director. In terms of the provisions of the Companies Act, 2013, he will hold office until the date of the ensuing Annual General Meeting and, being eligible offers himself for reappointment. Your Company has received notice from a member under the provisions of Section 160 of the Companies Act, 2013 along with the necessary deposit, proposing his appointment.

Independent Directors

The Company currently has three Independent Directors, viz., Mr. M.S Sundara Rajan, Mr. S. Prasad and Mrs. Radha Unni who are not liable to retire by rotation.

Declaration by Independent Directors

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

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

Key Managerial Personnel

Mr. Ajay Bimbhet, Managing Director (till 24th April 2015), Mr. M S Sreedhar, Managing Director & Chief Executive Officer (eff from 25th April 2015), Mr. Venkatachalam Sekar, Chief Financial Officer and Mr. S R Balachandher, Company Secretary of the Company are the Key Managerial Personnel of the Company as on March 31, 2016.

Board Evaluation

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

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

Corporate Social Responsibility (CSR) Committee and Policy

Since inception, your Company has always responded in a responsible manner to the growing needs of the society. A number of enriching and enlivening activities that contribute to the community in the areas of health, education, environment and road safety have been taken up.

The Board of Directors at its meeting dated 24th April 2015, reconstituted the Corporate Social Responsibility Committee comprising of the following members:

T T Srinivasaraghavan, Chairman

M S Sundara Rajan, Member

M S Sreedhar, Member

The Board also developed and approved a CSR Policy and Plan for carrying out the CSR activities by the Company.

The Company has implemented a number of Corporate Social Responsibility initiatives during the year under review. The Annual Report on Company's CSR activities is 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.

The Company could not spend the whole money under CSR expenditure during this year due to the fact that the company did not get adequate number of eligible CSR projects for funding. However, the spend as a percentage has increased compared to the previous year. The Company is proposing to spend amounts earmarked for CSR activities for 2016-17 in the coming months and shall submit the relevant report in the ensuing year.

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

Board (24.04.2015, 29.07.2015, 31.07.2015 23.10.2015, 08.02.2016 and 28.03.2016)	6
Audit Committee (20.04.2015, 29.07.2015, 23.10.2015, 23.12.2015, 08.02.2016 and 28.03.2016)	6
Investment Committee (24.04.2015, 27.07.2015, 20.10.2015, 04.02.2016 and 17.03.2016)	5
Risk Management Committee (24.04.2015, 29.07.2015, 19.11.2015 and 03.03.2016)	4
Policyholders' Protection Committee (13.07.2015, 22.10.2015, 04.02.2016 and 17.03.2016)	4
Nomination & Remuneration Committee (24.04.2015 and 23.10.2015)	2
Corporate Social Responsibility Committee (22.10.2015 and 17.03.2016)	2
Executive Committee (non-mandatory)* (09.04.2015)	1

*disbanded in October 2015

Auditors

Internal Auditors

M/s Sundaram & Srinivasan., Chartered Accountants, Chennai, (Registration Number 004207S) were appointed as Internal Auditors of the Company for the year 2015-16. The In-house Audit team along with the Internal Auditors 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 actions taken thereon, as well as the adequacy and effectiveness of the internal systems and controls.

Statutory Auditors

M/s Suri & Co., Chartered Accountants, Chennai (Registration Number 004283S) and M/s N C Rajagopal & Co., Chartered Accountants, Chennai (Registration Number 003398S), were appointed as the Joint Statutory Auditors of your Company for 2015-16 at the Annual General Meeting held on September 7, 2015 and will retire at the conclusion of the forthcoming Annual General Meeting.

Among them, M/s N C Rajagopal & Co., Chartered Accountants, Chennai, being eligible, offer themselves for reappointment.

However as per IRDAI's Guidelines on Appointment of Joint Statutory Auditors for Insurance Companies, M/s. Suri & Co., Chartered Accountants, Chennai, having completed their term of five (5) years, cannot be considered for reappointment as the Statutory Auditors of the Company for 2016-17 onwards for a period of two (2) years.

Based on the recommendations of the Audit Committee and the Board of Directors, it is proposed to recommend to the Shareholders the appointment of M/s Brahmayya & Co., Chartered Accountants, Chennai (Registration Number 000511S) as one of the Statutory Auditors, in place of M/s. Suri & Co., Chartered Accountants, Chennai.

The Auditors have confirmed that their appointment will be in accordance with the conditions prescribed under Section 139(1) of the Companies Act, 2013 and the Rules made thereunder (including the criteria provided under Section 141 of the Companies Act, 2013) and that they comply with the guidelines issued by IRDAI as in force on the date of this report, pertaining to the appointment of the Joint Statutory Auditors.

Concurrent Auditors for Investment

M/s T. Selvaraj & Co., Chartered Accountants, appointed as concurrent auditors carried out the concurrent audit of the investment transactions, investment management systems, processes and transactions of the Company for the year 2015-16.

Auditor for Investment Risk Management Systems and Process Audit

In terms of IRDA Circular INV/CIR/023/2009-10 dated 4.8.2009 Para A, every insurance company shall have their systems and process audited. Vide Technical Guide issued in 2013, the frequency of the audit was mandated as once in 2 years. The Company, during the year, appointed M/s Dhayanidhi & Co., Chartered Accountants, Chennai to conduct the Investment Risk Management Systems and Process Audit for the year 2015-16.

Information Security Assurance Services Auditors

The Company's operations are highly automated, taking advantage of advances in modern information technology. M/s Tejas Brainware Systems (P) Limited provides the information security assurance services to the Company for the past many years whose 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, the Company had appointed M/s. Damodaran & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report confirms that the 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

During the year, the Company did not enter into any material transaction with related parties, under Section 188 of the Companies Act, 2013.

All transactions entered into by the 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 were in conflict with the interests of the 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.

Vigil Mechanism / Whistle Blower Policy

Your Company is committed to the high standards of Corporate Governance and Vigil Mechanism. The Company has 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, the Company has received one complaint and the same was duly actioned.

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

The Company has 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 look into and redress complaints as and when received from the employees covered under this policy. No complaints were received during the year 2015-16.

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

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

Management Report

In accordance with Part IV, Schedule B of the Insurance Regulatory and Development Authority of India (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 Report is being sent to all the Shareholders of the Company excluding the said information. Any Shareholder interested in obtaining the said particulars may write to the Company Secretary of the Company.

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.

The Company had foreign exchange earnings equivalent to ₹ 1.29 cr and the outgo amounted to ₹ 10.15 cr for the year ended 31st March 2016.

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 Directors of the Company other than those representing Royal & Sun Alliance Insurance plc, UK, were paid sitting fees of ₹ 10,000/- per meeting of the Board and Committees. No sitting fee is paid to the members of the Executive Committee of Directors for attending the ECD meeting. The Directors representing Royal & Sun Alliance Insurance plc on our Board, had agreed to waive off payment of sitting fees to them effective from October 2012. With the exit of RSA from the JV, we currently have no director representing RSA on our Board.

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 Insurance Regulatory and Development Authority of India and shareholders of the Company.

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 D”. 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

The Company does not have any Subsidiary or Joint venture Companies. Sundaram Finance Limited by virtue of its holding 75.90% of the total paid up capital in your Company will be considered as a “Holding” Company under Section 2(46) of the Companies Act, 2013, for the year ended 31st March 2016.

Shares

a. Buy Back of Securities

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

b. Sweat Equity

The 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

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

Corporate Identity Number (CIN)

The CIN, allotted by Ministry of Corporate Affairs, Government of India is U67200TN2000PLC045611.

Means of Communication

The 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. The Company periodically publishes its financial performance in print media and also hosts the same on its website under Public Disclosure. In addition, the web portal helps the Customers to purchase/ renew their retail Insurance Policies online through the website.

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

Registrar and Transfer Agents

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

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

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

M/s. 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 2016, 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 2016;
- 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 the 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 the 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

Place: Chennai
Date: April 28, 2016

P.M.Venkatasubramanian
Chairman

REPORT ON CORPORATE GOVERNANCE

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

Corporate Governance for Insurance Companies was introduced in August 2009 by the Insurance Regulatory and Development Authority of India (IRDAI) and came into force from April 1, 2010.

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

Your Company has complied with the prescribed Corporate Governance guidelines for the Financial Year 2015-16 and a Report is furnished hereunder :

I. Governance Structure

Your Company during the year became a subsidiary of M/s. Sundaram Finance Limited, after the latter in July 2015 acquired the 26% stake in your Company from M/s. Royal & SunAlliance Insurance plc, UK. 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 direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

Board of Directors

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

As on 31st March 2016, your Board consists of nine (9) members, of which eight (8) are Non-Executive Directors. The Managing Director is the only Executive Director. The Board is chaired by Mr P.M.Venkatasubramanian, a Non-Executive Director with more than five decades of experience in the General Insurance industry.

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

As required under Section 149(3) of the Companies Act, 2013, Mrs. Radha Unni, fulfils the role 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. In addition, at every Board and Committee Meetings, the developments and changes on the Regulatory/statutory sides are provided to the Directors to ensure that they are periodically updated about the industry as well as market.

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 2016

Name of Directors	Category	Qualification	Specialisation
P M Venkatasubramanian (DIN: 00124505)	Chairman, Non- Executive	B.Com. (Hons), FIII	Insurance Industry
S Viji (DIN: 00139043)	Non- Executive	B.Com, ACA, M.B.A	Banking, Finance, Insurance & Automotive Component Manufacturing Industry
T T Srinivasaraghavan (DIN: 00018247)	Non- Executive	B.Com, M.B.A	Banking and Financial Services
Sreenivasan Prasad (DIN: 00063667)	Non- Executive Independent	F.C.A	Finance and Audit
M S Sundara Rajan (DIN: 00169775)	Non- Executive Independent	ACS, MA, CAIIB	Banking, Finance, Insurance and Capital Market
Harsha Viji (DIN: 00602484)	Non- Executive	B.Com, ACA, M.B.A	Finance and Strategy, JV negotiations and new business development
Radha Unni (DIN: 03242769)	Non- Executive Independent Woman Director	M.A., B.Ed., CAIIB	Banking
Srinivas Acharya (DIN:00017412)	Non-Executive	B.Sc., CAIIB	Banking and Financial Services
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 and for better accountability, the Board has constituted the following committees viz. Audit Committee, Investment Committee, Risk Management Committee, Policyholders Protection Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Executive Committee of Directors (Disbanded effective 23rd October 2015).

Each of these Committees has been mandated to operate within a given framework and terms of reference as defined by the Board from time to time.

II. Board Meetings

The Board 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.

Mrs.Tania Chakrabarthy, Appointed Actuary, is a permanent invitee to the Board Meetings.

During the year under review, six meetings of the Board of Directors were held on 24.04.2015, 29.07.2015, 31.07.2015, 23.10.2015, 08.02.2016 and 28.03.2016.

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 Directors	Board Meetings attended	Directorships in other Public Companies		Committees in which Chairman / Member of other Companies [^]	
		Chairman	Director	Chairman	Member
P M Venkatasubramanian	6	-	4	4	6
S Viji	6	2	3	1	2
T T Srinivasaraghavan	5	-	7	2	7
Paul Whittaker***	-	-	-	-	-
Gareth Morgan Roberts***	-	-	-	-	-
Srinivas Acharya****	3	-	6	1	2
Harsha Viji	3	-	2	-	1
S Prasad	6	-	3	3	1
M S Sundara Rajan	5	-	9	2	7
Philip Michael Bulgin***	2 [#]	-	-	-	-
Alexander Stephan Lay***	2 [#]	-	-	-	-
Radha Unni	6	-	4	1	2
Ajay Bimbhet*	1	-	-	-	-
M S Sreedhar**	5	-	-	-	-

*relinquished in April 2015 **appointed in April 2015 *** resigned in July 2015

****appointed in October 2015 #1 participation through electronic mode

([^]Foreign companies, private companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above said purpose.)

III. Committee Meetings:

a. Audit Committee

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), fixation of their remuneration. The Committee also reviews the financial and risk management policies including frauds. Approval of transactions with related parties as per the requirements of the Companies Act, 2013.

Composition:

During the year under review, the Composition of the Audit Committee was reconstituted in line with the requirements of the Companies Act, 2013 similarly the terms of reference was also amended to be in line with the requirements of the Companies Act. Mr S Prasad, an independent Director, is the Chairman of the Audit Committee. The Internal Auditor, the Head - Internal Audit, Statutory Auditors and their representatives, CEO and other senior officers of the Company are invitees to the Audit Committee, as required.

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

Name of the Members		No. of Meetings Attended	Meeting dates
S Prasad, Independent Director	Chairman	6	20.04.2015, 29.07.2015 23.10.2015, 23.12.2015 08.02.2016, 28.03.2016 (6 meetings)
P M Venkatasubramanian	Member	5	
M S Sundara Rajan, Independent Director	Member	5	
Radha Unni, Independent Director	Member	5	
Gareth Morgan Roberts*	Member	-	

* Member till 29.07.2015

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 approved by the Board from time to time and the investment strategies adopted. Necessary modifications are made to the Investment policy to bring them in line with the regulatory requirements.

The Committee also supervises the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy. The Committee also oversees the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by the company and approve the Investment budget, and determine targets for, the Company in terms of its investment performance and to review and revise these from time to time. The Committee updates the Board periodically on these.

Composition

The Committee is chaired by Mr. P M Venkatasubramanian. The Composition of the Investment Committee and attendance of the members at the Committee Meetings held during the year are as follows:

Name of the Members		No. of Meetings Attended	Meeting date
P M Venkatasubramanian	Chairman	5	24.04.2015 27.07.2015 20.10.2015 04.02.2016 17.03.2016 (5 meetings)
M S Sundara Rajan	Member	5	
Gareth Morgan Roberts****	Member	-	
Harsha Viji	Member	5	
Ajay Bimbhet*	Managing Director	1	
M S Sreedhar**	Managing Director	5	
Tania Chakrabarti	Appointed Actuary	5	
Venkatachalam Sekar	Financial Controller (CFO)	4	
Ramu Govindan***	Chief Investment Officer	4	

*Member till 24.4.2015 ** Change in designation from 25.4.2015

inducted as CIO effective 25.4.2015 * Member till 29.7.2015

c. Risk Management Committee

Terms of reference

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

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

A detailed Report on Committee's views/decisions are submitted to the Board, with such recommendations as the Committee may deem appropriate. 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.

Composition

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

Name of the Members		No.of meetings attended	Meeting dates
P M Venkatasubramanian	Chairman	4	24.04.2015 29.07.2015 19.11.2015 03.03.2016 (4 meetings)
Alexander Stephan Lay***	Member	1	
M S Sundara Rajan****	Member	2	
Ajay Bimbhet*	Member	1	
M S Sreedhar**	Member	3	

*Member till 24.4.2015 **inducted as member on 25.4.2015

Member till 29.7.2015 * inducted as member on 23.10.2015

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 functions of the Committee includes putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders. Compliance with the statutory requirements as laid down in the regulatory framework, reviewing the mechanism at periodic intervals to ensure adequacy of "material information" to the policyholders to comply with the requirements laid down by the Authority. Reviewing the status of complaints of policyholders at periodic intervals to the policyholders, monitoring the details of grievances in such formats as may be prescribed by the Authority and proper disclosure of unclaimed amounts relating to policyholders.

Composition

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

Name of the Members		No.of meetings attended	Meeting dates
M S Sundara Rajan	Chairman	4	13.07.2015 22.10.2015 04.02.2016 17.03.2016 (4 meetings)
T T Srinivasavaraghavan	Member	4	
Ajay Bimbhet*	Member	2	
M S Sreedhar**	Member	4	

*member till 25.4.2015 ** inducted as member on 25.4.2015

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 Committee is to formulate and recommend to the Board the CSR Policy indicating the activities to be undertaken by the Company and recommendation of the amount of the expenditure to be incurred on such activities. Review and recommend the annual CSR plan to the Board, monitor the CSR activities, implementation and compliance with the CSR Policy and to review and implement, if required, any other matter related to CSR initiatives as recommended/suggested by Companies Act, 2013. The Committee also takes initiatives in inviting any experts / NGOs / Service organizations to present the details of any welfare activities carried out by them within the objectives approved by the Government under the CSR Rules.

Composition

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

Name of the Members		No. of meetings attended	Meeting dates
T T Srinivasaraghavan	Chairman	2	22.10.2015 17.03.2016 (2 meetings)
M S Sundara Rajan	Member	2	
Ajay Bimbhet*	Member	-	
M S Sreedhar**	Member	2	

*Member till 24.4.2015 **Inducted as member on 25.4.2015

f. Nomination and Remuneration Committee

The HR Committee was re-constituted as Nomination and Remuneration Committee in accordance with the requirements of Companies Act, 2013.

Terms of reference

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

The Nomination and Remuneration Committee formulates the criteria for determining the experience and qualification, positive attributes and Independence of a Director and also its policy on the remuneration payable to the Managing Director, Key Managerial Personnel and other employees to ensure 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 remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

Composition

As required under the Companies Act, 2013, the Nomination and Remuneration Committee comprises of two Independent Directors. The Committee is chaired by Mr. T T Srinivasaraghavan. The composition of the Committee and the attendance of the members are given below:

Name of the Members		No. of meetings attended	Meeting dates
T T Srinivasaraghavan	Chairman	2	24.04.2015 23.10.2015 (2 meetings)
S Prasad, Independent Director	Member	2	
M S Sundara Rajan, Independent Director	Member	2	
Philip Michael Bulgin*	Member	-	

* Member till 29.7.2015

g. Executive Committee of Directors (Non-mandatory)

The Committee reviews the Annual Business Plan, the various strategies to be adopted by the Company and recommends the same for the approval of the Board.

Based on the decision taken by the Board, the Executive Committee was disbanded effective 23rd October 2015 and only one meeting was held during the year.

Name of the Members		No. of meetings attended	Meeting dates
T T Srinivasaraghavan	Chairman	1	09.04.2015 (1 meeting)
S Viji	Member	1	
Paul Whittaker	Member	1	
Gareth Roberts	Member	1	
Harsha Viji	Member	1	
Ajay Bimbhet	Member	1	
Philip Michael Bulgin	Member	1	

IV. Independent Directors' Meeting

During the year under review, the Independent Directors met separately on March 28, 2016 to discuss and evaluate:

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

All the three(3) Independent Directors were present at the Meeting.

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
2014-15	07.09.2015	10.00 a.m	21, Patullos Road, Chennai 600 002
2013-14	23.07.2014	02.30 p.m	21, Patullos Road, Chennai 600 002
2012-13	01.08.2013	10.30 a.m.	Sundaram Towers, 45 & 46, Whites Road, Chennai 600 014

VI. Extraordinary General Meeting (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	23.10.2015	Adoption of new set of Articles of Association
2	27.11.2015	Approve the change in name of the Company and consequent alteration in the Memorandum and Articles of Association.

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

Criteria for evaluation

The criteria laid down for evaluation of the directors, as approved and adopted by the Board, are as follows:

A. Criteria for evaluation of the Board and Non-independent Directors at a separate meeting of Independent Directors:

1. Composition of the Board and availability of multi-disciplinary skills
Whether the Board comprises of Directors with sufficient qualification and experience in diverse fields to make the Company a versatile institution.
2. Commitment to Good Corporate Governance Practices
 - a. Whether the company practices high ethical and moral standards.
 - b. Whether the company is fair and transparent in all its dealings with the stake holders.
3. Adherence to regulatory Compliance
Whether the company adheres to the various Government regulations Local, State and Central, in time.
4. Track record of Financial Performance
Whether the company has been constitutently recording satisfactory and profitable financial performance year on year adding to shareholders value. Whether the company is transparent in all its disclosures on financial date.
5. Grievance redressed mechanism:
Whether a proper system is in place to attend to the complaints/grievances from the shareholders, customers, employees and others quickly and fairly.
6. Existence of Integrated Risk Management System
Whether the Company has an Integrated Risk Management System to cover the business risk.

7. Use of Modern technology
Whether the Company has an integrated IT strategy and whether there is any system for periodical technology upgradation covering both hardware and software.
8. Commitment to Corporate Social Responsibility
Whether the company is committed to social causes and CSR and whether there is system to identify, finance and monitor such social activities.

B. Criteria for evaluation of Chairman at separate meeting of Independent directors:

1. Leadership qualities
2. Standard of integrity
3. Understanding of Macroeconomic trends and Micro industry trends.
4. Public Relations
5. Future Vision and Innovation

C. Criteria for evaluation of independent directors by the entire Board:

1. Qualification and Experience
2. Standard of integrity
3. Attendance in Board Meetings/General Meetings
4. Understanding of Company's Business
5. Value addition in Board Meetings

D. Criteria for evaluation of the Audit Committee by the Board:

1. Qualification and Experience of Members
2. Depth of review of financial performance
3. Oversight of Audit & Inspection
4. Review of regulatory compliance
5. Fraud Monitoring

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 a sitting fee of Rs.10,000/- each, for every meeting of the Board/Committees attended by them. The Directors representing Royal & SunAlliance Insurance plc on our Board, had agreed to waive off payment of sitting fees to them effective from October 2012. No sitting fees is paid to the members of the Executive Committee of Directors for attending the ECD meeting.

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.

For and on behalf of the Board

Place: Chennai
Date: April 28, 2016

P M Venkatasubramanian
Chairman

Certification of compliance of the Corporate Governance Guidelines for 2015-16

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 2015-16, as amended from time to time, and nothing has been concealed or suppressed.

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.

Under its Corporate Social Responsibility (CSR) initiative, Royal Sundaram is committed towards improving the quality of the lives and safety of the people living in the community. The Company 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. As a responsible Company, it stands committed to the causes of Education, Environment, Rural Health, Road Safety and Development. The Company also encourages and supports its employees to take part and contribute their time, skills and resources towards the social causes they feel passionate about. The Company's objective is to pro-actively support meaningful socio economic development. The Company has been focusing on improving the road safety and has been actively engaging with organizations that are working with this primary objective.

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

2. The Composition of the CSR Committee

As required under Section 135 of the Companies Act, 2013, the CSR Committee comprises of three Directors, out of which one Director is an Independent Director. The composition of the Committee was reconstituted with the appointment of Mr. M S Sreedhar, Managing Director, effective 25th April 2015. The present members of the Committee are:

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

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

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

The average net profit of the Company for the last three financial years is ₹ 64.08 cr.

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

The prescribed CSR expenditure requirement for FY 2015-16 is ₹ 128 Lakhs.

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year was: ₹ 81.60 Lakhs.

(b) Amount unspent, if any: ₹ 46.40 Lakhs.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency *
1	Flood Relief Fund for Chennai floods	Disaster Relief	Chennai	₹ 10 Lakhs	₹ 10 Lakhs	₹ 10 Lakhs	Contribution to Tamilnadu Chief Minister's Public Relief Fund
2	Health care activity contribution	Health	Chennai	₹ 50 Lakhs	₹ 50 Lakhs	₹ 50 Lakhs	Contribution to Sundaram Medical Foundation
3	Road Safety training for Emergency Response Management	Road Safety	Chennai	₹ 6.60 Lakhs	₹ 6.60 Lakhs	₹ 6.60 Lakhs	Contribution to ALERT
4	Health & safety and Community living	Healthcare	Chennai	₹ 5 Lakhs	₹ 5 Lakhs	₹ 5 Lakhs	Contribution to Scarf
5	Education	Education	Chennai	₹ 10 Lakhs	₹ 10 Lakhs	₹ 10 Lakhs	Contribution to Laxmi Charities
	TOTAL			₹ 81.6 Lakhs	₹ 81.6 Lakhs	₹ 81.6 Lakhs	

Details of implementing agency :

Sundaram Medical Foundation

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

The vision of SMF are:

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

ALERT

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

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

Schizophrenia Research Foundation

Schizophrenia Research Foundation (SCARF), a non-governmental, nonprofit organization in Chennai. It was founded in 1984 by a group of philanthropists and mental health professionals led by Dr. M.Sarada Menon, an internationally known psychiatrist. SCARF has established itself as a center of repute in rehabilitation and research in disorders of the mind. SCARF is one of the very few NGOs in the world to be named as a Collaborating Center of the World Health Organization (WHO) for Mental Health Research and Training.

Objectives of SCARF:

- Research into biological, social and psychological aspects of Schizophrenia.
- Treatment and rehabilitation of people suffering from Schizophrenia and prevention/ reduction of disability.
- Community outreach programmes in urban slums and villages to offer treatment and improve awareness.
- Educating the public about Schizophrenia, to create awareness and understanding, to facilitate early detection, and to eliminate social stigmatisation.
- Training programmes to various groups of workers on principles of detection and management of mental illnesses.
- Lobbying extensively with the Government and other apex bodies for programmes for the mentally disabled.

Laxmi Charities

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

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: April 28, 2016

M S Sreedhar
Managing Director

T T Srinivasaraghavan
CSR Committee Chairman

Annexure B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on **March 31, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, and as applicable to Company (being an unlisted entity) in the manner and subject to the reporting made hereinafter;

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (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.

I have also examined compliance with the applicable clauses of the following:

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 provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the compliance of Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India and there were no observations to be reported by us.

I further report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

I further report that during the audit period one of the initial Joint Venture promoters, viz M/s. Royal & SunAlliance Insurance plc, UK had sold their entire 26% shareholding in the Company to and in favor of another promoter M/s. Sundaram Finance Limited. Necessary approvals from the concerned Authorities had been obtained in this matter. Consequently the Company has become a subsidiary of Sundaram Finance Limited effective 29th July, 2015.

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

- (i) Conducted an Extra Ordinary General Meeting on 23.10.2015 for adopting a new set of Articles of Association of the Company.
- (ii) Conducted another Extra Ordinary General Meeting on 27.11.2015 for changing the name of the Company from Royal Sundaram Alliance Insurance Company Limited to Royal Sundaram General Insurance Co. Limited.

Place: Chennai
Date: April 28, 2016

Name of Company Secretary in practice / Firm : M. DAMODARAN
FCS No.: 5837
C P No. : 5081

Annexure C

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis :
NIL - All transactions entered in to 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 in to by the company during the year with the related parties on arm's length basis were not material in nature.

Place: Chennai
Date: April 28, 2016

P M Venkatasubramanian
Chairman

Annexure - D

EXTRACT OF ANNUAL RETURN

FORM MGT 9

(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 31.03.2016

I. REGISTRATION & OTHER DETAILS :

I	CIN	U67200TN2000PLC045611
II	Registration Date	22/08/2000
III	Name of the Company	Royal Sundaram General Insurance Co. Limited (Formerly known as Royal Sundaram Alliance Insurance Company Limited)
IV	Category/Sub-category of the Company	Company having Share Capital
V	Address of the Registered Office & Contact details	No.21, Patullos Road Chennai 600 002 Contact details: S.R Balachandher Corp Off: Vishranthi Melaram Towers No.2/319, Rajiv Gandhi Salai (OMR) Karapakkam, Chennai 600 097 Phone : 044 7117 7117 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" No.1, Club House Road Chennai 600 002 - India. Phone : 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	L65191TN1954PLC002429	Holding	75.90	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

(i)

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	-	17,93,075	17,93,075	0.57	-	17,93,075	17,93,075	0.57	NA
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	23,13,06,925	23,13,06,925	73.43	8,19,00,000	23,13,06,925	31,32,06,925	99.43	26
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	-	23,31,00,000	23,31,00,000	74.00	8,19,00,000	23,31,00,000	31,50,00,000	100.00	26
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	8,19,00,000	8,19,00,000	26.00	-	-	-	-	26
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	8,19,00,000	8,19,00,000	26.00	-	-	-	-	26
Total Shareholding of Promoter A) = (A) (1)+(A)(2)	-	31,50,00,000	31,50,00,000	100.00	8,19,00,000	23,31,00,000	31,50,00,000	100.00	NA

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % to Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
(a) Bodies corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto 1 lakhs	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	-	-	-	-	-	-	-	-	-
c) Any Other (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	31,50,00,000	31,50,00,000	100.00	8,19,00,000	23,31,00,000	31,50,00,000	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	15,71,85,000	49.90	-	23,90,85,000	75.90	-	26
2	Royal & Sun Alliance Insurance PLC	8,19,00,000	26.00	-	-	-	-	26
3	India Motor Parts & Accessories Limited	3,14,49,231	9.98	-	3,14,49,231	9.98	-	-
4	T. V Sundram Iyengar & Sons Private Limited	2,90,76,924	9.23	-	2,90,76,924	9.23	-	-
5	Sundharams Private Limited	1,35,95,770	4.32	-	1,35,95,770	4.32	-	-
6	S. Ram	5,97,694	0.19	-	5,97,694	0.19	-	-
7	R.Ramanujam	5,97,690	0.19	-	5,97,690	0.19	-	-
	Total	31,44,02,309	99.81	-	31,44,02,309	99.81	-	NA

(iii) CHANGE IN PROMOTERS' SHAREHOLDING :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sundaram Finance Limited				
	At the beginning of the year	15,71,85,000	49.90	15,71,85,000	49.90
	Add: Transfer of shares from Royal & Sun Alliance Insurance PLC, UK on 29.07.2015	8,19,00,000	26.00	8,19,00,000	26.00
	At the end of the Year	23,90,85,000	75.90	23,90,85,000	75.90
2	Royal & Sun Alliance Insurance PLC, UK				
	At the beginning of the year	8,19,00,000	26.00	8,19,00,000	26.00
	Less: Transfer of shares to Sundaram Finance Limited on 29.07.2015	8,19,00,000	26.00	8,19,00,000	26.00
	At the end of the Year	NIL	NIL	NIL	NIL

There is no change in the shareholding of other promoters during the year.

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-	-	-	-	-	-

(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	Mr S. Viji, Director				
	At the beginning of the year	5,97,691	0.19	5,97,691	0.19
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the Year	5,97,691	0.19	5,97,691	0.19

V. **INDEBTEDNESS:** Indebtedness of the Company including interest outstanding/accrued but not due for payment - NIL.

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	Name of MD/WTD/ Manager
		Ajay Singh Bimbhet (Till 24 th April 2015)	M S Sreedhar (From 25 th April 2015)
1	Gross salary	13.93	169.50
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of Salary u/s 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option*	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	13.93	169.50

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

B) Remuneration to other Directors :

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	S Prasad	1.40	NIL	NIL	1.40
	M S Sundara Rajan	2.50	NIL	NIL	2.50
	Radha Unni	1.10	NIL	NIL	1.10
2	Other Non-Executive Directors				
	P M Venkatasubramanian	2.00	NIL	NIL	2.00
	S Viji	0.60	NIL	NIL	0.60
	T T Srinivasaraghavan	1.30	NIL	NIL	1.30
	Harsha Viji	0.80	NIL	NIL	0.80
	S Acharya	0.30	NIL	NIL	0.30
	Total (B)				10.00

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

(₹ in Lakhs)

		Key Managerial Personnel		
		Venkatachalam Sekar Chief Financial Officer	S R Balachandher Company Secretary	TOTAL
1	Gross salary	32.58	36.28	68.86
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of Salary u/s 17(3) of the Income- tax Act, 1961	-	-	-
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (C)	32.58	36.28	68.86

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

 Place: Chennai
 Date: April 28, 2016

 P M Venkatasubramanian
 Chairman

INDEPENDENT AUDITORS' REPORT

To the members of Royal Sundaram General Insurance Co. Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and Revenue Accounts, the Profit and Loss Account and Receipts and Payments Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In accordance with the provisions of Section 11 of the Insurance Act, 1938 ("the Insurance Act") read with the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") and the provisions of section 129 of the Companies Act 2013 ("the Act"), the Balance Sheet, the Revenue Accounts and the Profit and Loss Account are not required to be, and are not, drawn up in accordance with Schedule III of The Act. The Balance Sheet, the Revenue Accounts and the Profit and Loss Account, are, therefore, drawn up in conformity with the Regulations.

Management's Responsibility for the Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Receipts and Payments Statement of the Company in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of Sub section (1) of Section 129 of the Act, provisions of Section 11 of the Insurance Act read with the IRDAI Regulations/Guidelines/Circulars/Orders. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared in accordance with the requirements of the Insurance Act, 1938, The Insurance Regulatory and Development Act, 1999 and The Companies Act, 2013 to the extent applicable and give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- 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, the profit for the year ended on that date;
- d) in the case of Receipts and Payments Statement, receipts and payments for the year ended on that date;
- e) Investments of the Company have been valued in accordance with the Provisions of the Insurance Act and the Regulations;
- f) The Accounting policies selected by the insurer are appropriate and are in compliance with the applicable Accounting Standards and with the Accounting Principles, as prescribed in the regulations or any order or direction issued by the Authority in this behalf.

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

6. We report that:

- 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 Statement 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 Balance Sheet, Profit and Loss Account and Receipts and Payments Statement comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014 read together with 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 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) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the director is dis-qualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
- h) 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);
- i) in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in Note No.2(a) of Schedule 17 to the Financial statements;
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

7. Further, according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- a. We have reviewed the Management Report attached to the financial statements for the financial year ended March 31, 2016 and there is no apparent mistake or material inconsistency therein with the financial statements;
 - b. The Company has complied with the terms and conditions of registration stipulated by IRDAI vide their letter dated July 15, 2002;
 - c. We have verified the cash balances at the corporate office of the Company and investments of the Company;
 - d. The Company is not a trustee of any trust;
 - e. No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act relating to application and investment of policyholders' funds;
 - f. All expenses of management in respect of Fire, Marine and Miscellaneous Insurance Business have been fully debited to the respective Revenue Accounts.

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

For Suri & Co.
Chartered Accountants
Registration No 004283S

Place: Chennai
Date: April 28,2016

V Chandrasekaran
Partner
Membership No: 024844

R Mahesh
Partner
Membership No: 024775

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

To the members of Royal Sundaram General Insurance Co. Limited

We have audited the Internal Financial Controls over financial reporting of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED as of March 31, 2016 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, 2016, 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 Suri & Co.
Chartered Accountants
Registration No 004283S

V Chandrasekaran
Partner
Membership No: 024844

R Mahesh
Partner
Membership No: 024775

Place: Chennai
Date: April 28,2016

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016 (FIRE BUSINESS)

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

				(₹ '000)	
Particulars	Schedule	31st March 2016	31st March 2015		
1 Premiums earned (Net)	1A	2,17,378	1,82,386		
2 Profit/(Loss) on sale/redemption of Investments		4,280	4,212		
3 Others		-	-		
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 94,344 thousand (Previous Year: ₹ 91,238 thousand)] (Refer note 18 of Schedule 17)		93,684	91,372		
Total (A)		3,15,342	2,77,970		
1 Claims Incurred (Net)	2A	1,09,581	93,298		
2 Commission	3A	(33,174)	(18,726)		
3 Operating Expenses related to Insurance Business	4	91,969	1,02,448		
4 Premium Deficiency		-	-		
Total (B)		1,68,376	1,77,020		
Operating Profit/(Loss) from Fire Business C = (A-B)		1,46,966	1,00,950		
Appropriations					
Transfer to Shareholders' Account		1,46,966	1,00,950		
Transfer to Catastrophe Reserve		-	-		
Transfer to Other Reserves		-	-		
Total (C)		1,46,966	1,00,950		
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 Suri & Co.
Chartered Accountants
Registration No.004283S

V Chandrasekaran
Partner
Membership No.024844

R Mahesh
Partner
Membership No.024775

Place: Chennai
Date : April 28,2016

For and on behalf of the Board of Directors

P M Venkatasubramanian
Chairman
(DIN : 00124505)

M S Sreedhar
Managing Director
(DIN : 07153983)

M S Sundara Rajan
Director
(DIN : 00169775)

S Prasad
Director
(DIN : 00063667)

Venkatachalam Sekar
Financial Controller & CFO

S R Balachandher
Company Secretary

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016 (MARINE BUSINESS)

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

		(₹ '000)	
Particulars	Schedule	31st March 2016	31st March 2015
1 Premiums Earned (Net)	1B & 1C	1,41,193	1,21,336
2 Profit/(Loss) on sale/redemption of Investments		1,023	924
3 Others - Exchange Gain		-	520
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 13,610 thousand (Previous Year: ₹ 12,536 thousand)] (Refer note 18 of Schedule 17)		13,452	12,566
Total (A)		1,55,668	1,35,346
1 Claims Incurred (Net)	2B & 2C	1,08,634	98,601
2 Commission	3B & 3C	2,363	3,375
3 Operating Expenses related to Insurance Business	4	35,086	38,404
4 Premium Deficiency		-	-
Total (B)		1,46,083	1,40,380
Operating Profit/(Loss) from Marine Business C = (A-B)		9,585	(5,034)
Appropriations			
Transfer to Shareholders' Account		9,585	(5,034)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		9,585	(5,034)
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 Suri & Co.
Chartered Accountants
Registration No.004283S

V Chandrasekaran
Partner
Membership No.024844

R Mahesh
Partner
Membership No.024775

Place: Chennai
Date : April 28,2016

For and on behalf of the Board of Directors

P M Venkatasubramanian
Chairman
(DIN : 00124505)

M S Sreedhar
Managing Director
(DIN : 07153983)

M S Sundara Rajan
Director
(DIN : 00169775)

S Prasad
Director
(DIN : 00063667)

Venkatachalam Sekar
Financial Controller & CFO

S R Balachandher
Company Secretary

Form B - RA
REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016 (MISCELLANEOUS BUSINESS)

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

				(₹ '000)
Particulars	Schedule	31st March 2016	31st March 2015	
1 Premiums Earned (Net)	1D	1,35,41,605	1,27,30,862	
2 Profit/(Loss) on sale/redemption of Investments		1,06,133	93,871	
3 Others - Transfer fee and Duplicate fee		1,585	515	
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 1,711,081 thousand (Previous Year: ₹ 1,554,878 thousand)] (Refer note 18 of Schedule 17)		16,92,017	15,57,858	
Total (A)		1,53,41,340	1,43,83,106	
1 Claims Incurred (Net)	2D	1,05,83,582	99,74,575	
2 Commission	3D	5,95,297	5,83,924	
3 Operating expenses related to Insurance Business	4	44,18,007	41,20,929	
4 Premium Deficiency		-	-	
Total (B)		1,55,96,886	1,46,79,428	
Operating Profit/(Loss) from Miscellaneous Business C = (A-B)		(2,55,546)	(2,96,322)	
Appropriations				
Transfer to Shareholders' Account		(2,55,546)	(2,96,322)	
Transfer to Catastrophe Reserve		-	-	
Transfer to Other Reserves		-	-	
Total (C)		(2,55,546)	(2,96,322)	
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 Suri & Co.
 Chartered Accountants
 Registration No.004283S

V Chandrasekaran
 Partner
 Membership No.024844

R Mahesh
 Partner
 Membership No.024775

 Place: Chennai
 Date : April 28,2016

For and on behalf of the Board of Directors

P M Venkatasubramanian
 Chairman
 (DIN : 00124505)

M S Sreedhar
 Managing Director
 (DIN : 07153983)

M S Sundara Rajan
 Director
 (DIN : 00169775)

S Prasad
 Director
 (DIN : 00063667)

Venkatachalam Sekar
 Financial Controller & CFO

S R Balachandher
 Company Secretary

Form B - PL

PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH 2016

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

		(₹ '000)	
Particulars	Schedule	31st March 2016	31st March 2015
1	OPERATING PROFIT/(LOSS)		
	a) Fire Insurance	1,46,966	1,00,950
	b) Marine Insurance	9,585	(5,034)
	c) Miscellaneous Insurance	(2,55,546)	(2,96,322)
2	INCOME FROM INVESTMENTS		
	a) Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 440,127 thousand (Previous Year: ₹454,953 thousand)] (Refer note 18 of Schedule 17)	4,35,023	4,56,017
	b) Profit on sale of investments	56,007	34,703
	Less : Loss on sale of investments	(22,915)	(1,188)
3	OTHER INCOME		
	(i) Profit on Sale of Assets	1,684	492
	(ii) Interest on Staff Loan, Insurance Claim Recovery and Other Income	1,451	11,704
	Total (A)	3,72,256	3,01,322
4	PROVISION (Other than taxation)		
	a) For diminution in the value of investments	-	-
	b) For doubtful debts	-	-
	c) Others	-	-
5	OTHER EXPENSES		
	a) Expenses other than those related to Insurance business		
	b) Employees' remuneration and welfare benefits (Refer note 14 of Schedule 17)	2,093	12,108
	c) Bad debts written off (Investments)	-	-
	d) Expenses of Investment	823	955
	e) CSR Contribution	8,160	6,600
	f) Donations	15	-
	Total (B)	11,091	19,663
	Profit/(Loss) Before Tax (A - B)	3,61,165	2,81,659
	Provision for Taxation		
	- Current [including Wealth Tax ₹NIL thousand (Previous Year -- ₹ 49 thousand)]	2,45,000	96,267
	- Deferred	(1,50,481)	(34,502)
	Profit/(Loss) after tax	2,66,646	2,19,894
	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	16,75,164	14,67,777
	Balance carried forward to Balance Sheet	19,41,810	16,87,671
	Significant accounting policies	16	
	Notes to financial statements	17	
	Earning per Share (Basic and Diluted)	0.85	0.70

As per our report of even date attached

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

For Suri & Co.
Chartered Accountants
Registration No.004283S

V Chandrasekaran
Partner
Membership No.024844

R Mahesh
Partner
Membership No.024775

Place: Chennai
Date : April 28,2016

For and on behalf of the Board of Directors

P M Venkatasubramanian
Chairman
(DIN : 00124505)

M S Sreedhar
Managing Director
(DIN : 07153983)

M S Sundara Rajan
Director
(DIN : 00169775)

S Prasad
Director
(DIN : 00063667)

Venkatachalam Sekar
Financial Controller & CFO

S R Balachandher
Company Secretary

Form B - BS
BALANCE SHEET AS AT 31ST MARCH 2016

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

(₹ '000)

Particulars	Schedule	31 st March 2016	31 st March 2015
SOURCES OF FUNDS			
SHARE CAPITAL	5	31,50,000	31,50,000
RESERVES AND SURPLUS	6	25,81,810	23,15,164
FAIR VALUE CHANGE ACCOUNT		(22,376)	32,340
BORROWINGS	7	-	-
TOTAL		57,09,433	54,97,504
APPLICATION OF FUNDS			
INVESTMENTS	8	2,71,56,011	2,49,14,421
LOANS	9	-	-
FIXED ASSETS	10	3,26,869	3,62,467
Deferred Tax Assets - Net (Refer note 7 of Schedule 17)		3,43,935	1,93,454
CURRENT ASSETS			
Cash and Bank Balances	11	5,81,807	4,96,915
Advances and Other Assets	12	20,30,981	21,14,123
Sub- Total (A)		26,12,788	26,11,038
CURRENT LIABILITIES			
PROVISIONS	13	1,62,86,078	1,50,04,654
	14	84,44,092	75,79,222
Sub - Total (B)		2,47,30,170	2,25,83,876
NET CURRENT ASSETS (C)=(A-B)		(2,21,17,382)	(1,99,72,838)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		-	-
TOTAL		57,09,433	54,97,504
Significant accounting policies	16		
Notes to financial statements	17		

As per our report of even date attached

For and on behalf of the Board of Directors

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

For Suri & Co.
 Chartered Accountants
 Registration No.004283S

P M Venkatasubramanian
 Chairman
 (DIN : 00124505)

M S Sreedhar
 Managing Director
 (DIN : 07153983)

V Chandrasekaran
 Partner
 Membership No.024844

R Mahesh
 Partner
 Membership No.024775

M S Sundara Rajan
 Director
 (DIN : 00169775)

S Prasad
 Director
 (DIN : 00063667)

 Place: Chennai
 Date : April 28,2016

Venkatachalam Sekar
 Financial Controller & CFO

S R Balachandher
 Company Secretary

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ '000)	
	31 st March 2016	31 st March 2015
SCHEDULE 1A		
PREMIUM EARNED (NET) - FIRE BUSINESS		
Premium from direct business written	9,40,907	7,95,786
Add: Premium on reinsurance accepted	1,04,862	72,833
Less: Premium on reinsurance ceded	(8,09,618)	(6,42,033)
Net Premium	2,36,151	2,26,586
Adjustment for change in reserve for unexpired risks	(18,773)	(44,200)
Total Premium Earned (Net)	2,17,378	1,82,386
SCHEDULE 1B		
PREMIUM EARNED (NET) - MARINE CARGO BUSINESS		
Premium from direct business written	3,23,363	3,32,480
Add: Premium on reinsurance accepted	-	-
Less: Premium on reinsurance ceded	(1,83,726)	(1,91,112)
Net Premium	1,39,637	1,41,368
Adjustment for change in reserve for unexpired risks	867	(21,226)
Total Premium Earned (Net)	1,40,504	1,20,142
SCHEDULE 1C		
PREMIUM EARNED (NET) - MARINE HULL BUSINESS		
Premium from direct business written	8,679	7,808
Add: Premium on reinsurance accepted	-	-
Less: Premium on reinsurance ceded	(8,194)	(7,120)
Net Premium	485	688
Adjustment for change in reserve for unexpired risks	204	506
Total Premium Earned (Net)	689	1,194
SCHEDULE 1D		
PREMIUM EARNED (NET) - MISCELLANEOUS BUSINESS		
Premium from direct business written	1,56,68,256	1,45,55,918
Add: Premium on reinsurance accepted	16,450	1,54,117
Less: Premium on reinsurance ceded	(13,28,412)	(11,97,774)
Net Premium	1,43,56,294	1,35,12,261
Adjustment for change in reserve for unexpired risks	(8,14,689)	(7,81,399)
Total Premium Earned (Net)	1,35,41,605	1,27,30,862

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	31 st March 2016	31 st March 2015
SCHEDULE 2A		
CLAIMS INCURRED (NET) - FIRE BUSINESS		
Claims paid		
Direct	3,50,090	3,33,112
Add: Reinsurance accepted	4,512	462
Less: Reinsurance ceded	<u>(2,67,490)</u>	<u>(2,52,526)</u>
Net Claims paid	87,112	81,048
Add: Claims outstanding at the end of the year	1,62,164	1,39,695
Less: Claims outstanding at the beginning of the year	<u>(1,39,695)</u>	<u>(1,27,445)</u>
Total Claims Incurred	<u>1,09,581</u>	<u>93,298</u>
SCHEDULE 2B		
CLAIMS INCURRED (NET) - MARINE CARGO BUSINESS		
Claims paid		
Direct	1,74,977	5,28,568
Add: Reinsurance accepted	-	-
Less: Reinsurance ceded	<u>(91,183)</u>	<u>(4,35,775)</u>
Net Claims paid	83,794	92,793
Add: Claims outstanding at the end of the year	1,14,608	89,761
Less: Claims outstanding at the beginning of the year	<u>(89,761)</u>	<u>(84,014)</u>
Total Claims Incurred	<u>1,08,641</u>	<u>98,540</u>
SCHEDULE 2C		
CLAIMS INCURRED (NET) - MARINE HULL BUSINESS		
Claims paid		
Direct	-	(212)
Add: Reinsurance accepted	-	-
Less: Reinsurance ceded	-	206
Net Claims paid	-	(6)
Add: Claims outstanding at the end of the year	250	257
Less: Claims outstanding at the beginning of the year	<u>(257)</u>	<u>(190)</u>
Total Claims Incurred	<u>(7)</u>	<u>61</u>
SCHEDULE 2D		
CLAIMS INCURRED (NET) - MISCELLANEOUS BUSINESS		
Claims paid		
Direct	1,00,61,961	87,57,430
Add: Reinsurance accepted	188	2,68,351
Less: Reinsurance ceded	<u>(9,11,425)</u>	<u>(5,40,193)</u>
Net Claims paid	91,50,724	84,85,588
Add: Claims outstanding at the end of the year	1,42,00,598	1,27,67,741
Less: Claims outstanding at the beginning of the year	<u>(1,27,67,740)</u>	<u>(1,12,78,754)</u>
Total Claims Incurred	<u>1,05,83,582</u>	<u>99,74,575</u>

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ '000)	
	31 st March 2016	31 st March 2015
SCHEDULE 3A		
COMMISSION - FIRE BUSINESS		
Commission paid	-	-
Direct	77,266	66,231
TOTAL	77,266	66,231
Add: Commission on Reinsurance Accepted	5,139	2,767
Less: Commission on Reinsurance Ceded	(1,15,579)	(87,724)
Net Commission	(33,174)	(18,726)
Break-up of the expenses (Gross) incurred to procure business :		
Agents	10,353	10,335
Brokers	54,115	41,633
Corporate Agency	12,798	14,263
Referral	-	-
Others	-	-
TOTAL	77,266	66,231

Particulars	(₹ '000)	
	31 st March 2016	31 st March 2015
SCHEDULE 3B		
COMMISSION - MARINE CARGO BUSINESS		
Commission paid	-	-
Direct	36,934	42,355
TOTAL	36,934	42,355
Add: Commission on Reinsurance Accepted	-	-
Less: Commission on Reinsurance Ceded	(33,939)	(38,311)
Net Commission	2,995	4,044
Break-up of the expenses (Gross) incurred to procure business :		
Agents	5,960	6,401
Brokers	23,676	27,948
Corporate Agency	7,298	8,006
Referral	-	-
Others	-	-
TOTAL	36,934	42,355

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	31 st March 2016	31 st March 2015
SCHEDULE 3C		
COMMISSION - MARINE HULL BUSINESS		
Commission paid	-	-
Direct	-	-
TOTAL	-	-
Add: Commission on Reinsurance Accepted	-	-
Less: Commission on Reinsurance Ceded	(632)	(669)
Net Commission	(632)	(669)
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	-	-
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	-	-

	(₹ '000)	
Particulars	31 st March 2016	31 st March 2015
SCHEDULE 3D		
COMMISSION - MISCELLANEOUS BUSINESS		
Commission paid	-	-
Direct	8,60,335	7,82,541
TOTAL	8,60,335	7,82,541
Add: Commission on Reinsurance Accepted	2,667	1,039
Less: Commission on Reinsurance Ceded	(2,67,705)	(1,99,656)
Net Commission	5,95,297	5,83,924
Break-up of the expenses (Gross) incurred to procure business:		
Agents	1,22,467	1,22,434
Brokers	5,00,165	4,20,982
Corporate Agency	2,37,703	2,39,125
Referral	-	-
Others	-	-
TOTAL	8,60,335	7,82,541

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

(₹ '000)

Particulars	Fire Revenue Account						Marine Revenue Account						Miscellaneous Revenue Account						Grand Total								
	Fire		Marine Cargo		Marine Hull		Total Marine		Total Motor		Workmen's Compensation / Employers Liability		Total Public / Product Liability		Engineering		Total Personal Accident		Total Health Insurance		Others		Miscellaneous Total				
	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016				
Premium Earned (Net)	940,907	795,786	323,363	332,480	8,679	7,808	332,042	340,288	12,739,149	11,594,305	48,655	40,218	63,911	51,065	362,897	365,172	393,883	376,852	1,965,621	2,043,629	94,140	84,377	15,668,256	14,555,918	16,941,205	15,691,992	
Premium from direct business written	104,862	72,833	-	-	-	-	-	-	(17,967)	137,958	-	-	-	-	34,417	16,159	-	-	-	-	-	-	16,450	154,117	121,312	226,950	
Add: Premium on reinsurance accepted	(809,618)	(642,053)	(183,726)	(191,112)	(8,194)	(7,120)	(191,202)	(198,232)	(730,069)	(650,711)	(6,402)	(5,267)	(32,273)	(18,269)	(334,205)	(329,702)	(35,298)	(39,246)	(148,574)	(112,778)	(41,591)	(41,801)	(1,328,412)	(1,197,774)	(2,329,950)	(2,088,039)	
Less: Premium on reinsurance ceded	236,151	226,586	139,637	141,368	485	688	140,122	142,056	11,991,113	11,081,552	42,253	34,951	31,638	32,796	63,109	51,929	358,585	337,606	1,817,047	1,930,851	52,549	42,576	14,356,294	13,512,261	14,732,567	13,880,903	
Net Premium	(18,773)	(44,200)	867	(21,226)	204	506	1,071	(20,720)	(782,446)	(777,030)	(2,615)	(1,649)	1,178	1,838	(3,294)	1,414	(16,471)	12,404	(2,622)	(23,145)	(8,419)	4,769	(814,689)	(781,399)	(832,391)	(846,319)	
Adjustment for change in reserve for unexpired risks	217,378	182,386	140,504	120,142	689	1,194	141,193	121,336	11,208,667	10,304,522	39,638	33,302	32,816	34,634	59,815	53,343	342,114	350,010	1,814,425	1,907,706	44,130	47,345	13,541,605	12,730,862	13,900,176	13,084,584	
Total Premium Earned (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims Incurred (Net)	350,090	333,112	174,977	528,568	(212)	174,977	528,356	8,537,048	7,341,153	4,831	3,802	14,331	4,788	61,289	48,623	157,454	162,080	1,273,348	1,166,086	13,640	30,898	10,061,961	8,757,430	10,587,028	9,618,898		
Claims paid	4,512	462	-	-	-	-	-	-	-	266,878	-	-	-	-	188	1,473	-	-	-	-	-	-	188	268,351	4,700	268,813	
Add: Reinsurance accepted	(267,490)	(252,526)	(91,183)	(435,775)	-	206	(91,183)	(435,569)	(762,924)	(408,293)	(318)	(274)	(7,897)	(382)	(46,272)	(38,146)	(20,564)	(13,972)	(69,932)	(70,430)	(3,518)	(8,676)	(911,425)	(540,193)	(1,270,098)	(1,228,288)	
Less: Reinsurance ceded	87,112	81,048	83,794	92,793	(6)	83,794	92,787	7,774,124	7,199,738	4,533	3,528	6,434	4,406	15,205	11,950	136,890	148,108	1,203,416	1,095,636	10,122	22,222	9,150,724	8,485,588	9,321,630	8,659,423		
Net Claims paid	162,164	139,695	114,608	89,761	250	257	114,858	90,018	13,676,099	12,171,745	16,576	18,976	19,254	19,169	66,237	62,509	165,890	202,949	234,270	274,410	22,272	17,983	14,200,598	12,767,741	14,477,620	12,997,454	
Add: Claims remaining unpaid at the end of the year	(139,695)	(127,445)	(89,761)	(84,014)	(257)	(190)	(90,018)	(84,204)	(12,171,743)	(10,627,695)	(18,976)	(12,385)	(19,169)	(14,110)	(62,509)	(57,644)	(202,949)	(250,688)	(274,411)	(276,252)	(17,983)	(39,980)	(12,767,740)	(11,278,754)	(12,997,453)	(11,490,403)	
Less: Claims remaining unpaid at the beginning of the year	109,581	93,298	108,641	98,540	(7)	61	108,634	98,601	9,278,480	8,743,788	2,133	10,119	6,519	9,465	18,933	16,815	99,831	100,369	1,163,275	1,093,794	14,411	225	10,583,582	9,974,575	10,807,797	10,166,474	
Total Claims Incurred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commissions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid	77,266	66,231	36,934	42,355	-	-	36,934	42,355	520,475	471,588	3,973	3,159	7,249	4,914	35,629	29,764	44,597	43,488	241,012	222,640	7,400	6,988	860,335	782,541	974,535	891,127	
Direct	77,266	66,231	36,934	42,355	-	-	36,934	42,355	520,475	471,588	3,973	3,159	7,249	4,914	35,629	29,764	44,597	43,488	241,012	222,640	7,400	6,988	860,335	782,541	974,535	891,127	
TOTAL	5,139	2,767	-	-	-	-	-	-	-	-	-	-	-	-	2,667	1,039	-	-	-	-	-	-	2,667	1,039	7,806	3,806	
Add: Commission on reinsurance accepted	(115,579)	(87,724)	(33,939)	(38,311)	(632)	(669)	(34,571)	(38,980)	(75,199)	(69,619)	(424)	(366)	(2,772)	(119,675)	(100,342)	(4,902)	(5,820)	(57,935)	(13,568)	(6,919)	(7,169)	(267,705)	(199,650)	(417,855)	(326,360)		
Less: Commission on reinsurance ceded	(33,174)	(18,726)	2,995	4,044	(632)	(669)	2,363	3,375	445,276	401,969	3,549	2,793	4,598	2,142	(81,379)	(69,539)	39,695	37,668	183,077	209,072	481	(181)	595,297	583,924	564,486	568,573	
Net commission	91,969	102,448	35,024	38,319	62	85	35,086	38,404	3,840,464	3,500,335	7,605	6,122	5,303	4,901	19,788	16,803	86,981	81,752	443,137	485,869	14,729	16,147	4,418,007	4,120,929	4,545,062	4,261,781	
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ '000)	
	31 st March 2016	31 st March 2015
SCHEDULE 4		
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS		
1 Employees' remuneration and welfare benefits	11,05,412	9,54,191
2 Travel, conveyance and vehicle running expenses	61,519	83,056
3 Training expenses	1,258	8,064
4 Rents, rates and taxes	1,26,758	1,23,835
5 Repairs and maintenance	40,787	43,444
6 Printing and stationery	43,346	45,615
7 Communication	80,222	73,055
8 Legal and professional charges	6,480	11,418
9 Auditors' fees and expenses		
(a) as auditors	2,000	2,000
(b) as adviser or in any other capacity, in respect of		
(i) Taxation matters	200	200
(ii) Insurance matters	-	-
(iii) Management services	-	-
(c) in any other capacity - certification	637	913
(d) out of pocket expenses	147	134
10 Advertisement and publicity	73,708	59,174
11 Bank charges	21,001	19,809
12 Others		
- Data processing and outsourcing expenses	23,25,746	21,74,511
- Marketing and related expenses	2,42,074	3,28,599
- Software and Hardware maintenance charges	1,85,759	1,83,711
- Policy Stamp expenses	1,404	1,287
- Directors' sitting fees	1,000	900
- Miscellaneous expenses	82,810	79,855
13 a) Depreciation for current period	1,28,290	124,084
b) Deperciation charged in earlier years written back	-	(69,863)
14 Service Tax on Premium(Net)	14,504	13,789
	<u>45,45,062</u>	<u>42,61,781</u>
Allocation of expense (As Per accounting Policy 12, Schedule 16)		
Revenue Account - Fire Business	91,969	1,02,448
Revenue Account - Marine Business	35,086	38,404
Revenue Account - Miscellaneous Business	44,18,007	41,20,929
	<u>45,45,062</u>	<u>42,61,781</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ '000)	
	31 st March 2016	31 st March 2015
SCHEDULE 5		
SHARE CAPITAL		
1 Authorised Capital		
350,000,000 (31 st March 2015 - 350,000,000) Equity shares of ₹ 10/- each	35,00,000	35,00,000
2 Issued Capital		
315,000,000 (31 st March 2015 - 315,000,000) equity shares of ₹ 10/- each, fully paid up	31,50,000	31,50,000
3 Subscribed Capital		
315,000,000 (31 st March 2015 - 315,000,000) equity shares of ₹ 10/- each, fully paid up	31,50,000	31,50,000
4 Called-up Capital		
315,000,000 (31 st March 2015 - 315,000,000) equity shares of ₹ 10/- each, fully paid up	31,50,000	31,50,000
Less: Calls unpaid	-	-
Add: Equity Shares forfeited (Amount originally paid-up)	-	-
Less: Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses (to the extent not written off)	-	-
Total	31,50,000	31,50,000

SCHEDULE 5A

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

Shareholder	31 st March 2016		31 st March 2015	
	Number of Shares	% of holding	Number of Shares	% of holding
Promoters				
Indian	31,50,00,000	100%	23,31,00,000	74%
Foreign	-	0%	8,19,00,000	26%
	31,50,00,000	100%	31,50,00,000	100%
Others	-	-	-	-
Total	31,50,00,000	100%	31,50,00,000	100%

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	31 st March 2016	31 st March 2015
SCHEDULE 6		
RESERVES AND SURPLUS		
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	6,40,000	6,40,000
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	19,41,810	16,87,671
Less : Depreciation Adjustment (Current Year NIL, Previous Year Net of deferred Tax of ₹ 6440 thousands)	19,41,810	(12,507)
Total	25,81,810	23,15,164
SCHEDULE 7		
BORROWINGS		
1 Debentures / Bonds	-	-
2 Banks	-	-
3 Financial Institutions	-	-
4 Others	-	-
Total	-	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	31 st March 2016	31 st March 2015
SCHEDULE 8		
INVESTMENTS		
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	1,01,59,269	85,35,511
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	61,14,604	52,05,154
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	63,79,592	62,80,598
5 Other than Approved Investments - Alternative Investment Funds	1,02,902	-
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	7,98,517	6,99,254
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	2,99,147	10,02,071
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	22,49,473	14,52,626
(e) Other Securities-Certificate of Deposit/CBLO	5,02,444	2,90,606
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	5,50,064	14,48,601
5 Other than Approved Investments	-	-
Total	2,71,56,011	2,49,14,421
Aggregate market value of quoted investments other than Equity Shares	2,64,70,944	2,39,32,678
Aggregate book value of quoted investments other than Equity Shares	2,62,51,519	2,36,21,744
Historical cost of Equity Shares valued on fair value basis	3,24,424	9,69,731
Historical cost of Mutual funds valued on fair value basis	1,00,000	-
Aggregate book value of unquoted investments	5,02,444	2,90,606

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	31 st March 2016	31 st March 2015
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

Particulars	Cost/Gross Block				Depreciation			Net Block		
	Opening as at 31st Mar 2015	Additions	Deductions	Closing as at 31st Mar 2016	Upto 31st March 2015	For the year	On Sales	Upto 31st March 2016	As at 31st March 2016	As at 31st March 2015
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Information Technology Software	3,01,017	50,686	-	3,51,703	2,32,531	45,520	-	2,78,051	73,652	68,486
Furniture and Fittings	29,460	982	-	30,442	16,986	1,864	-	18,850	11,592	12,474
Improvements to Leased premises	2,40,940	9,981	-	2,50,921	1,11,133	23,047	-	1,34,180	1,16,741	1,29,807
Information Technology Equipment - Server	2,54,795	8,747	1,599	2,61,943	2,00,816	14,278	1,599	2,13,495	48,448	53,979
Information Technology Equipment - Others	1,89,267	4,550	152	1,93,665	1,49,387	26,163	94	1,75,456	18,209	39,880
Vehicles	15,029	-	6,886	8,143	7,295	2,229	4,360	5,164	2,979	7,734
Office Equipment	1,22,553	6,722	335	1,28,940	73,860	15,189	335	88,714	40,226	48,693
TOTAL	11,53,061	81,668	8,972	12,25,757	7,92,008	1,28,290	6,388	9,13,910	3,11,847	3,61,053
Work in progress	1,414	18,597	4,989	15,022	-	-	-	-	15,022	1,414
Grand Total	11,54,475	1,00,265	13,961	12,40,779	7,92,008	1,28,290	6,388	9,13,910	3,26,869	3,62,467
As at 31 st March 2015	10,76,756	89,360	11,641	11,54,475	7,30,249	1,24,084	81,272	7,92,008	3,62,467	

(₹ '000)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	31 st March 2016	31 st March 2015
SCHEDULE 11		
CASH AND BANK BALANCES		
1 Cash (including cheques, drafts and stamps)	57,283	94,093
2 Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current Accounts	5,24,524	4,02,822
(c) Others	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
Total	5,81,807	4,96,915
Included in Bank balances -- current accounts, are balances held outside India amounting to ₹ NIL (31st March 2015 - ₹ NIL) with non-scheduled banks and the other bank balances are with scheduled banks.		
SCHEDULE 12		
ADVANCES AND OTHER ASSETS		
ADVANCES		
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	40,889	22,149
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source [Net of provision for tax amounting to ₹ 1,099,064 thousand (Previous Year: ₹ 854,064 thousand)]	99,908	2,17,161
6 Others -- Deposits for premises and advance rent	73,725	71,198
-- Service Tax unutilised credit/Advance Payments	38,989	37,394
-- Other Advances	29,226	14,831
Total (A)	2,82,737	3,62,733
OTHER ASSETS		
1 Income accrued on investments	9,17,674	8,99,343
2 Outstanding Premiums	1,06,523	2,22,975
3 Agents' Balances	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business (including reinsurers)	65,513	38,400
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	5,89,842	5,09,973
- Balance with Declined Risk Pool (IMTPDRIP)	68,588	80,540
- Investment Related Receivables	104	159
Total (B)	17,48,244	17,51,390
Total (A+B)	20,30,981	21,14,123

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	31 st March 2016	31 st March 2015
SCHEDULE 13		
CURRENT LIABILITIES		
1 Agents' Balances	77,137	66,732
2 Balances due to other insurance companies (including reinsurers)	1,06,173	2,55,227
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	1,61,421	1,57,823
5 Unallocated Premium	4,30,813	4,14,463
6 Sundry creditors	7,28,869	7,16,523
7 Unclaimed amount of Policyholders	1,25,810	1,77,836
8 Due to subsidiaries / holding company	5,947	-
9 Claims Outstanding	1,44,77,622	1,29,97,454
10 Due to Officers / Directors	6,357	13,706
11 Others - Service Tax payable	8,836	11,489
- Claims approved under settlement	1,57,093	1,58,737
Total	<u>1,62,86,078</u>	<u>1,49,69,990</u>
SCHEDULE 14		
PROVISIONS		
1 Reserve for Unexpired Risk	83,97,333	75,64,941
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	16,774	11,573
- Long Term Incentive	21,852	34,664
- Leave compensated absence	8,133	2,708
Total	<u>84,44,092</u>	<u>76,13,886</u>
SCHEDULE 15		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
1 Discount Allowed in issue of shares / debentures	-	-
2 Others	-	-
Total	<u>-</u>	<u>-</u>

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

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

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

2. Revenue recognition for insurance business

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

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

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

3. Claims

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

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.

SIGNIFICANT ACCOUNTING POLICIES

5. Indian Market Terrorism Risk Insurance Pool

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

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

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

6. Indian Motor Third Party Pool

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

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

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

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

In terms of the DR Pool agreement, the company shall underwrite, net of reinsurance, a minimum percentage of "Act only" premium of specified commercial vehicles which is in proportion to the sum of fifty percent of the company's percentage share in total gross premium 50% of the total motor premium of the industry for the financial year. 75% of the premium written by the member insurer is to be ceded to the DR Pool. The fulfillment or shortfall of the mandatory obligations shall be determined based on actual premium written (net of reinsurance) by the Company and premium retained with respect to the business ceded to the DR Pool. The DR Pool shall be extinguished at the end of every financial year on a clean cut basis, based on the statement of accounts drawn by the Pool Administrator.

Accordingly, based on the statements received for the period ended December 31, 2015 the Company combines its proportionate share of the premium, claims and pool administrator fees with similar items in its financial statements, on a line-by-line basis. For the calendar quarter ended 31st March 2016, the premium, claims and pool administrator fees have been considered based on the management estimate. The difference, if any, between the estimates and the actual for the said quarter shall be recognized in the calendar quarter in which the Pool Administrator makes available the audited statement.

8. Investments

- (a) Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) (Amendment) Regulations.
- (b) Investments maturing within or intended to be held for a period of less than twelve months from the Balance Sheet date are classified as 'Short term investments' while those maturing beyond or intended to be held for a period of twelve months or above are classified as 'Long term investments'.
- (c) Investments are recorded at cost including acquisition charges (such as brokerage, transfer stamps, etc), if any, and exclude interest paid on purchase.

SIGNIFICANT ACCOUNTING POLICIES

- (d) Investments though not so separately classified in the accounts, are identified on an aggregate basis with the Policyholders' and Shareholders' Funds on the same lines as Investment income, as stated in item 9 herein below.
- (e) Debt securities
- i. Debt securities, which include government securities are considered as 'held-to-maturity' and are measured at historical cost. The premium / discount, if any, on purchase of debt securities is amortised over the period to maturity based on their intrinsic yield.
 - ii. The net realised gains or losses on debt securities are the differences between the net sale consideration and the amortized cost, which is computed on a weighted average basis.
 - iii. The difference between the acquisition price and the maturity value of money market instruments is recognised as income in the Revenue Accounts or the profit and loss account, as the case may be, over the remaining term of these instruments on a yield to maturity basis.
- (f) Equity securities that are traded in active markets
- i. Measured at each Balance Sheet date at the fair value, being the last quoted closing prices available on the Balance Sheet date on the National Stock Exchange.
 - ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair Value Change – Equity Account" and carried to the Balance Sheet
 - iii. Profit/loss on actual sale of a particular security shall include the accumulated fair value change thereof and is recycled to the Profit and Loss account.
 - iv. At each Balance Sheet date the company assesses impairment if any in the value, by examining if the investee company has been making losses continuously for the last three years and also its net worth is eroded, and recognizes the resultant impairment as an expense in the Revenue/Profit and Loss account.
- (g) Mutual funds – Liquid Funds / Gilts / Debt Funds
- i. Measured at each Balance Sheet date at the fair value, being the realisable Net Asset Value
 - ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair Value Change- Mutual Fund Account" and carried to the Balance Sheet
 - iii. Profit/loss on actual sale of units of a particular mutual fund shall include the accumulated fair value change thereof and is recycled to the Profit and Loss account.
 - iv. At each Balance Sheet date the company assesses impairment if any in the value, by examining if the realisable net asset value of each mutual fund is lower than the weighted average cost thereof, and recognizes such impairment as an expense in the Revenue/Profit and Loss account.
- (h) Alternative Investment Funds
- i. Investments in Alternative Investment Funds (AIFs) are valued at latest available NAV. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognised in the Balance Sheet under "Fair value change account".

9. Investment income

- i. Investment income other than that from pool accounts (including profit/loss on sale of investments) is allocated to the respective Revenue Accounts and the Profit and Loss Account based on the ratio of average 'Technical Funds' and "Shareholders' Funds" respectively (average of funds at the beginning and end of the year).
- ii. 'Technical Funds' in relation to policyholders' funds are the aggregate of outstanding claims, estimates for IBNR (including IBNER) and reserve for unexpired risk excluding the technical funds relating to pool accounts. "Shareholders' Funds" are the aggregate of funds available to the Company's shareholders, i.e., net worth of the Company.
- 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

10. Fixed Assets and Depreciation

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

Useful Life and Depreciation:

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

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

11. Impairment of Assets other than Investments

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

12. Operating Expenses

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

13. Operating Leases

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

14. Employee Benefits

- (a) Defined Contribution Plans- superannuation, Employee State Insurance and Provident Fund contributions are charged to as expenses on accrual.
- (b) Defined Benefit Plans- Retirement gratuity liability is funded with an Insurance Company through contributions to an approved gratuity trust. Liability therefore at each Balance sheet date is arrived at by external actuarial valuation by the fund manager using the projected unit credit method. Differential liability therefore is recognized in the accounts each year.

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) Costs of the Company's Retention Awards are valued and accounted for based on actuarial assumptions at each Balance Sheet date.
- (e) Actuarial gains/losses are recognized in the Revenue Accounts.

15. Income-tax

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

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

16. Transactions in Foreign Exchange

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

17. Provision for Contingencies

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

18. Earnings Per Share

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

SCHEDULE 17

NOTES TO FINANCIAL STATEMENTS

1. The assets of the Company are free from encumbrances.
2. a) Contingent liabilities

(₹'000)

	31st March 2016	31st March 2015
Partly paid investments	Nil	Nil
Underwriting commitments relating to investment activities	Nil	Nil
Claims, other than those under policies, not acknowledged as debts	Nil	Nil
Guarantees given by or issued on behalf of the Company	Nil	Nil
Statutory demands/liabilities in dispute, not provided for :		
-Disputed Income Tax Liability	699,382*	91,904*
-Disputed Service tax Liability (Including of penalty of ₹395,308 thousands)	860,427**	857,868**
Reinsurance obligations, to the extent not provided for in the accounts	Nil	Nil
Others	6,853***	Nil

* The contested Income Tax Demands have been ascertained taking into consideration 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 previous assessment years.

** Excluding interest under Rule 14 of the CENVAT Credit Rules, 2004. The Company has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal, Chennai (CESTAT) against the commissioner of service tax order. Based on legal opinion and the recent amendment made in CENVAT Credit Rules 2004, in the opinion of the management, no liability is ultimately envisaged on this issue.

*** 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 ₹ 6853 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)

	31st March 2016	31st March 2015
Commitments made and outstanding for Loans and Investments	Nil	Nil
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	38,447	37,919

- c) Service Tax Advance Payments under "Advances & Other Assets" (Sch.12) includes ₹ 24,200 thousands (previous year NIL) 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)

	31st March 2016	31st March 2015
Lease payments debited to the Profit and Loss Account	1,16,116	1,03,031
Future minimum lease payments		
-Not later than one year	1,03,678	75,007
-Later than 1 year but not later than 5 years	2,54,196	1,77,895
-Later than 5 years	41,403	64,533

NOTES TO FINANCIAL STATEMENTS

4. Ageing of Gross Outstanding Claims

(₹ '000)

	31st March 2016		31st March 2015	
	Nos.	Amount	Nos.	Amount
Claims outstanding for a period exceeding 6 months	19,170	76,81,454	19,437	71,76,119
Other Claims (less than 6 months)	12,506	27,89,212	33,263	19,15,063
Total	31,676	1,04,70,667	52,700	90,91,182

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 31st March, 2016, 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)

	31st March 2016	31st March 2015
Contracts for sales where payments are overdue	Nil	Nil
Contracts for Purchases due for delivery on the Balance Sheet date	Nil	Nil

b)

	31st March 2016	31st March 2015
Non-Performing Investment	Nil	Nil

6. A) Employee Benefits - Gratuity

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

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

	31st March 2016	31st March 2015
Present value of obligations as at the end of the year	81,509	68,931
Fair value of plan assets as at the end of the year	64,735	56,874
Funded status Asset/(Liability)	(16,774)	(12,057)
Net Asset/(Liability) recognised in the Balance Sheet	(16,774)	(12,057)

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

	31st March 2016	31st March 2015
Current Service cost	13,480	10,893
Interest Cost	6,339	5,959
Expected return on plan assets	(4,776)	(3,998)
Net Actuarial loss recognized in the year	(326)	4,099
Expenses to be recognised in Revenue Accounts	14,716	16,952

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

	31st March 2016	31st March 2015
Changes in present value of obligations :		
Present value of obligations as at the beginning of the year	68,931	54,814
Interest cost	6,339	5,959
Current Service Cost	13,480	10,893
Benefits Paid	(6,993)	(7,063)
Actuarial (gain)/loss on obligation	(248)	4,328
Present value of obligations as at the end of the year	81,509	68,931

NOTES TO FINANCIAL STATEMENTS

(₹ '000)

	31st March 2016	31st March 2015
Changes in the fair value of plan assets – LIC Fund		
Fair value of plan assets at the beginning of the year	56,874	50,290
Expected return on plan assets	4,776	3,998
Contributions	10,000	9,419
Benefits paid	(6,993)	(7,063)
Actuarial gain on plan assets	78	229
Fair value of plan assets at the end of the year	64,735	56,874

d) Asset Information

(₹ '000)

Category of Assets (% Allocation)	Period Ended			
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
	%	%	(₹ '000)	(₹ '000)
Government of India Securities	0%	0%	0	0
Corporate Bonds	0%	0%	0	0
Special Deposit Scheme	0%	0%	0	0
Equity Shares of Listed Companies	0%	0%	0	0
Property	0%	0%	0	0
Insurer Managed Funds	100%	100%	64,735	56,874
Others	0%	0%	0	0
Grand Total			64,735	56,874

e) Experience Adjustments

(₹ '000)

	Period Ended				
	31 st March 2012	31 st March 2013	31 st March 2014	31 st March 2015	31 st March 2016
Defined benefit Obligation	39,142	45,999	54,814	68,931	81,509
Plan Assets	42,948	41,720	50,290	56,874	64,735
Surplus / (Deficit)	3,806	(4,279)	(4,524)	(12,057)	(16,774)
Exp. Adj. on Plan Liabilities	3,382	1,990	3,282	(204)	473
Exp. Adj. on Plan Assets	0	0	8453	29	78

f) Assumptions:

(₹ '000)

	31st March 2016	31st March 2015
i) Discount rate	7.85%	7.90%
ii) Salary Escalation	8.00%	8.00%
iii) Expected return on plan assets	8.00%	8.00%
iv) Mortality has been considered as per the published rates under the Indian Assured Lives Mortality (2006-08) Ult table		
v) Rates of leaving service has been assumed as under		

Age (Years)	Rates (p.a.)
21-30	8.90%
31-40	9.93%
41-50	1.20%
51-59	0.36%

NOTES TO FINANCIAL STATEMENTS

B) Employee Benefits – Compensated absence

The present value of obligations towards compensated absences as at 31st March, 2016 as per Actuarial Certificate is ₹ 8,133 thousands (Previous Year: ₹ 2,708 thousands) and is provided for in the books of Accounts. The basis of provision for compensated absences is as follows:

(I) Changes in present value of obligations :

(₹ 000)

	31 st March 2016	31 st March 2015
Present value of obligations as at the beginning of the year	2,708	6,501
Interest cost	-	-
Current Service Cost	5425	(3,793)
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	-	-
Present value of obligations as at the end of the year	8,133	2,708

Assumptions :

	31 st March 2016	31 st March 2015
Discount rate	7.85%	7.90%
Salary Escalation	8.0%	8.0%
Earned leave	As per Company rules	
Retirement age	60 Years	60 Years
Mortality rate Table	IALM (2006-2008)	IALM (2006-2008)

C) Employee Benefits – Retention Awards

The present value of obligations towards retention awards as at 31st March, 2016 as per Actuarial Certificate is ₹21,852 thousands (Previous Year: ₹ 34,664 thousands) and is provided for in the books of Accounts. The basis of provision for retention awards is as follows:

Changes in present value of obligations :

(₹ '000)

	31 st March 2016	31 st March 2015
Present value of obligations as at the beginning of the year	34,664	26,830
Interest cost	-	-
Current Service Cost	8,388	7,834
Benefits Paid	(21200)	-
Actuarial (gain)/loss on obligation	-	-
Present value of obligations as at the end of the year	21,852	34,664

Assumptions :

	31 st March 2016	31 st March 2015
Discount rate	7.85%	7.90%
Increase in Incentive Amount	0.0%	0.0%
Retirement age	60 Years	60 Years
Mortality rate Table	Nil	Nil
Leaving Service	21%	21%
Disability	Nil	Nil

NOTES TO FINANCIAL STATEMENTS

7. Deferred Tax

	(₹ '000)	
	31 st March 2016	31 st March 2015
Deferred Tax Assets		
Reserve for Unexpired risk	3,36,971	1,94,522
Depreciation	4,149	-
Accumulating Compensated Absence	2,815	920
	3,43,935	1,95,442
Deferred Tax Liability		
Depreciation	-	1,988
Net Deferred Tax Asset	3,43,935	1,93,454

8. Participation in Indian Terrorism Risk Insurance Pool

The Company has accounted for the retro cession for 4 Quarters upto December 2015 during the year.

	(₹ '000)	
	31 st March 2016	31 st March 2015
Due from the Pool Manager, beginning of the year	5,09,973	4,34,519
Premium on reinsurance accepted	47,593	47,233
Investment Income	46,778	42,570
Premium on reinsurance ceded	(8,243)	(8,515)
Claims paid on reinsurance accepted	(204)	(258)
Operating expenses related to insurance business	(6,055)	(5,577)
Profit Commission on XL	Nil	Nil
Due from the Pool Manager, end of the year	5,89,842	5,09,973
Claims outstanding, end of the year	(1,000)	(1,000)
Reserve for Unexpired risk, end of the year	(39,351)	(38,718)
Reserve for Unexpired risk, beginning of the year	38,718	40,139

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

In accordance with the directions of IRDAI, the Company, together with other non-life insurance companies, participates in the Indian Motor Third Party Declined Risk Insurance Pool [DR Pool], a multilateral reinsurance arrangement in respect of specified commercial vehicles. The company has accounted for the retro cession for 3 Quarters, upto 31st December, 2015, based on the audited statement received from the pool administrator & the 4th Quarter based on management estimate.

	(₹ '000)	
	31 st March 2016	31 st March 2015
Premium on reinsurance accepted	(17,967)	1,37,958
Incremental Reserve for unexpired risk	48,595	42,945
Claims Paid on Reinsurance Accepted	-	2,66,878
Claims Outstanding, end of the year	1,32,158	72,757
Claims Outstanding, beginning of the year	72,757	55,093
Claims Incurred	59,400	2,84,543
Operating expenses related to DR Pool	910	(507)
Profit / (Loss) from Pool	(29,682)	(1,03,132)

NOTES TO FINANCIAL STATEMENTS
10. Solatium Fund (₹ '000)

	31st March 2016	31st March 2015
Contribution to the Solatium Fund @ 0.1% of the Gross Written Premium of Motor Third Party Business	3,995	3,428

11. The Sector-wise Gross Written Premium Direct

	31st March 2016		31st March 2015	
	Amount	%	Amount	%
Rural Sector (including Social Sector)	13,40,295	7.91	14,94,901	9.53
Other Sectors	1,56,00,910	92.09	1,41,97,091	90.47
Total Gross Direct Premium	1,69,41,205	100	1,56,91,992	100

	31st March 2016	31st March 2015
Social Sector		
No. of Lives Covered	1,09,481	5,20,445
No. of Policies Issued	242	40

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

12. Premium Recognition on Varying Risk Pattern

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

13. Risk retention / Reinsurance

	31st March 2016	31st March 2015
Risk retained (%)	86	87
Risk reinsured (%)	14	13

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

	2015-16	2014-15
1. Mr. Ajay Bimbhet till 24th Apr.2015		
Salary	357	5,359
Allowances and perquisites	1,036	21,749
2. Mr. M.S.Sreedhar from 25th Apr.2015 *@		
Salary	3,931	-
Allowances and perquisites	13,019	-
Total	18,343	27,108
Less:-Transferred to Revenue Account	16,250	15,000
Balance Transferred to P&L A/c	2,093	12,108

*Includes Retention Bonus vested ₹ 1600 thousands in respect of the period before becoming a Managing Director.

@During the year Retention Bonus of ₹ 1600 thousands has been paid out of earlier year provisions.

NOTES TO FINANCIAL STATEMENTS

15. Related Party Transactions:

(a) Particulars of Related Parties

Enterprise having significant influence on the reporting enterprise

(i) Joint promoters till 29th July,2015

a) Sundaram Finance Ltd. b)Royal & Sun Alliance Insurance plc

(ii) Holding company from 30th July,2015

Sundaram Finance Ltd.

(iii) Fellow Subsidiaries

Name of the Related Party	Relationship
Infreight Logistics Solutions Ltd.	Fellow subsidiary
LGF Services Ltd.	Fellow subsidiary
Sundaram Asset Management Company Ltd.	Fellow subsidiary
Sundaram Asset Management Singapore Pte Ltd.	Fellow subsidiary
Sundaram BNP Paribas Fund Services Ltd.	Fellow subsidiary
Sundaram BPO India Ltd.	Fellow subsidiary
Sundaram Business Services Ltd.	Fellow subsidiary
Sundaram Finance Distribution Ltd.	Fellow subsidiary
Sundaram Infotech Solutions Ltd.	Fellow subsidiary
Sundaram Insurance Broking Services Ltd	Fellow subsidiary
Sundaram Trustee Company Ltd	Fellow subsidiary
Sundaram BNP Paribas Home Finance Co. Ltd	Fellow subsidiary

(iv) Key Managerial Personnel (KMP):

Mr. Ajay Bimbhet (1-Apr-15 to 24-Apr-15)	Managing Director
Mr. M S Sreedhar (w.e.f. from 25-Apr-15)	Managing Director

(b) Transactions with related parties and balances

(₹'000)

Sr No	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/ Categories	2015-16		2014-15	
				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	- Joint promoter till 29 th July,2015 - Holding Company from 30 th July,2015	Insurance Premium Received	21,072		10,302	
			Interest on Investment Received	58,903		64,902	
			Rent Paid	6,396		6,208	
			Payment for Services Received	39,270		41,581	
			Agency Commission Paid	40,243		30,197	
			Insurance Claims Paid	25,245		21,126	
			Investment Purchase	1,00,000		1,00,000	
			Investment Redemption	1,00,000		2,10,000	
			Other Receivables		(58,694)		(43,769)
			Investment Held		(6,00,000)		(5,99,907)
			Rental Deposit		(3,625)		(3,625)
			Other Payable		5,947		1,918
			Insurance Deposit		11,500		5,000
Share Capital			23,90,850		15,71,850		

NOTES TO FINANCIAL STATEMENTS

(₹'000)

Sr No	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/ Categories	2015-16		2014-15	
				Transactions for the Current Year	Outstanding Amt Carried to Balance Sheet Payable/ (Receivable)	Transactions for the Previous Year	Outstanding Amt Carried to Balance Sheet Payable/ (Receivable)
2	Sundaram BNP Paribas Home Finance Ltd	Fellow Subsidiary	Insurance Premium Received	1,286			
			Interest on Investment Received	62,466			
			Insurance Claims Paid	610			
			Investment Purchase	1,50,000			
			Investment Redemption	50,000			
			Other Receivables		(27,083)		
			Investment Held		(7,00,000)		
			Insurance Deposit		1,675		
3	RSA Insurance Plc	Joint Promoter till 29 th July, 2015	Claims in Reinsurance Received	4,062		1,18,697	
			Commission on Reinsurance Ceded	1,914		18,383	
			Payment for Services Received	3,635		8,188	
			Reinsurance Premium Paid	13,885		1,15,823	
			Other Receivable			12,908	
			Other Payable			61,910	
			Share Capital			8,19,000	
4	Sundaram Business Services Ltd	Fellow Subsidiary	Insurance Premium Received	256			
			Insurance Claims Paid	96			
5	Sundaram BPO India Ltd	Fellow Subsidiary	Insurance Premium Received	294			
			Insurance Claims Paid	840			
6	Sundaram Asset Management Company Ltd	Fellow Subsidiary	Insurance Premium Received	240			
			Insurance Claims Paid	10			
7	Sundaram BNP Paribas Fund Services Ltd.	Fellow Subsidiary	Insurance Premium Received	120			
8	Sundaram Trustee Company Ltd	Fellow Subsidiary	Insurance Premium Received	171			
9	Ajay Bimbhet	Key Managerial Personnel	Insurance Premium Received	60		34	
			Remuneration	1,394		27,108	
			Other Payable				13,706
10	M S Sreedhar	Key Managerial Personnel	Insurance Premium Received	54			
			Remuneration	16,949			
			Other Payable		6,357		

NOTES TO FINANCIAL STATEMENTS

16. Penal Actions by various statutory authorities

(For the year ended 31st March 2016)

(₹'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 2015)

(₹'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

NOTES TO FINANCIAL STATEMENTS

17. Segment Reporting

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

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

Particulars	(₹ '000)	
	31 st March 2016	31 st March 2015
Revenue Account – Policyholders’ Funds		
Fire	660	(134)
Marine	158	(30)
Miscellaneous	19,064	(2,980)
Profit and Loss Account – Shareholders’ Funds	5,104	(1,064)
Total	24,986	(4,208)

19. Summary of Financial Statements and Accounting Ratios

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

20. The liability of IBNR & IBNER for the year ending 31st March, 2016 has been estimated by the appointed actuary in compliance with the guidelines issued by the IRDAI. The IBNR has been recognized in the books of accounts based on the submission of IBNR details to IRDAI as per the guidelines.

21. Details of Outsourcing Expenses: (₹ '000)

Nature of Outsourcing	31 st March 2016	31 st March 2015
Data processing and outsourcing expenses	23,25,746	21,74,511
Marketing and related expenses	2,42,074	3,28,599
Other Outsourcing Expenses	1,95,840	1,62,721
Total	27,63,661	26,65,831

22. Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders (For the year ended 31st March 2016)

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)	7,380	1,303	294	313	-	-	5,469
Chq issued but not encashed by the policyholder/Insured	1,11,624	56,709	22,859	9,454	4,036	2,982	15,584

The above given figures do not include the policyholders dues for the ageing 0-3 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 2015)

(₹ '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)	7,118	601	150	5	170	122	6,070
Chq issued but not en-cashed by the policyholder/Insured	158,156	50,110	14,129	11,268	21,818	9,564	51,267

The above given figures do not include the policyholders dues for the ageing 0-3 months and hence would differ from the amount given under the head "Unclaimed Amount of Policyholders" in Schedule 13.

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

(₹ '000)

Particulars	At March 31, 2016	At March 31, 2015
Motor TP (Including Declined Risk Pool)	469,000	357,000

24. Earning Per Share (EPS)

Amount in ₹

Particulars	2015-16	2014-15
Profit/(Loss) after tax - (A)	26,66,46,356	21,98,94,030
Weighted avg. no. of Shares	-	-
315,000,000 Shares for 1st April 2015 to 31st March 2016	31,50,00,000	31,50,00,000
Total - (B)	31,50,00,000	31,50,00,000
EPS - Basic & Diluted - (A / B)	0.85	0.70

25. During the year the foreign exchange gain/(loss) included in the Revenue account of the Company is loss of ₹ 1258 thousands (Previous year gain ₹ 152 thousands).

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

(₹ '000)

Product Segment	31st March 2016*		31st March 2015*	
	Investment Expenses	Other Expenses	Investment Expenses	Other Expenses
Fire	106	25,879	120	23,908
Marine Cargo	25	17,885	26	17,427
Marine Hull	-	62	-	85
Miscellaneous	2,640	18,24,948	2,674	16,47,999
Total	2,771	18,68,774	2,820	16,89,419
*Basis of Allocation	Mean Tech Fund	NWP - Direct	Mean Tech Fund	NWP - Direct

NOTES TO FINANCIAL STATEMENTS

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

(₹ '000)

S. No	Sch	Particulars	Previous year figures reported in current year	Reported in previous year	Difference	Reason
1	13	Unclaimed amount of Policyholders	1,77,836	3,36,573	-1,58,737	Re-grouped for appropriate presentation
2	13	Claims approved under settlement	1,58,737	-	1,58,737	
3	13	Sundry creditors	7,16,523	7,51,187	-34,664	
4	14	Others- Long term incentive	34,664	-	34,664	

As per our report of even date attached

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

For Suri & Co.
 Chartered Accountants
 Registration No.004283S

V Chandrasekaran
 Partner
 Membership No: 024844

R Mahesh
 Partner
 Membership No: 024775

Place : Chennai
 Date : April 28,2016

For and on behalf of the Board of Directors

P M Venkatasubramanian
 Chairman
 (DIN : 00124505)

M S Sreedhar
 Managing Director
 (DIN : 07153983)

M S Sundara Rajan
 Director
 (DIN : 00169775)

S Prasad
 Director
 (DIN : 00063667)

Venkatachalam Sekar
 Financial Controller & CFO

S R Balachandher
 Company Secretary

NOTES TO FINANCIAL STATEMENTS

Annexure I

SEGMENT REPORTING

- The company's business is organised on a National basis and caters to the non-life insurance business. Accordingly, the Company has provided primary segmental information as per Accounting Standard 17 - 'Segment Reporting' issued by ICAI, read with the Accounting Regulations.
- Segment revenues are either directly attributed to or, in the case of bundled products, allocated to the individual segments. There are no inter segment revenues.
- Operating expenses are attributed to the business segments in line with accounting policy 12 in Schedule 16.
- Investments and other Assets and liabilities are identified with the respective segments in the ratio of Shareholders and Technical Funds as defined in Policy 8 of Schedule 16
- Since the business operations of the Company are entirely in India, the same is considered as one geographical segment.

For the year ended 31st March 2016

Particulars	Fire	Mainline Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmen Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Others	Investment of Shareholders funds	Total Excluding Motor TP Pool	Motor Pool & Declined Pool	Total Including Motor TP Pool
Gross Direct Premium	940,907	323,363	8,679	8,743,825	3,995,324	12,739,149	48,655	63,911	362,897	393,883	1,965,621	94,140	-	16,941,205	-	16,941,205
Premium inward	104,862	-	-	-	-	-	-	-	34,417	-	-	-	-	139,279	(17,967)	121,312
Net Written Premium	236,151	139,637	485	8,246,044	3,763,086	12,009,080	42,253	31,638	63,109	358,585	1,817,047	52,549	-	14,750,534	(17,967)	14,732,567
Premium earned (net)	217,378	140,504	689	7,826,371	3,351,668	11,178,039	39,638	32,816	59,815	342,114	1,814,425	44,130	-	13,869,548	30,628	13,900,176
Profit/(Loss) on sale / redemption of investments	4,280	1,018	5	28,644	66,223	95,567	189	201	590	1,871	7,477	239	33,092	144,529	-	144,529
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest (net of amortisation)	93,684	13,387	65	376,544	879,760	1,256,304	2,485	2,638	17,111	24,600	98,288	3,136	435,023	1,946,722	287,455	2,234,177
Total segmental revenue	315,342	154,909	759	8,231,559	4,298,351	12,529,910	42,312	35,655	77,516	368,585	1,920,190	47,505	468,115	15,960,799	318,083	16,278,881
Claims incurred (net)	(109,581)	(108,641)	7	(4,957,219)	(3,955,262)	(8,912,481)	(2,133)	(6,519)	(18,933)	(99,831)	(1,163,275)	(14,411)	-	(10,435,798)	(365,999)	(10,800,797)
Commission received / (paid), net	33,174	(2,995)	632	(439,601)	(5,675)	(445,276)	(3,549)	(4,598)	81,379	(39,695)	(183,077)	(481)	-	(564,486)	-	(564,486)
Operating expenses related to insurance business	(91,969)	(35,024)	(62)	(3,359,906)	(479,648)	(3,839,554)	(7,605)	(5,303)	(19,788)	(86,981)	(443,137)	(14,729)	-	(4,544,152)	(910)	(4,545,062)
Total segmental expenses	(168,376)	(146,660)	577	(8,756,726)	(4,440,585)	(13,197,311)	(13,287)	(16,420)	42,659	(226,507)	(1,789,489)	(29,621)	-	(15,544,436)	(3,66,909)	(15,911,345)
Segmental (loss) / profit	146,966	8,249	1,336	(525,167)	(142,234)	(667,401)	29,025	19,235	120,175	142,078	130,701	17,884	468,115	416,363	(48,826)	367,536
Other income	-	-	-	1,585	-	1,585	-	-	-	-	-	-	3,135	4,720	-	4,720
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	(11,091)	(11,091)	-	(11,091)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	(94,519)	(94,519)	-	(94,519)
Net profit (Loss) for the year	146,966	8,249	1,336	(523,582)	(142,234)	(665,816)	29,025	19,235	120,175	142,078	130,701	17,884	365,640	315,473	(48,826)	266,646
Segment Assets	1,272,411	192,254	878	5,071,573	11,849,248	16,920,821	33,474	35,532	226,527	331,629	1,433,109	42,415	5,762,143	26,251,192	3,844,475	30,095,668
Segment Liabilities	888,484	219,647	1,680	5,987,720	13,101,447	19,089,167	37,420	40,396	152,277	349,474	1,461,371	57,008	-	22,296,923	2,433,246	24,730,170
Capital Expenditure	5,925	1,903	51	51,471	23,519	74,990	286	376	2,289	2,319	11,571	554	-	100,265	-	100,265
Amortisation of premium & discount	(660)	(157)	(1)	(4,418)	(10,323)	(14,741)	(29)	(31)	(91)	(289)	(1,153)	(37)	(5,104)	(22,293)	(2,692)	(24,986)
Depreciation	7,582	2,436	65	65,858	30,092	95,950	366	481	2,929	2,967	14,805	709	-	128,290	-	128,290
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Aviation Segment Business for 2015-16 - NIL

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March 2015

Particulars	Fire	Marine Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmen Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Others	Investment of Shareholders funds	Total Excluding Motor TP pool	Motor Pool & Declined Pool	Total Including Motor TP Pool
Gross Direct Premium	795,786	332,480	7,808	8,163,972	3,430,333	11,594,305	40,218	51,065	365,472	376,852	2,043,629	84,377	-	15,691,992	-	15,691,992
Premium inward	72,833	-	-	-	-	-	-	-	16,159	-	-	-	-	88,992	137,958	226,950
Net Written Premium	226,586	141,368	688	7,714,198	3,229,396	10,943,594	34,951	32,796	51,929	337,606	1,930,851	42,376	-	13,742,945	137,958	13,880,903
Premium earned (net)	182,386	120,142	1,194	7,244,649	2,878,969	10,123,618	33,302	34,634	53,343	350,010	1,907,706	47,345	-	12,853,680	180,904	13,034,584
Profit/(Loss) on sale/redemption of investments	4,212	916	7	27,984	54,453	82,437	173	205	589	2,227	7,944	296	33,515	132,522	-	132,522
Others	-	520	-	-	-	-	-	-	-	-	-	-	-	520	-	520
Interest (net of amortisation)	91,372	12,467	99	380,760	740,908	1,121,669	2,357	2,792	16,528	30,305	108,087	4,023	456,017	1,845,717	272,096	2,117,813
Total segmental revenue	277,970	134,045	1,300	7,653,393	3,674,330	11,327,724	35,832	37,632	70,460	382,542	2,023,737	51,664	489,532	14,832,439	453,000	15,285,439
Claims incurred (net)	(93,298)	(98,540)	(61)	(4,245,497)	(3,572,260)	(7,817,757)	(10,119)	(9,465)	(16,815)	(100,369)	(1,093,794)	(225)	-	(9,240,443)	(926,031)	(10,166,474)
Commission received / (paid), net	18,726	(4,044)	669	(398,192)	(3,777)	(401,969)	(2,793)	(2,142)	69,539	(37,668)	(209,072)	181	-	(568,573)	-	(568,573)
Operating expenses related to insurance business	(102,448)	(38,319)	(85)	(3,110,179)	(399,663)	(3,509,842)	(6,122)	(4,901)	(16,803)	(81,752)	(485,869)	(16,147)	-	(4,262,288)	507	(4,261,781)
Total segmental expenses	(177,020)	(140,903)	523	(7,553,868)	(3,975,700)	(11,729,568)	(19,034)	(16,508)	35,921	(219,789)	(1,788,735)	(16,191)	-	(14,071,304)	(925,524)	(14,996,828)
Segmental (loss) / profit	100,950	(6,858)	1,823	(100,475)	(301,370)	(401,844)	16,798	21,124	106,381	162,753	235,002	35,473	489,532	761,135	(472,524)	288,611
Other income	-	-	-	515	-	515	-	-	-	-	-	-	12,196	12,711	-	12,711
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	(19,663)	(19,663)	-	(19,663)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	(61,765)	(61,765)	-	(61,765)
Net profit (Loss) for the year	100,950	(6,858)	1,823	(99,960)	(301,370)	(401,329)	16,798	21,124	106,381	162,753	235,002	35,473	420,300	692,418	(472,524)	219,894
Segment Assets	1,191,142	168,063	1,316	5,069,130	9,863,847	14,932,977	31,393	37,238	214,942	403,496	1,667,767	54,428	5,948,341	24,651,102	3,236,824	27,887,927
Segment Liabilities	844,088	203,164	1,948	5,713,985	10,438,567	16,152,552	37,073	41,089	150,976	375,579	1,547,361	44,886	-	19,398,717	3,185,158	22,583,875
Capital Expenditure	4,707	1,888	44	46,367	19,483	65,850	228	290	2,125	2,140	11,607	479	-	89,360	-	89,360
Amortisation of premium & discount	134	29	0	888	1,729	2,617	6	7	19	71	252	9	1,064	4,207	-	4,207
Depreciation	6,536	2,622	62	64,385	27,053	91,438	317	403	2,951	2,972	16,117	665	-	124,084	-	124,084
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: Aviation Segment Business for 2014-15 - NIL

ANNEXURES TO THE FINANCIAL STATEMENTS

SUMMARY OF FINANCIAL STATEMENTS

Annexure 2
(₹ in Lakhs)

Sl. No	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
OPERATING RESULTS						
1	Gross Premiums Written-Direct	1,69,412	1,56,920	1,43,704	1,56,000	1,47,979
2	Net Premium Income#	1,47,326	1,38,809	1,26,866	1,32,010	1,24,909
3	Income from investments (net)@	19,106	17,608	15,005	12,989	10,413
4	Other income -Transfer fee etc	16	10	10	13	9
5	Total Income	1,66,447	1,56,427	1,41,880	1,45,012	1,35,330
6	Commissions (net)	5,645	5,686	4,809	3,617	2,224
7	Operating Expenses	45,451	42,618	35,748	37,656	35,318
8	Net Incurred Claims	1,08,018	1,01,665	1,00,419	92,442	86,559
9	Change in Unexpired Risk Reserve	8,324	8,463	(4,706)	7,948	14,406
10	Operating Profit/loss	(990)	(2,004)	5,610	3,349	(3,176)
NON OPERATING RESULT						
11	Total income shareholders' account	4,602	4,821	4,473	2,977	3,130
12	Profit/(loss) before tax	3,612	2,817	10,082	6,326	(46)
13	Provision for tax	(945)	(618)	(3,260)	(859)	68
14	Profit/(loss) after tax	2,666	2,199	6,824	5,467	22
MISCELLANEOUS						
15	Policyholders' Account :					
	Total funds	2,28,750	2,05,624	1,82,090	1,66,350	1,48,916
	Total investments	2,18,020	1,94,110	1,70,240	1,58,923	1,42,116
	Yield on investments	8.9%	9.3%	8.7%	8.7%	8.2%
16	Shareholders' Account :					
	Total funds	57,094	54,975	52,536	45,590	36,121
	Total investments	53,541	55,035	52,100	49,037	41,937
	Yield on investments	8.9%	9.3%	8.7%	8.7%	8.2%
17	Paid up equity capital	31,500	31,500	31,500	31,500	29,000
18	Net worth	57,094	54,975	52,536	45,590	36,121
19	Total assets	3,04,396	2,80,814	2,52,074	2,35,935	2,06,791
20	Yield on total investments	8.9%	9.3%	8.7%	8.7%	8.2%
21	Earnings per share (₹)*	0.85	0.70	2.17	1.88	0.01
22	Book Value per share (₹)	18.13	17.45	16.68	14.47	12.46
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	2,666	2,199	6,824	5,467	22
	Weighted Average Number of Shares at the end of the year	31,50,00,000	31,50,00,000	31,50,00,000	29,02,73,973	25,02,18,579

Note: (1) The Company continues to determine the Policyholders' Fund and the Shareholders' Fund on the same basis as determined in the earlier years (Refer Point 8 of Schedule 16 relating to Accounting Policy), due to practical difficulty in determining the Policyholders' Fund in accordance with IRDAI Circular INV/CIR/008/2008-09 dt. 22nd Aug 2008 (annexure II) and hence have allocated the Investment and associated income on the same basis .

ANNEXURES TO THE FINANCIAL STATEMENTS

Annexure 3

Ratios for Non-life Insurance Companies

Sl No	Performance Ratio	2015-16	2014-15
1	Gross premium growth rate (segment wise) (Gross premium for the current year divided by gross premium for the previous year)	Schedule 1	Schedule 1
2	Gross premium to shareholders' fund ratio: (Gross premium for the current year divided by the paid up capital plus free reserves)	2.97	2.85
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)	3.86%	4.64%
4	Net retention ratio (segment wise) (Net premium divided by gross premium)	Schedule 2	Schedule 2
5	Net commission ratio (segment wise) (Commission net of reinsurance for a class of business divided by net premium)	Schedule 3	Schedule 3
6	Expenses of Management to gross direct premium ratio (Expenses of Management divided by the total gross direct premium)	32.58%	32.84%
7	Expenses of Management to Net Written Premium ratio (Expenses of Management divided by the net written premium)	37.47%	37.12%
8	Net Incurred Claims to Net Earned Premium	77.71%	78.00%
9	Combined ratio: (Net Incurred Claims divided by Net Earned Premium plus Expenses of Management divided by Net Written Premium)	112%	113%
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)	1.55	1.48
11	Underwriting balance ratio (segment wise) (Underwriting profit divided by net premium for the respective class of business)	Schedule 4	Schedule 4
12	Operating profit ratio (Underwriting Profit plus Investment Income divided by Net Earned Premium)	-0.71%	-1.54%
13	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.22	0.26
14	Net earnings ratio (Profit after tax divided by Net Written Premium)	1.81%	1.58%
15	Return on networth (Profit after tax divided by net worth)	4.67%	4.00%
16	Available Solvency Margin(ASM) to Required Solvency Margin (RSM) Ratio	1.55	1.64

ANNEXURES TO THE FINANCIAL STATEMENTS

Accounting Ratios - Schedule 1

Gross premium growth rate

Segment	Growth (%)	
	2015-16	2014-15
Fire	18%	18%
Marine	-2%	10%
Motor	10%	13%
Workmen's Compensation/ Employers Liability	21%	12%
Public/Product Liability	25%	-55%
Engineering	-1%	-1%
Personal Accident	5%	-10%
Health Insurance	-4%	-4%
Others	12%	-10%
Total	8%	9%

Accounting Ratios - Schedule 3

Net commission ratio

Segment	% to NWP	
	2015-16	2014-15
Fire	-14%	-8%
Marine	2%	2%
Motor	4%	4%
Workmen's Compensation/ Employers Liability	8%	8%
Public/Product Liability	15%	7%
Engineering	-129%	-134%
Personal Accident	11%	11%
Health Insurance	10%	11%
Others	1%	0%
Total	4%	4%

Accounting Ratios - Schedule 2

Net retention ratio

Segment	% to GWP	
	2015-16	2014-15
Fire	23%	26%
Marine	42%	42%
Motor	94%	94%
Workmen's Compensation/ Employers Liability	87%	87%
Public/Product Liability	50%	64%
Engineering	16%	14%
Personal Accident	91%	90%
Health Insurance	92%	94%
Others	56%	50%
Total	86%	87%

Accounting Ratios - Schedule 4

Underwriting balance ratio

Segment	to NEP	
	2015-16	2014-15
Fire	0.23	0.03
Marine	-0.03	-0.16
Motor	-0.21	-0.23
Workmen's Compensation/ Employers Liability	0.66	0.43
Public/Product Liability	0.50	0.52
Engineering	1.71	1.67
Personal Accident	0.34	0.37
Health Insurance	0.01	0.06
Others	0.33	0.66
Total	-0.14	-0.15

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:

- 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 2015/2016.
- We certify that all dues payable to the Statutory Authorities have been duly paid.
- We confirm that the shareholding pattern during the year ended 31st March 2016 has been in accordance with the Statutory/Regulatory requirements.
- We declare that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
- The Company has maintained the required solvency margins.
- The values of all the assets have been reviewed on the date of the Balance Sheet and in our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the headings 'Investments', 'Interest, Dividends and Rents accruing but not due', 'Amounts due from other persons or Bodies carrying on insurance business', 'Cash' and the several items specified under 'Other Accounts', except debt securities which are shown at amortised cost.
- 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 has exceeded the Management expense limit prescribed in Rule 17E of the Insurance Rules. The Company has, directly & through the General Insurance Council, represented to the IRDAI, under Section 64M of the Insurance Act, to revise the limits in its case.
The Company during the year was not able to collect the full premium from the Government of India in respect of Health Insurance Covers to BPL families of various States under the RSBY scheme within 30 days from the date of intimation of the premium to the Government as per Rule 59(a) of the Insurance Rules. We have represented through General Insurance Council to IRDAI for a relaxation of norms for RSBY scheme due to practical difficulties.
The Company monitors these risks closely and effective remedial action is taken wherever required.
- The Company does not have operations in other countries and hence related country/currency fluctuation risk is not applicable.
- The trend in average claim settlement time for various Segments for the past 5 years are given hereunder: -

Ageing as on 31st March 2016

(₹ '000)

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

Ageing as on 31st March 2015

(₹ '000)

Business Class	Upto 30 days		31 days - 6 months		6 Months - 1 Year		1 year - 5 years		5 Years and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	444	13,663	706	113,443	113	91,118	49	130,222	1	184	1,313	348,630
Marine Cargo	3,461	22,537	2,470	412,453	191	66,385	30	25,764	(1)	(977)	6,151	526,162
Marine Hull	-	26	-	16	-	16	-	(270)	-	-	-	(212)
Motor	165,617	2,555,991	46,627	2,084,670	6,111	665,977	11,382	1,789,231	1,679	245,283	231,416	7,341,152
Workmen Compensation	1	2	20	1,791	4	857	3	1,152	-	-	28	3,802
Liability	24	261	172	3,838	5	530	-	163	-	(5)	201	4,787
Engineering	20	1,307	180	11,494	36	9,170	34	27,847	-	12	270	49,829
PA	856	24,165	894	100,606	38	25,924	8	11,381	-	4	1,796	162,080
Health	91,732	567,459	7,489	553,733	703	34,841	147	8,740	4	1,313	100,075	1,166,086
Others	371	6,640	90	6,655	6	4,481	8	481	-	-	475	18,257
Grand Total	262,526	3,192,051	58,648	3,288,698	7,207	899,298	11,661	1,994,712	1,683	245,813	341,725	9,620,572

Ageing as on 31st March 2014

(₹ '000)

Business Class	Upto 30 days		31 days to 6 months		6 months - 1 year		1 year to 5 years		5 Years and above		Total	
	No.	Amt	No.	Amt	No.	No	Amt	Amt	No.	Amt	No.	Amt
Fire	125	47,261	342	142,102	121	70,957	36	173,854	-	-	624	434,174
Marine cargo	1,955	24,584	2,107	74,962	84	39,338	15	9,925	-	-	4,161	148,810
Marine Hull	1	37	2	364	1	8	-	-	-	-	4	409
Motor	175,564	2,019,272	41,780	2,284,645	4,012	640,944	5,142	1,429,899	386	98,069	226,884	6,472,829
Workmen Compensation	-	-	20	1,098	8	733	1	1,114	3	885	32	3,830
Liability	12	303	37	3,891	11	827	1	183	-	-	61	5,205
Engineering	20	9,157	66	20,551	47	48,951	24	18,116	2	23	159	96,797
PA	518	22,047	839	116,779	122	24,094	43	19,680	2	1,013	1,524	183,613
Health	76,944	672,792	51,125	585,160	1,180	10,811	272	4,224	28	940	129,549	1,273,926
Others	344	7,146	93	10,483	14	1,400	6	1,276	-	-	457	20,304
Total	255,483	2,802,599	96,411	3,240,035	5,600	838,062	5,540	1,658,272	421	100,929	363,455	8,639,897

Ageing as on 31st March 2013

(₹ '000)

Business Class	Upto 30 days		31 days to 6 months		6 months - 1 year		1 year to 5 years		5 years and above		Total	
	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt
Fire	127	6,507	320	106,106	130	71,441	36	28,049	2	201	615	212,303
Marine cargo	867	37,510	2,981	58,542	84	12,854	24	7,948	(3)	(212)	3,953	116,641
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	175,397	2,114,505	59,594	2,579,715	3,894	658,360	4,683	1,183,938	309	83,231	243,877	6,619,749
Workmen compensation	4	126	19	4,354	5	169	4	1,032	1	379	33	6,060
Liability	6	247	22	2,203	9	620	1	316	-	-	38	3,385
Engineering	26	4,240	92	11,362	63	12,661	78	26,812	3	1,309	262	56,384
PA	465	15,525	623	122,338	64	18,461	18	16,128	2	1,560	1,172	174,011
Health	19,701	549,643	10,408	319,130	193	6,373	52	3,802	2	654	30,356	879,602
Others	445	13,985	92	2,313	32	2,280	12	2,226	-	-	581	20,805
Total	197,038	2,570,939	74,151	3,216,495	4,474	783,218	4,908	1,270,249	316	87,121	280,887	8,088,940

Ageing as on 31st March 2012

(₹ '000)

Business Class	Upto 30 days		31 days to 6 months		6 months - 1 year		1 year to 5 years		5 years and above		Total	
	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt
Fire	143	8,938	297	58,720	97	28,665	35	65,640	2	332	574	162,294
Marine cargo	663	30,950	2,747	71,317	114	17,060	19	10,774	(20)	(4,434)	3,523	125,667
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	165,459	1,924,873	63,832	2,285,277	4,059	606,158	4,800	1,032,103	355	83,243	238,505	5,931,654
Workmen compensation	6	62	17	3,368	5	525	6	2,076	-	-	34	6,031
Liability	16	973	24	3,331	6	452	2	173	-	-	48	4,929
Engineering	66	1,582	150	13,573	77	32,480	36	38,304	-	-	329	85,939
PA	426	20,602	543	72,938	59	9,360	21	15,090	-	-	1,049	117,989
Health	23,749	734,396	9,861	326,604	213	6,902	58	4,982	3	473	33,884	1,073,357
Others	1,186	12,882	170	3,212	35	4,458	9	3,751	-	-	1,400	24,303
Total	191,714	2,735,256	77,641	2,838,339	4,665	706,061	4,986	1,172,893	340	79,614	279,346	7,532,163

10. We certify that

- The Investments in Government Securities and other debt securities have been considered as 'held to maturity' and have been measured at historical cost subject to amortisation.
 - The market values of debt securities including Government Securities have been ascertained by reference to the quotations published for the last working day of the Financial Year by the Stock Exchange/Fixed Income Money Market and Derivatives Association of India (FIMMDA)/CRISIL Security level valuation. The market values of debt securities including Government Securities which were not quoted on the last working day of the Financial Year have been ascertained on the basis of prevailing yield to maturity provided by FIMMDA.
 - The market values of quoted equity investments have been ascertained by reference to the last quoted closing prices available on the Balance Sheet date on the National Stock Exchange.
 - The market value of Mutual Fund Investments has been ascertained based on the NAV declared by the Asset Management Companies as on Balance Sheet date.
 - Investments in Alternative Investment Funds (AIFs) are valued at latest available NAV. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognised in the Balance Sheet under "Fair value change account".
11. The Company has adopted a prudent investment policy with emphasis on optimising return with minimum risk. Significant weighting of the assets has been made towards low risk/liquid investments such as Government securities, Treasury bills and other good quality debt instruments. Fair value of investments is computed for quoted investments, on the basis of the last available market price/yield-to-maturity valuation.

The average yield on investments after considering the profit on sale and amortisation of costs of investments is 8.93%. All investments in our portfolio as at 31st March 2016 are performing investments.

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

- In the preparation of financial statements, the applicable Accounting Standards, principles and policies have been followed. To the best of our knowledge there were no material departures from such standards during the year under report.
- 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 2016.
- 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.

- (iv) The Management has prepared the financial statements on a going concern basis.
- (v) The Management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

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

(₹ '000)					
Sl No.	Entity in which Director is interested	Name of the Director	Interested as	Amount	Nature of Payments
1	Sundaram Finance Ltd	S Viji	Director	6,396	Rent
		T T Srinivasaraghavan	Director	39,270	Information Technology
		S Prasad	Director	40,243	Agency Commission
		Harsha Viji	Director	25,245	Insurance Claims
2	Sundaram BNP Paribas Home Finance Limited	S Viji	Director	610	Insurance Claims
		T T Srinivasaraghavan	Director		
		Srinivas Acharya	Director		
3	Sundaram Asset Management Company Limited	Radha Unni	Director	10	Insurance Claims
		T T Srinivasaraghavan	Director		
4	Sundaram BPO India Limited	Harsha Viji	Director	840	Insurance Claims
5	Sundaram Business Services Limited	T T Srinivasaraghavan	Director	96	Insurance Claims
6	T V Sundram Iyengar & Sons Pvt. Ltd.	S Viji	Director	4,221	Insurance Claims
				91,135	Data Processing

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

For and on behalf of the Board of Directors

P M Venkatasubramanian
Chairman
(DIN : 00124505)

M S Sreedhar
Managing Director
(DIN : 07153983)

M S Sundara Rajan
Director
(DIN : 00169775)

S Prasad
Director
(DIN : 00063667)

Place : Chennai
Date : April 28, 2016

Venkatachalam Sekar
Financial Controller & CFO

S R Balachandher
Company Secretary

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2016

(Registration No. and Date of Registration with the IRDA : 102/23.10.2000)

(₹ '000)

Particulars	31st March 2016	31st March 2015
Cash flows from operating activities		
Premium received from policyholders, including advance receipts & Service Tax	19,492,534	17,939,083
Other receipts	3,035	12,217
Payments to the re-insurers, net of commissions and claims	(790,487)	(322,741)
Payments to co-insurers, net of claims recovery	(5,796)	(5,379)
Payments of claims	(10,620,497)	(9,888,333)
Payments of commission and brokerage	(962,072)	(891,007)
Payments of other operating expenses	(4,411,992)	(4,235,461)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(2,197)	865
Income taxes paid (Net)	(127,747)	(153,489)
Service tax paid	(2,397,260)	(1,807,505)
Other payments	(1,820)	(1,120)
Cash flows before extraordinary items	-	-
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	175,701	647,130
Cash flows from investing activities		
Purchase of fixed assets	(108,680)	(100,259)
Proceeds from sale of fixed assets	4,268	723
Purchases of investments	(10,426,124)	(13,545,846)
Loans disbursed	-	-
Sales of investments	8,442,103	9,218,613
Repayments received	-	-
Rents/Interests/Dividends received	2,194,108	1,957,883
Investments in money market instruments and in liquid mutual funds (Net)	(192,742)	1,819,993
Expenses related to investments	(3,595)	(3,774)
Net cash flow from investing activities	(90,662)	(652,667)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	-	-
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	(148)	(548)
Net increase in cash and cash equivalents:	84,891	(6,085)
Cash and Cash equivalents at the beginning of the year	496,915	503,000
Cash and cash equivalents at the end of the year	581,806	496,915

As per our report of even date attached

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

For Suri & Co.
 Chartered Accountants
 Registration No.004283S

V Chandrasekaran
 Partner
 Membership No: 024844

R Mahesh
 Partner
 Membership No: 024775

 Place : Chennai
 Date : April 28,2016

For and on behalf of the Board of Directors

P M Venkatasubramanian
 Chairman
 (DIN : 00124505)

M S Sreedhar
 Managing Director
 (DIN : 07153983)

M S Sundara Rajan
 Director
 (DIN : 00169775)

S Prasad
 Director
 (DIN : 00063667)

Venkatachalam Sekar
 Financial Controller & CFO

S R Balachandher
 Company Secretary



Royal Sundaram General Insurance Co. Limited

(Formerly known as Royal Sundaram Alliance Insurance Company Limited)

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

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

IRDAI Regn. No 102 | CIN U67200TN2000PLC045611

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