



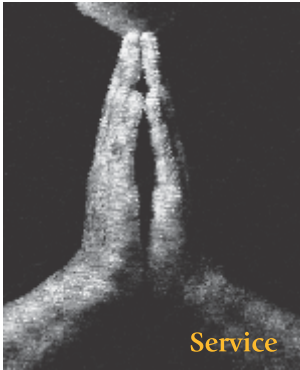
Royal Sundaram
General Insurance

19TH ANNUAL REPORT 2018-2019

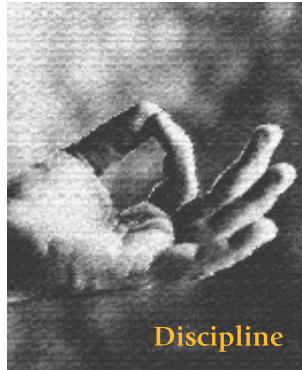


Growth | Quality | Profitability

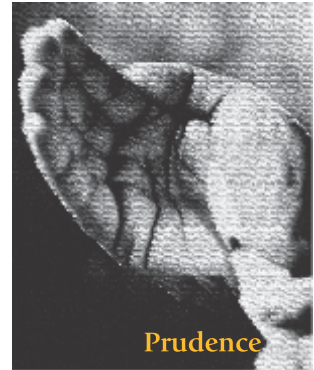
Royal Sundaram General Insurance Co. Limited



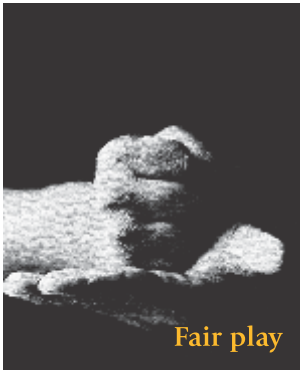
To be of service even when time is against you



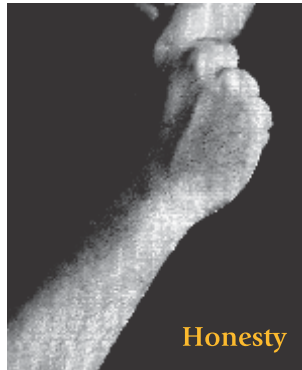
To know that discipline is your ally in all situations



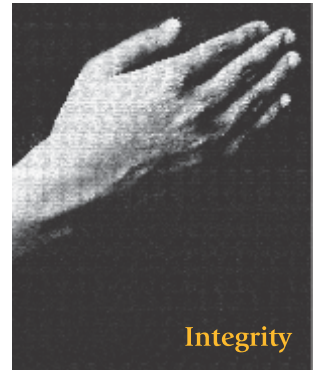
To be the voice of prudence in the midst of chaos



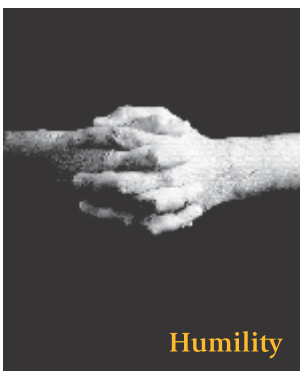
To stand for fair play when the odds are stacked against you



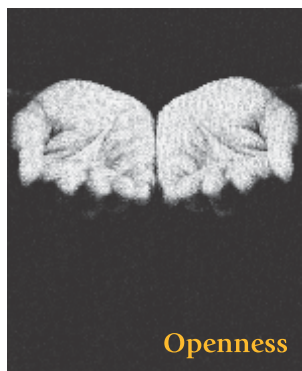
To believe that honesty is the only policy



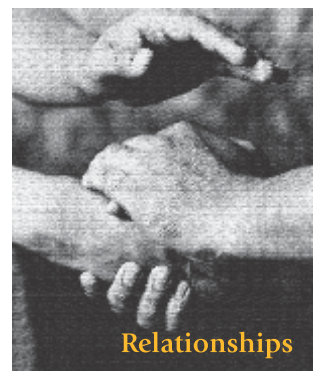
To put integrity above all else



To realise that humility is the greatest virtue



To be open to scrutiny, anywhere, anytime



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

THE

SUNDARAM

WAY

Board of Directors	S Viji T T Srinivasaraghavan S Prasad M S Sundara Rajan Harsha Viji Radha Unni Gary Lee Crist Filip A L Coremans M S Sreedhar	Chairman Director Director Director Director Director Director Director Managing Director
Audit Committee	S Prasad T T Srinivasaraghavan Harsha Viji M S Sundara Rajan Radha Unni	Chairman Member Member Member Member
Company Secretary & Compliance Officer	S R Balachandher	
Chief Financial Officer	T C Rangarajan	
Joint Statutory Auditors	M/s. N C Rajagopal & Co., Chartered Accountants 22, V.Krishnaswamy Avenue, Luz Church Road Mylapore, Chennai 600 004 M/s. Brahmaya & Co., Chartered Accountants 48, Masilamani Road, Balaji Nagar Royapettah, Chennai 600 014	
Information Security Assurance Services	M/s. C V Ramaswamy and Co., Chartered Accountants No.1, Vidwan Sundaram Street Nungambakkam, Chennai – 600034	
Concurrent Auditors (Investments)	M/s. R G N Price & Co., Chartered Accountants Simpsons Buildings 861, Anna Salai, Chennai - 600 002	
Secretarial Auditors	M/s. M Damodaran & Associates New No.6, Old No.12, Appavoo Gramni 1st Street Mandaveli, Chennai 600 028	
Registered Office	21, Patullos Road, Chennai 600 002	
Corporate Identification Number (CIN)	U67200TN2000PLC045611	
IRDAI Registration Number	102	
Corporate Office	Vishranthi Melaram Towers, 2/319, Rajiv Gandhi Salai Karapakkam (OMR) Chennai 600 097 Tel: 044-7117 7117; 1860 425 0000 Email: customer.services@royalsundaram.in Website: www.royalsundaram.in	
Regional Office	Chennai, Gurgaon, Kolkata & Mumbai	

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BOARD'S REPORT TO MEMBERS

Your Directors have pleasure in presenting the Nineteenth (19th) Annual Report of your Company along with the Audited Financial Statements for the financial year ended 31st March 2019. This Report includes the Management discussion and analysis.

Analysis of the performance and financial results for 2018-19

The Gross Written Premium (GWP) of the general insurance industry during the year, including the stand-alone health insurers and specialised insurers, grew from ₹150662 cr., to ₹170112 cr., registering a growth of 12.9%.

Your Company achieved a Gross Direct Premium (GDP) of ₹3,172 cr., during 2018-19 (₹2,623 cr., in 2017-18) reflecting a growth of 21%. The market share of your company marginally improved to 1.87 % during the year from 1.74% last year.

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

Particulars	(₹in cr.)	
	2018-19	2017-18
Gross Direct Premium	3,172	2,623
Net Written Premium	2,211	2,032
Net Earned Premium	2,186	1,940
Net Incurred Claims	1,854	1,560
Net Commission Outgo/(Income)	85	52
Expenses of Management	431	528
Underwriting Profit /(Loss)	(184)	(200)
Investment Income – Policyholders	302	268
General Insurance Results Profit /(Loss)	118	68
Investment Income – Shareholders	83	71
Other Income/(Outgo)	(19)	(13)
Profit Before Tax	182	126
Provision for taxation	(61)	(43)
Profit/(Loss) After Tax	121	83

During the year 2018-19, your Company sold over 19.2 lakh policies and settled more than 4.5 lakh claims.

Profitability

The Company achieved an improved PBT of ₹182 cr. (FY 2017-18 : ₹126 cr.) – an increase of 44% over the previous year.

Net Incurred Claims ratio for FY 2018-19 at 84.8% (vs prior year 80.4%) was impacted by adverse loss ratio in the Commercial segment owing to losses from the Kerala floods coupled with more than expected number of large losses. The market remains competitive and extremely aggressive in terms of pricing, the impact of which is reflected in the underlying loss ratios of both Personal and Commercial lines.

Expenses ratio (including commission) improved from 28.5% to 23.3% as a result of savings in Management expenses and lower marketing expenses. There is an improvement in the Combined Ratio – 108.1% against 108.9% in the previous year – primarily due to reduction in expenses and commission.

Overall, the underwriting results have improved in the year 2018-19.

Commercial Insurance

During 2018-19, your Company's commercial insurance business recorded a GWP of ₹1039 cr., (₹1009 cr. in 2017-18), recording a growth of 4%. The commercial business (excluding commercial motor), grew at a rate of 16% despite tough competition in the market, which was better than the market growth, on the back of our refreshed "commercial business" strategy rolled out in 2014-15.

Commercial Motor growth remained flat, given the slowdown in the automobile sector and the muted growth in the Commercial vehicles segment. However, with various distribution channels contributing, we were able to maintain our Commercial Motor GWP at previous year's level.

Your Company's focus on prudence in underwriting and effective risk management continues to guide its approach. We believe that these fundamentals have helped us grow the business profitably.

We are hopeful that commercial insurance business will continue to grow on the back of positive signs in the macro-economic scenario together with the projected infrastructural developments in the economy.

Personal Insurance

On the personal insurance business, your Company achieved a GWP of ₹1733 cr., for 2018-19 (₹1631 cr., in 2017-18) registering a 6% growth. Non-motor retail segment grew by 18.7%.

Our flagship product "Lifeline", launched in early 2015, continues to grow well in terms of business. It has set a benchmark in the health insurance sector competing well with products of leading stand-alone health players. During the year, the product crossed a milestone of ₹100 cr. GWP. Several of our existing health insurance customers have migrated to the Life-Line product due to its versatility.

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

Motor insurance continues to be a major source of business for your Company. Personal Motor was impacted by the slowdown in auto sales as also other factors like taxation, reduced level of disposable income, higher cost of insurance due to mandatory long-term Insurance etc. The personal Motor GWP consequently grew by only 4% - falling short of our growth expectations.

Crop Insurance

We forayed into Crop Insurance during the year 2017-18 with a small GWP of ₹1.84 cr. During 2018-19, GWP contribution from the Crop business grew significantly to ₹399.9 cr. Crop Insurance (considering the volume and volatility) is written on the back of strong Reinsurance support.

Rural and Social Sector obligations

Your Company continued to fulfil its obligations in both the Rural and Social sectors. During the year, it achieved a premium of ₹585.07 cr., under Rural sector as against the Regulatory requirement of ₹223.72 cr. Further, in the Social sector, it covered 2,02,849 lives as against the Regulatory requirement of 1,62,556 lives.

Investments

The Investment portfolio increased to ₹5075.49 cr. during 2018-19 (₹4292.20 cr., in 2017-18) with an accretion of ₹783.29 cr. The net investment income stood at ₹377.39 cr. (₹332.55 cr. in 2017-18).

Network

During 2018-19, your Company opened 7 new branch offices across the country taking the total count to 143. We are committed to opening more touch points for customers as we strongly believe that better reach will help in improved customer service.

Market developments

India's projected economic growth is expected to sustain growth in the insurance sector. Given the low insurance penetration, the insurance industry in our country is expected to grow consistently over the next few years. Further, the Government health insurance programs are expected to increase insurance cover amongst the public.

In general, there has been a growing awareness on insurance. Particularly, the accident & health insurance sector has shown promising growth amongst the middle class and youth, which is expected to drive better penetration of the market in future. People are now feeling the need for having a health insurance cover as the medical costs are spiralling year on year. This has led to many customers looking to take some basic health insurance cover. Proper selection of the risks will help to grow this business in a healthy manner. The rising internet usage has also contributed to increased interest in purchase of insurance products. Hence, the General Insurance market in India is expected to continue its growth at a healthy double-digit rate of 18%-20%.

Competition continues to dominate the insurance market in India, with every insurer vying for increased growth to consolidate their topline and improve market share.

The Insurance Regulatory and Development Authority of India (IRDAI) has been ushering in customer-centric changes in the insurance sector periodically which are expected to help the industry to develop stronger and better. We expect that more and more people will be enthused to purchase insurance covers as the awareness improves.

Foreign Reinsurers being permitted to open branches in India has helped them to work closely with the Indian Insurance market. It provides them better knowledge of the local market conditions and trends which will result in quicker response and potentially increased Reinsurance capacity. All these will facilitate further growth and maturity of the Indian Insurance market.

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

Information Technology

The insurance industry continues to invest in information technology to automate various processes connected with policy issuance and claims servicing which are expected to enhance customer delight.

In the context of a fast-paced and competitive market, insurers are increasingly focusing on marketing and issuing the policies more efficiently through digital mode. To this end, they have started exploring and investing in machine learning and automation for all their business operations starting from sourcing to underwriting and to processing of claims settlement. Such initiatives will help customers, sales force and agents alike. It is believed that increased digitization will help to considerably reduce the total administrative cost for general insurance companies as well as make insurance purchase easier and faster for customers.

Your Company has also been constantly looking for creative ways to address the growing expectations of its customers. Machine learning, Robotic Process Automation (RPA) and Chatbots are expected to improve the customer experience in identifying the right product, compare product features across various companies and to make a well-informed decision.

Risk Management framework

The main objective of the risk management framework is to ensure that the key risks are identified and monitored on a regular basis, measured in terms of their severity and necessary steps taken to mitigate the same. The risk management framework of your Company is overseen regularly by the Risk Management Committee of the Board. The Chief Risk officer is responsible for the identification, monitoring and reporting of these risks to the Risk Management Committee on a quarterly basis.

Your Company's reinsurance program defines the retention limit in respect of the various classes of business. In addition, your Company has a well-defined underwriting policy that clearly documents the product-wise approval limits and the underwriting authorities. On the Investment side, your Company has an elaborate Asset Liability Management policy that ensures adequate financial liquidity to your Company.

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

Your Company has established a business continuity management framework for mitigating business disruption risks.

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

Registration

Your Company has paid to the Insurance Regulatory and Development Authority of India the annual fees for the year 2019-20 as required by the IRDAI (Registration of Indian Insurance Companies) Regulations 2000.

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

Human Resources

As on 31st March 2019, your Company had an employee strength of 2105.

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

The Memorandum of Understanding (MoU) signed with Manipal Global Academy, for a customised general insurance training program has been gaining traction. Under this, the selected candidates will undergo a one-year customised residential general insurance training program at Manipal Global Academy in their state-of-the-art campus at Bangalore. The 1-year full-time training program will comprise of four months of training on-the-campus and two months of internship followed by six months of on-the-job training. The course is designed to upskill prospective employees with the right domain knowledge, develop a broad understanding of the business, products and processes that will help them to start performing on the job and delivering from day one onwards.

Capital and Solvency position

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

The Company's solvency ratio as at 31st March 2019 was 1.93 times, which is well above the regulatory requirement of 1.50 times.

Joint Venture

During the year, M/s. Ageas Insurance International N.V. (Ageas) acquired 40% equity stake in your Company by purchasing 17,96,00,000 equity shares of ₹10/- each from the existing Indian Shareholders. The transfer of shares was effected on 22nd February 2019 after receiving the necessary approvals from the Insurance Regulatory and Development Authority of India (IRDAI) vide its approval letter dated 11th February 2019. Consequently, the shareholding of M/s. Sundaram Finance Limited in your company dropped from 75.9% to 50%. The remaining 10% of the paid-up share capital is held by the other Indian Shareholders.

Consequent to Ageas becoming a joint venture partner with M/s. Sundaram Finance and other Indian Shareholders, the Board of our Company was reconstituted with the induction of Mr. Gary Lee Crist (DIN:00942109) and Mr. Filip A L Coremans (DIN:03178684) as Directors. The various Committees of the Board were also reconstituted suitably to enable induction of the above two nominee Directors of Ageas as per the requirements and also in line with regulatory guidelines.

Debentures

No fresh Debentures were issued by your Company during the year.

Dividend

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

Public Deposits

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

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

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

Loans, Guarantees and Investments

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

Material changes and commitments affecting the financial position

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

Transfer to Reserves

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

Significant and Material Orders Passed by the Regulators/Courts

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

Corporate Governance

Your Company has complied with the Guidelines on Corporate Governance for Insurance Companies issued by the Insurance Regulatory and Development Authority of India (IRDAI) effective April 1, 2010. The same was subsequently amended by IRDAI in May 2016 and made applicable from 2017-18 onwards. A detailed report on our compliance for the year ended 31st March 2019 is attached as part of this Report.

Board of Directors

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

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164 (2) of the Companies Act, 2013 and Rule 14 (1) of the Companies (Appointment and Qualification of Directors) Rules 2014. Further all the Directors of the Company have confirmed that they meet the criteria of 'fit and proper' as laid down under the Corporate Governance guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI).

Changes in composition of the Board during the year

During the year consequent to M/s. Ageas Insurance International N.V. acquiring 40% stake in your Company, the Board was reconstituted. Mr. P M Venkatasubramanian, Chairman and Mr. Srinivas Acharya, Director resigned their directorships at the Board meeting held in February 2019. Mr. Gary Lee Crist and Mr. Filip Coremans, nominees of Ageas were inducted as Additional Directors on our Board on 22nd February 2019. The Board placed on record its appreciation to Mr. P M Venkatasubramanian and Mr. Srinivas Acharya for their guidance and wise counsel during their tenure as Directors in your Company.

The Committees of the Board were also suitably reconstituted to enable induction of the nominee Directors of Ageas.

Retirement by rotation

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

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

Independent Directors

Your Company currently has Three (3) Independent Directors, viz., Mr. M S Sundara Rajan, Mr. S Prasad and Mrs. Radha Unni who are not liable to retire by rotation. The initial term of 5 years for Mr. M S Sundara Rajan, Independent Director expires on 22nd July 2019. A special resolution in this regard is proposed to be placed before the Shareholders for their consideration and approval at the ensuing AGM for considering the appointment of Mr. M S Sundara Rajan for yet another term of 5 years.

Declaration by independent Directors

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

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

Key Managerial Personnel (KMP)

Mr. M S Sreedhar, Managing Director, Mr. T C Rangarajan, Chief Financial Officer and Mr. S R Balachandher, Company Secretary of your Company in terms of the Section 203 of the Companies Act, 2013 are the Key Managerial Personnel of your Company as on March 31, 2019.

Appointed Actuary

Mr. Supriyo Chaki is the Appointed Actuary of your Company. He was working under the guidance of Mr. P A Balasubramanian, Mentor till 30th June 2018 and thereafter on a stand-alone basis.

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 the performance of every Director, Board, Chairman and the Committees. Accordingly, your Company carried out an evaluation and the same has been explained as part of the Corporate Governance Report.

Corporate Social Responsibility (CSR) Committee and Policy

Since inception, your company has always responded in a responsible manner to the growing needs of the society. Several enriching and enlivening activities that contribute to the community in the areas of health, education, environment and road safety have been taken up, for our participation as part of our CSR Policy. The CSR Committee was reconstituted in February 2019 and it comprises the following members:

- Mr. T T Srinivasaraghavan, Chairman
- Mr. S Viji, Member
- Ms. Radha Unni, Member
- Mr. Gary Lee Crist, Member
- Mr. M S Sreedhar, Member

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

For 2018-19, your Company, has fully met its CSR obligations.

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

During the year the Board met seven (7) times. The mandatory Committees as per the Corporate Governance Guidelines issued by IRDAI viz., Audit Committee, Investment Committee, Risk Management Committee and Policyholders Committee met at least 4 times during the year. The details of the meetings are provided hereunder:

Board (2.5.2018, 25.7.2018, 31.10.2018, 14.11.2018, 25.1.2019, 22.2.2019, and 11.3.2019)	7
Audit Committee (28.4.2018, 23.7.2018, 30.10.2018, and 23.1.2019)	4
Investment Committee (2.5.2018, 25.7.2018, 31.10.2018, 25.1.2019 and 11.3.2019)	5
Risk Management Committee (17.7.2018, , 30.10.2018, 25.1.2019 and 11.3.2019)	4
Policyholders' Protection Committee (17.7.2018, 31.10.2018, 25.1.2019 and 12.3.2019)	4
Corporate Social Responsibility Committee (17.7.2018 and 12.3.2019)	2
Nomination & Remuneration Committee (4.9.2018, 22.2.2019 and 12.3.2019)	3

Auditors

Internal Auditors

Your Company has an in-house Internal Audit Team. As part of its efforts to evaluate the effectiveness of the internal control systems, your Company's internal audit department independently evaluates the adequacy of control measures on a periodic basis and recommends improvements, wherever appropriate. They carry out an effective audit of the risk management measures and report their main findings and recommendations to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings and management actions thereon, as well as the adequacy and effectiveness of the internal systems and controls.

Statutory Auditors

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

Concurrent Auditors for Investment

M/s. R G N Price & Co., Chartered Accountants, Chennai, appointed as concurrent auditors carried out the concurrent audit of the investment transactions, investment management systems, processes and transactions of your Company for the year 2018-19.

Information Security Assurance Services Auditors

Your Company's operations are highly automated, taking advantage of advances in modern information technology. M/s.C V Ramaswamy and Co., Chartered Accountant, Chennai, provides the required information security assurance services to your Company. Their recommendations have led to the introduction of several additional safeguards in operational and IT security related areas.

Secretarial Auditors' Report

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

The Report of the Secretarial Auditors is annexed herewith as "Annexure B".

Related Party Transactions

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

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

Establishment of vigil mechanism

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

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

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

During the year, your Company did not receive any complaints.

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

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

Management Report

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

Particulars of employees

Particulars of employees pursuant to provisions of Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 under the provisions of the Companies Act, 2013, the particulars of employees are set out in the annexure to the Directors' Report. The Board's Report is being sent to all the Shareholders of your Company excluding the said information. The annexure is available for Inspection by the Member of your Company during business hours on working days up to the date of ensuing Annual General Meeting. Any Shareholder interested in obtaining a copy of the same, may write to the Company Secretary of the Company.

Policy on Directors' Appointment and remuneration and other details

Your Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is annexed vide "Annexure D".

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

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

Your Company had foreign exchange earnings equivalent to ₹0.18 cr. and the outgo amounted to ₹40.78 cr. for the year ended 31st March 2019.

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

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

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

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

Extract of the Annual Return

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

Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any Subsidiary or Joint Venture Companies. Sundaram Finance Limited by virtue of its 50% shareholding of the total paid-up capital in your Company, will be considered as an “Associate” Company under Section 2(6) of the Companies Act, 2013, for the year ended 31st March 2019.

Shares

a. Buy Back of Securities

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

b. Sweat Equity

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

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Employees Stock Option Plan

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

Corporate Identity Number (CIN)

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

Means of Communication

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

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

Registrar and Transfer Agents

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

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

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

Cameo Corporate Services Limited,
"Subramanian Building"
No. 1, Club House Road
Chennai 600 002
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 2019, 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 2019;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938)/Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts on a going concern basis.
- e) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) that an Internal Audit system, commensurate with the size and nature of the business, exists and is operating effectively.

Acknowledgement

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

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

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

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

We extend our sincere appreciation to the Management and employees of 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

Date: April 26, 2019

Place: Chennai

S.Viji
Chairman
(DIN: 00139043)

REPORT ON CORPORATE GOVERNANCE

A sound Corporate Governance ensures that the interests and expectations of the many stakeholders in a Company, viz., its Shareholders, Management, Customers, Suppliers, Regulatory Authorities and the community, are balanced. It provides the framework for attaining the Company's overall objectives and 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.

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.

In a nutshell, good Corporate Governance is a commitment to ensure that the business is conducted in a fair, transparent and ethical manner within the boundaries of appropriate laws.

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

Your Company has complied with the prescribed Corporate Governance guidelines for the Financial Year 2018-19 and a Report is furnished hereunder:

I. Governance Structure

At the apex level, the Company's Governance structure comprises of the Board of Directors and the various Committees and the Management structure will be at the operational level. 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 for all the stakeholders through sustainable profitable growth.

Board of Directors

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

As on 31st March 2019, your Board consists of nine (9) Directors, of which eight (8) are Non-Executive Directors. The Managing Director is the only Executive Director. During the year, the Board was reconstituted consequent to Ageas Insurance International N.V acquiring 40% stake in the Company. Consequently, effective 22nd February 2019, the Board is chaired by Mr S Viji, a Non-Executive Director with more than five decades of experience in the Banking, Finance, Insurance & Automotive Component Manufacturing Industry.

Mr. S Prasad, Mr. M S Sundara Rajan 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, also complies with the requirements of a Woman Director on our Board.

The Company has put in a process to familiarise the Independent Directors about their roles, rights and responsibilities in the Insurance industry. 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 the 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 2019

Name of the Director/(DIN)	Category	Qualification	Specialisation
Mr. S Viji (DIN: 00139043)	Chairman Non-Executive Director	B.Com, ACA, M.B.A	Banking, Finance, Insurance & Automotive Component Manufacturing Industry
Mr. T T Srinivasaraghavan (DIN: 00018247)	Non-Executive Director	B.Com, M.B.A	Banking and Financial Services
Mr. Sreenivasan Prasad (DIN: 00063667)	Non-Executive Independent Director	F.C.A	Finance and Audit
Mr. M S Sundara Rajan (DIN: 00169775)	Non-Executive Independent Director	ACS, MA, CAIIB	Banking, Finance, Insurance and Capital Market
Mr. Harsha Viji (DIN: 00602484)	Non-Executive Director	B.Com, ACA, M.B.A	Finance and Strategy, JV negotiations and new business development
Mrs. Radha Unni (DIN: 03242769)	Non-Executive Independent Woman Director	M.A., B.Ed., CAIIB	Banking
Mr. Gary Lee Crist (DIN: 00942109)	Non-Executive Director	B.A. MIM	General Insurance
Mr. Filip A L Coremans (DIN: 03178684)	Non-Executive Director	MBA, Actuarial	General Insurance
Mr. M S Sreedhar (DIN: 07153983)	Managing Director	B.Com., ACS, FIII	General Insurance

Committee of Directors

With a view to have a more focused attention on various facets of business, better accountability and as per regulatory requirements, the Board has constituted the following committees viz. Audit Committee, Investment Committee, Risk Management Committee, Policyholders Protection Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Each of these Committees has been mandated to operate within a given framework and terms of reference as defined by the Board from time to time. Various recommendations of the Committees are submitted to the Board for approval. The minutes of the meetings of all Committees are circulated to the Board for its information and noting. In addition, Members of the senior management team are invited to Board/Committee meetings as and when necessary.

II. Board Meetings

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

The Board periodically reviews the performance of the Company from all key aspects. Mr. Supriyo Chaki, Appointed Actuary, is a permanent invitee to the Board Meetings.

During the year under review, seven (7) meetings of the Board of Directors were held on 2.5.2018, 25.7.2018, 31.10.2018, 14.11.2018, 25.1.2019, 22.2.2019 and 11.3.2019.

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

Name of Director	Board Meetings attended	Directorships in other Public Companies		Committees in which Chairman/Member of other Companies [#]	
		Chairman	Director	Chairman	Member
P.M.Venkatasubramanian*	6/6	-	5	4	6
S.Viji	6/7	2	2	1	2
T.T.Srinivasaraghavan	7/7	1	7	5	8
S.Prasad	6/7	-	5	6	7
Srinivas Acharya*	5/6	-	5	1	2
Harsha Viji	7/7	-	4	1	9
M S Sundara Rajan	6/7	-	9	2	7
Radha Unni	5/7	-	5	1	6
Gary Lee Crist**	1/2	-	1	-	-
Filip Coremans**	2/2	-	1	-	2
M S Sreedhar	7/7	-	-	-	-

*Relinquished Directorship on 22nd February 2019

**Appointed as Additional Director w.e.f. 22nd February 2019.

(# 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

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

Terms of Reference:

The functions of the Audit Committee include overseeing the Company's financial reporting process including details of contracts outsourced, disclosure of its quarterly/half-yearly/yearly financial information to ensure that the financial statements as well as the solvency margin position statements are correct and reflect a true and fair view of the affairs of the Company. Periodical review of internal audit and internal controls are reviewed by the Committee.

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 and approves transactions with related parties as per the requirements of the Companies Act, 2013.

Composition:

The Committee was reconstituted by the Board in February 2019. During the year under review, the Composition of the Audit Committee was in line with the requirements of the Companies Act, 2013 and the Corporate Governance guidelines issued by IRDAI. Mr S Prasad, an independent Director, is the Chairman of the Audit Committee.

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

During the year the Committee met four times. The Composition of the Committee and the attendance of each member at the Audit Committee meetings held during the year are given below:

Name of the Members		No. of meetings attended	Meeting dates
S Prasad, Independent Director	Chairman	4/4	28.4.2018, 23.7.2018, 30.10.2018, and 23.1.2019 (4 meetings)
P M Venkatasubramanian*	Member	4/4	
M S Sundara Rajan, Independent Director	Member	4/4	
Radha Unni, Independent Director	Member	3/4	
T T Srinivasaraghavn**	Member	-	
Harsha Viji**	Member	-	

* Member till 22nd February 2019, ** Member effective 22nd February 2019

b. Investment Committee

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

Terms of Reference:

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

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

Composition:

After the reconstitution of the Committee by the Board in February 2019, the Committee is chaired by Mr. T T Srinivasaraghavan. Further the Committee comprises of nine members including the Chief Financial Officer (CFO), Chief Investment Officer (CIO), Appointed Actuary and Chief Risk Officer (CRO).

The Committee met five times during the year. The Composition of the Committee and attendance of the members at the Committee Meetings held during the year are as follows:

Name of the Members		No. of meetings attended	Meeting date
P M Venkatasubramanian*	Chairman	4/4	2.5.2018, 25.7.2018, 31.10.2018, 25.1.2019 and 11.3.2019 (5 meetings)
T T Srinivasaraghavan**	Chairman	1/1	
Harsha Viji	Member	5/5	
M S Sundara Rajan	Member	4/5	
Filip Coremans**	Member	1/1	
M S Sreedhar	Managing Director	5/5	
Supriyo Chaki	Appointed Actuary	5/5	
T C Rangarajan	Chief Financial Officer	4/5	
Ramu Govindan	Chief Investment Officer	5/5	
C V Srinivasan	Chief Risk Officer	5/5	

* Member till 22nd February 2019, ** Member effective 22nd February 2019

c. Risk Management Committee

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

Terms of Reference:

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

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

Composition:

The Committee was reconstituted during February 2019. The Committee is chaired by Mr. M S Sundara Rajan. Along with the other members of the Committee, the Chief Risk Officer, the Appointed Actuary and the Chief Compliance Officer take part in the Committee Meetings. The 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*	3/3	17.7.2018, 30.10.2018, 25.1.2019 and 11.3.2019 (4 meetings)
M S Sundara Rajan	Chairman**	4/4	
T T Srinivasaraghavan**	Member	1/1	
Harsha Viji**	Member	1/1	
Filip Coremans**	Member	1/1	
M S Sreedhar	Member	4/4	

* Member till 22nd February 2019, ** Chairman/Member effective 22nd February 2019

Mr. C V Srinivasan, the Chief Risk Officer, participated in all the Committee Meetings held during 2018-19.

d. Policyholders' Protection Committee

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

Terms of Reference:

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

Composition:

Based on the reconstitution of the Committee by the Board in February 2019, the Committee is chaired by Mr. S Viji. 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	3/3	17.7.2018, 31.10.2018, 25.1.2019 and 12.3.2019 (4 meetings)
S Viji**	Chairman	1/1	
T T Srinivasavaraghavan*	Member	3/3	
Harsha Viji**	Member	1/1	
Gary Lee Crist**	Member	1/1	
Radha Unni**	Member	1/1	
M S Sreedhar	Member	4/4	

* Member till 22nd February 2019, ** Member effective 22nd February 2019

The Grievance Redressal Officer, Mr. T M Shyam Sunder participates as an Invitee to the Committee Meetings.

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

e. Corporate Social Responsibility Committee

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

Terms of Reference:

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

Composition:

Mr. T T Srinivasaraghavan, is the chairman of the Committee. The Committee was reconstituted in February 2019. The composition of the Committee and the attendance of the members are as follows:

Name of the Members		No. of meetings attended	Meeting dates
T T Srinivasaraghavan	Chairman	2/2	17.7.2018 and 12.3.2019 (2 meetings)
S Viji**	Member	1/1	
M S Sundara Rajan*	Member	1/1	
Gary Lee Crist**	Member	1/1	
Radha Unni**	Member	1/1	
M S Sreedhar	Member	2/2	

* Member till 22nd February 2019, ** Member effective 22nd February 2019

f. Nomination and Remuneration Committee

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

Terms of Reference:

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

The Nomination and Remuneration Committee ensures that:

- the level and composition of the remuneration paid is reasonable and sufficient to attract, retain and motivate talent to effectively run the day-to-day management of the Company,
- relationship of “pay for performance” is clear and meets appropriate performance benchmarks; and
- the remuneration of Managing Director, Key Managerial Personnel and senior Management involves a balance between fixed and performance based incentive pay, reflecting the short and long-term performance objectives appropriate to the working of the Company and its goals.

- d) the remuneration process considers the current and future risk factors in terms of setting the targets and evaluation criteria as well. Performance criteria, aligned with the annual operating plan, are set covering quantitative measures as well as relevant qualitative and risk factors based on priorities set by the Board each year.

Composition:

The Nomination and Remuneration Committee comprises of six members. During the year, the Committee was reconstituted in February 2019. The composition of the Committee and the attendance of the members are given below:

Name of the Members		No. of meetings attended	Meeting dates
M S Sundara Rajan, Independent Director	Chairman	3/3	4.9.2018, 22.2.2019 and 12.3.2019 (3 meetings)
T T Srinivasaraghavan	Member	3/3	
S Prasad, Independent Director	Member	2/3	
Harsha Viji	Member	3/3	
Gary Lee Crist*	Member	1/1	
Radha Unni*, Independent Director	Member	1/1	

* Member effective 22nd February 2019

IV. Independent Directors' Meeting

During the year under review, the Independent Directors met separately on March 20, 2019 to discuss and evaluate:

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

All the 3 Independent Directors were present at the Meeting. The details of their discussions were later presented to the Board.

Company Secretary:

Mr S R Balachandher, Company Secretary acts as Secretary for the Board and all the above Committees.

V. Annual General Meeting (AGM)

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

Financial Year	Date of the Meeting	Time	Venue
2017-18	19.07.2018	11.00 a.m	21, Patullos Road, Chennai 600 002
2016-17	14.07.2017	02:00 p.m	
2015-16	28.07.2016	03:30 p.m	

VI. Extraordinary General Meeting (EGM)

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

Sl No.	Date of the Meeting	Purpose of the Meeting
1	22.02.2019	Adoption of the restated Articles of Association of Company.

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 safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the other members of the Board. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

VIII. Remuneration of Directors

The Managing Director is the only Whole-time Executive Director and his appointment is based on terms approved by the Shareholders and IRDAI. During the year, Sundaram Finance Limited, the holding company, incurred ₹10.77 Lakh (31st March 2018 – ₹9.30 Lakh) towards the cost of 750 Stock Options issued under Sundaram Finance Employees Stock Option Scheme, 2008 – Grant 10 to the Managing Director of the Company.

The Non-Executive Directors including the Independent Directors are paid a sitting fee of ₹20,000/- each, for every meeting of the Board and Audit Committee attended by them. For other Committee Meeting the Sitting fees of ₹10,000 /- each, is being paid.

IX. Internal Control

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

Internal Financial Controls

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

Internal Audit Framework

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

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

Risk Management structure

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

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

X. Compliance Officer

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

For and on behalf of the Board

Date: April 26, 2019

Place: Chennai

S Viji
Chairman

Certification of compliance of the Corporate Governance Guidelines for 2018-19

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 2018-19, as amended from time to time, and nothing has been concealed or suppressed.

Date: April 26, 2019

Place: Chennai

S R Balachandher

Company Secretary & Chief Compliance Officer

Annexure A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

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

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

2. The Composition of the CSR Committee

The CSR Committee was reconstituted by the Board in February 2019. Mr. T T Srinivasaraghavan, (Non-executive Director) is the Chairman of the Committee.

The other members of the Committee are

- (a) Mr. S Viji (Director)
- (b) Mr. Gary Lee Crist (Director)
- (c) Ms. Radha Unni (Independent Director) and
- (d) Mr. M S Sreedhar (Managing Director).

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

The average net profit of the Company for the last three financial years is ₹74.98 Cr.

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

The prescribed CSR expenditure requirement for FY 2018-19 is ₹1.49 Cr.

5. Details of CSR spent during the financial year

- (a) Total amount to be spent for the financial year was: ₹1.49 Cr.
- (b) Amount unspent, if any: NIL
- (c) Manner in which the amount spent during the financial year is provided in the following table.

Details of CSR spent during 2018-2019

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or Programmes Subheads: (1) Direct expenditure on projects or Programmes. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Directly or through implementing agency
1	Contribution for Road Safety awareness programme	Road Safety	Chennai	₹3 Lakh	₹3 Lakh	₹3 Lakh	Contribution to Nalanda Foundations
2	Contribution towards Education	Education	Chennai	₹10 Lakh	₹10 Lakh	₹10 Lakh	Contribution to Laxmi Charities
3	Health care activity contribution	Health	Chennai	₹50 Lakh	₹50 Lakh	₹50 Lakh	Contribution to Sundaram Medical Foundation
4	Contribution for Road Safety Training in Emergency Response Management	Road Safety	Chennai	₹7 Lakh	₹7 Lakh	₹7 Lakh	Contribution to ALERT
5	Road Safety awareness campaign	Road Safety	Chennai	₹0.25 Lakh	₹0.25 Lakh	₹0.25 Lakh	Contribution to The Ganga Trust
6	Contribution for promotion of art and culture	Protection of Art & Culture	Chennai	₹10 Lakh	₹10 Lakh	₹10 Lakh	Contribution to Sri Vedantha Desikan Trust
7	Contribution for promotion of art and culture	Protection of Art & Culture	Chennai	₹0.50 Lakh	₹0.50 Lakh	₹0.50 Lakh	Contribution to Vidya Kala Kendram
8	Disaster Relief contribution for Kerala	Disaster Relief	Kerala	₹25 Lakh	₹25 Lakh	₹25 Lakh	Contribution to Chief Ministers Distress Relief Fund - Kerala

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or Programmes Subheads: (1) Direct expenditure on projects or Programmes. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Directly or through implementing agency
9	Disaster Relief contribution for Tamilnadu	Disaster Relief	Tamilnadu	₹20 Lakh	₹20 Lakh	₹20 Lakh	Chief Ministers Public Relief Fund Tamilnadu
10	Health care activity contribution for modernising medical equipments	Health	Chennai	₹10 Lakh	₹10 Lakh	₹10 Lakh	Contribution to Voluntary Health Services
11	Road Safety – Installation of CCTV Camera	Road Safety	Chennai	₹4.98 Lakh	₹4.98 Lakh	₹4.98 Lakh	Installation of CCTV Cameras to help the Chennai City Traffic Police
12	Health care activity contribution	Health	Chennai	₹10 Lakh	₹10 Lakh	₹10 Lakh	Contribution to The Cancer Institute (WIA)
Total				₹150.73 Lakh	₹150.73 Lakh	₹150.73 Lakh	

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

7. Responsibility statement of the CSR Committee

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

Place: Chennai
Date: April 26, 2019

Managing Director
M S Sreedhar
(DIN: 07153983)

CSR Committee Chairman
T T Srinivasaraghavan
(DIN: 00018247)

Annexure B

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To,

The Members,

ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED

(Formerly known as Royal Sundaram Alliance Insurance Company Limited)

No. 21, Patullos Road,

Chennai - 600 002.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, 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, 2019 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 thereunder 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 be applicable to the company.

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

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

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

I further report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and there were changes in the composition of the Board of Directors during the period under review.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors/Committee Members and there were no dissenting Directors/Members views recorded in the minutes.

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

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

- a) approved transfer of 17,96,00,000 equity shares of ₹10/- each, of the Company from the existing Shareholders to M/s Ageas Insurance International N.V.,
- b) conducted an Extra-ordinary General Meeting on February 22, 2019 for Alteration of Articles of Association of the Company.

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

Place : Chennai

FCS No.:5837

Date : April 26, 2019

C P No.:5081

Annexure C

Form No. AOC-2

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

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

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

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

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

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

Place: Chennai

Date: April 26, 2019

S Viji
Chairman
(DIN: 00139043)

Annexure D

REMUNERATION POLICY

Objective

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

Philosophy

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

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

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

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

How Is Competitive Pay Determined

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

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

The Salary Administration Programme

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

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

How Value Is Measured

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

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

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

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

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

Salary Ranges

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

Salary Grades

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

The four job levels are as follows:

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

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

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

Remuneration policy for NEDs

The key elements of remuneration for the Non-Executive Directors (NED's) will be sitting fees payable for attending the meetings of the Board and Committees. The quantum shall be determined by the Board taking into consideration the provisions of the Companies Act, 2013 and IRDAI remuneration guidelines issued from time to time and subject to approval of the Shareholders, where required. The NEDs may also be entitled to receive commission as and

when the same is approved by the Board based on the performance of the Company. In addition, the Directors are entitled to seek reimbursement of the expenses incurred by them for participating in the Board and other Meetings, in accordance with the provisions of the Companies Act, 2013.

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

Remuneration to MD/CEO/WTD

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

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

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

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

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

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

Variable Pay Composition

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

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

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

Annual Increments

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

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

Claw-back

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

ESOP

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

Disclosures

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

Review

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

Annexure E
FORM MGT 9
EXTRACT OF ANNUAL RETURN

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

FINANCIAL YEAR ENDED ON 31.03.2019

I. REGISTRATION & OTHER DETAILS:

i	Corporate Identification Number	U67200TN2000PLC045611
ii	Registration Date	22/08/2000
iii	Name of the Company	Royal Sundaram General Insurance Co. Limited
iv	Category/Sub-category of the Company	Company having Share Capital
v	Address of the Registered Office & contact details	No.21, Patullos Road, Chennai 600 002. Contact Details: Mr. S R Balachandher Company Secretary and Chief Compliance Officer Corporate office : Vishranthi Melaram Towers No.2/319, Rajiv Gandhi Salai (OMR) Karapakkam, Chennai 600 097. Phone: 044 7117 7205 Email: sr.balachandher@royalsundaram.in
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Cameo Corporate Services Limited, "Subramanian Building" #1, Club House Road Chennai 600 002. 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	Associate	50	2(6)

IV SHAREHOLDING PATTERN (Equity Share capital Breakup as % to total Equity)

(i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	1,77,64,269	1,77,64,269	3.96	1,34,700	-	1,34,700	0.03	3.93
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	19,69,84,403	23,42,51,328	43,12,35,731	96.04	26,92,65,300	-	26,92,65,300	59.97	36.07
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1)	19,69,84,403	25,20,15,597	44,90,00,000	100.00	26,94,00,000	-	26,94,00,000	60.00	40.00
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	17,96,00,000	-	17,96,00,000	40.00	40.00
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter A= (A)(1)+(A)(2)	19,69,84,403	25,20,15,597	44,90,00,000	100.00	44,90,00,000	-	44,90,00,000	100.00	NA

IV SHAREHOLDING PATTERN (Equity Share capital Breakup as % to total Equity)

(i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
(a) Bodies corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 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)	19,69,84,403	25,20,15,597	44,90,00,000	100.00	44,90,00,000	-	44,90,00,000	100.00	NA

ii) SHAREHOLDING 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	34,07,91,000	75.90	-	22,45,00,000	50.00	-	25.90
2	India Motor Parts & Accessories Limited	4,48,27,634	9.98	-	3,27,75,522	7.30	-	2.68
3	T.V Sundram Iyengar & Sons Private Limited	3,05,53,847	6.80	-	-	-	-	6.80
4	Sundharams Private Limited	1,50,63,250	3.36	-	1,19,89,778	2.67	-	0.69
5	S. Ram	59,21,428	1.32	-	44,900	0.01	-	1.31
6	S Viji	59,21,422	1.32	-	44,900	0.01	-	1.31
7	R.Ramanujam	59,21,419	1.32	-	44,900	0.01	-	1.31
8	Ageas Insurance International N.V.	-	-	-	17,96,00,000	40.00	-	40.00
	Total	44,90,00,000	100	-	44,90,00,000	100	-	-

iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sundaram Finance Limited				
	At the beginning of the year	34,07,91,000	75.90	34,07,91,000	75.90
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) Less:				
	Transfer of shares to Ageas during February 2019	11,62,91,000	25.90	11,62,91,000	25.90
	At the end of the Year	22,45,00,000	50.00	22,45,00,000	50.00
2	India Motor Parts & Accessories Limited				
	At the beginning of the year	4,48,27,634	9.98	4,48,27,634	9.98
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) Less:				
	Transfer of shares to Ageas during February 2019	1,20,52,112	2.68	1,20,52,112	2.68
	At the end of the Year	3,27,75,522	7.30	3,27,75,522	7.30
3	T.V Sundram Iyengar & Sons Private Limited				
	At the beginning of the year	3,05,53,847	6.80	3,05,53,847	6.80
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) Less:				
	Transfer of shares to Ageas during February 2019	3,05,53,847	6.80	3,05,53,847	6.80
	At the end of the Year	-	-	-	-

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Sundharams Private Limited				
	At the beginning of the year	1,50,63,250	3.36	1,50,63,250	3.36
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) Less: Transfer of shares to Ageas during February 2019	30,73,472	0.69	30,73,472	0.69
	At the end of the Year	1,19,89,778	2.67	1,19,89,778	2.67
5	S Ram				
	At the beginning of the year	59,21,428	1.32	59,21,428	1.32
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) Less: Transfer of shares to Ageas during February 2019	58,76,528	1.31	58,76,528	1.31
	At the end of the Year	44,900	0.01	44,900	0.01
6	S Viji				
	At the beginning of the year	59,21,422	1.32	59,21,422	1.32
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) Less: Transfer of shares to Ageas during February 2019	58,76,522	1.31	58,76,522	1.31
	At the end of the Year	44,900	0.01	44,900	0.01
7	R Ramanujam				
	At the beginning of the year	59,21,419	1.32	59,21,419	1.32
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) Less: Transfer of shares to Ageas during February 2019	58,76,519	1.31	58,76,528	1.31
	At the end of the Year	44,900	0.01	44,900	0.01
8	Ageas Insurance Internationa N.V				
	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) Add: Shares acquired through transfer in February 2019	17,96,00,000	40.00	17,96,00,000	40.00
	At the end of the Year	17,96,00,000	40.00	17,96,00,000	40.00

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

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

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	S Viji, Director				
	At the beginning of the year	59,21,422	1.32	59,21,422	1.32
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) Less: Transfer of shares to Ageas during February 2019	58,76,522	1.31	58,76,522	1.31
	At the end of the Year	44,900	0.01	44,900	0.01

V. INDEBTEDNESS:

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. M S Sreedhar (Managing Director)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of 17(3) Income- tax Act, 1961	282.09 0.39 -
2.	Stock Option*	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	-
5.	Other payouts	12.26
Total		294.74

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

B) Remuneration to other Directors (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Fee for attending Board / Committee Meetings	Commission	Others	Total Amount
1	Independent Directors				
	Mr. S Prasad	2.20	NIL	NIL	2.20
	Mr. M S Sundara Rajan	3.50	NIL	NIL	3.50
	Ms. Radha Unni	1.90	NIL	NIL	1.90
2	Other Non-Executive Directors				
	Mr. P M Venkatasubramanian	2.70	NIL	NIL	2.70
	Mr. S Viji	1.40	NIL	NIL	1.40
	Mr. T T Srinivasaraghavan	2.40	NIL	NIL	2.40
	Mr. Harsha Viji	2.40	NIL	NIL	2.40
	Mr. S Acharya	1.00	NIL	NIL	1.00
Total					17.50

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Financial Officer	Company Secretary	Other KMPs*	TOTAL
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	54.81	60.59	763.36	878.76
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	-	-	0.05	0.05
	(c) Profits in lieu of 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	54.81	60.59	763.41	878.81

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Place: Chennai
Date: April 26, 2019

S Viji
Chairman
(DIN: 00139043)

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

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

INDEPENDENT AUDITORS' REPORT

To the members of Royal Sundaram General Insurance Co. Limited

Report on the Audit of Standalone Financial Statements

1. Opinion

We have audited the accompanying standalone financial statements of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and Revenue Accounts, the Profit and Loss Account and Receipts and Payments Account of the Company for the year ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In accordance with the provisions of Section 11 of the Insurance Act, 1938 ("the Insurance Act") read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") and the provision of section 129 of the Companies Act 2013 ("the Act"), the Balance Sheet, the Revenue Accounts and the Profit and Loss Account are not required to be, and are not, drawn up in accordance with Schedule III of the Act. The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and Receipts and Payments Account are, therefore, drawn up in conformity with the Regulations.

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- 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) 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.

2. Basis for Opinion

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

3. Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Contingent Liabilities:</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Hence we consider this as a Key Audit matter.</p> <p>Total tax contingent liabilities as at 31st March, 2019 is ₹6152 Lakhs.</p> <p>Refer Note No. 2(a) of Schedule 17 of standalone financial statements</p>	<p>In relation to this, our audit response included the following:</p> <ul style="list-style-type: none"> • We have reviewed the details of pending Tax Demands as at 31st March 2019. • We have also reviewed Company's correspondences with tax authorities, legal counsels, grounds of appeal filed with various appellate authorities, legal & other rulings and industry position on various tax disputes in evaluating the Management's position on these uncertain tax positions and evaluating the merits of the subject matter and available independent legal/ expert tax advice. • We have also verified the adequacy of disclosures in the standalone financial statements in this respect.

4. Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and Receipts and Payments Account of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act, provisions of Sub section (1) of Section 129 of the Act, provisions of Section 11 of the Insurance Act read with the IRDAI Regulations/Guidelines/Circulars/Orders. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application

of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial

statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

7. Report on other Legal and Regulatory requirements - As required under provisions of Section 143(3) of the Act and IRDAI regulations

We report that:-

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, the Revenue Accounts, Profit and Loss Account, and Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
- d) the financial accounting system of the Company is centralised and therefore accounting returns are not required to be submitted by branches;
- e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 read together with IRDAI Regulations/Circulars/Orders;
- f) the estimate of claims Incurred but Not Reported [IBNR] and claims Incurred but Not Enough Reported [IBNER] has been certified by the Company's Appointed Actuary. The Appointed Actuary has certified to the Company that the assumptions used for such valuation are appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority of India [IRDAI] and Actuarial Society of India in concurrence with IRDAI. We have relied on the Appointed Actuary's certificate in this regard;
- g) investments of the Company have been valued in accordance with the Provisions of the Insurance Act and the Regulations;
- h) on the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019, from being appointed as a Director in terms of sub-section (2) of Section 164 of the Act;
- i) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure (A);

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) the Company has disclosed the impact of pending litigations on its financial position in Note No.2 (a) of Schedule 17 to the standalone financial statements.
 - ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place: Chennai
Dated: April 26, 2019

V Chandrasekaran
Partner
Membership No: 024844

P Babu
Partner
Membership No: 203358

ANNEXURE (A) REFERRED TO IN PARAGRAPH (7)(i) OF OUR REPORT OF EVEN DATE

To the members of Royal Sundaram General Insurance Co. Limited

We have audited the Internal Financial Controls over financial reporting of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED as of March 31, 2019 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, 2019, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai
Dated: April 26, 2019

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

V Chandrasekaran
Partner
Membership No: 024844

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

P Babu
Partner
Membership No: 203358

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

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

INDEPENDENT AUDITORS' CERTIFICATE

To the Members of Royal Sundaram General Insurance Co. Limited

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

1. Management's Responsibility for the statement

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

2. Auditor's Responsibility

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

3. Opinion

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED (the "Company") for the year ended March 31, 2019, we certify that:

- a. We have reviewed the Management Report attached to the financial statements for the financial year ended March 31, 2019 and there is no apparent mistake or material inconsistency therein with the financial statements;
- b. The Company has complied with the terms and conditions of registration stipulated by IRDAI vide their letter dated October 23, 2000;
- c. We have verified the cash balances at the corporate office of the Company and Investments of the Company;
- d. The Company is not a trustee of any trust;
- e. No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act relating to application and Investment of policyholders' funds;
- f. All expenses of management in respect of Fire, Marine and Miscellaneous Insurance Business have been fully debited to the respective Revenue Accounts.

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

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

V Chandrasekaran
Partner
Membership No: 024844

P Babu
Partner
Membership No: 203358

Place: Chennai
Dated: April 26, 2019

Form B - RA
REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019 (FIRE BUSINESS)

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

(₹' 000)

Particulars	Schedule	31st March 2019	31st March 2018
1 Premiums earned (Net)	1A	3,08,193	2,99,240
2 Profit/(Loss) on sale/redemption of Investments		5,677	11,964
3 Others		-	-
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 1,30,611 thousand (Previous Year: ₹ 1,11,855 thousand)] (Refer note 17 of Schedule 17)		1,28,911	1,09,770
Total (A)		4,42,781	4,20,974
1 Claims Incurred (Net)	2A	2,40,407	1,33,894
2 Commission	3A	220	(2,969)
3 Operating Expenses related to Insurance Business	4	1,54,497	1,71,189
4 Premium Deficiency		-	-
Total (B)		3,95,124	3,02,114
Operating Profit/(Loss) from Fire Business C = (A-B)		47,657	1,18,860
Appropriations			
Transfer to Shareholders' Account		47,657	1,18,860
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		47,657	1,18,860
Significant accounting policies	16		
Notes to financial statements	17		

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

As per our report of even date attached

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

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

V Chandrasekaran
 Partner
 Membership No:024844

P Babu
 Partner
 Membership No:203358

 Place : Chennai
 Date : April 26, 2019

For and on behalf of the Board of Directors

S Viji
 Chairman
 (DIN:00139043)

M S Sreedhar
 Managing Director
 (DIN:07153983)

Filip A L Coremans
 Director
 (DIN:03178684)

S Prasad
 Director
 (DIN:00063667)

T C Rangarajan
 Chief Financial Officer

S R Balachandher
 Company Secretary

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019 (MARINE BUSINESS)

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

(₹' 000)

Particulars	Schedule	31st March 2019	31st March 2018
1 Premiums earned (Net)	1B & 1C	1,83,509	1,60,699
2 Profit/(Loss) on sale/redemption of Investments		1,146	2,313
3 Others - Exchange Gain		-	-
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 17,588 thousand (Previous Year: ₹ 14,292 thousand)] (Refer note 17 of Schedule 17)		17,245	13,889
Total (A)		2,01,900	1,76,901
1 Claims Incurred (Net)	2B & 2C	1,58,383	74,549
2 Commission	3B & 3C	1,647	10,464
3 Operating Expenses related to Insurance Business	4	55,067	47,690
4 Premium Deficiency		-	-
Total (B)		2,15,097	1,32,703
Operating Profit/(Loss) from Marine Business C = (A-B)		(13,197)	44,198
Appropriations			
Transfer to Shareholders' Account		(13,197)	44,198
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		(13,197)	44,198
Significant accounting policies	16		
Notes to financial statements	17		

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

As per our report of even date attached

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

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

V Chandrasekaran
Partner
Membership No:024844

P Babu
Partner
Membership No:203358

Place : Chennai
Date : April 26, 2019

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

Form B - RA
REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019 (MISCELLANEOUS BUSINESS)

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

(₹' 000)

Particulars	Schedule	31st March 2019	31st March 2018
1 Premiums earned (Net)	1D	2,13,70,189	1,89,44,471
2 Profit/(Loss) on sale/redemption of Investments		1,66,766	3,38,439
3 Others - Transfer fee and Duplicate fee		3,903	4,737
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 27,54,504 thousand (Previous Year: ₹ 22,66,525 thousand)] (Refer note 17 of Schedule 17)		26,99,561	22,00,941
Total (A)		2,42,40,419	2,14,88,588
1 Claims Incurred (Net)	2D	1,81,49,729	1,53,95,287
2 Commission	3D	8,43,586	5,19,065
3 Operating expenses related to Insurance Business	4	40,96,464	50,53,151
4 Premium Deficiency		-	-
Total (B)		2,30,89,779	2,09,67,503
Operating Profit/(Loss) from Miscellaneous Business C=(A-B)		11,50,640	5,21,085
Appropriations			
Transfer to Shareholders' Account		11,50,640	5,21,085
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		11,50,640	5,21,085
Significant accounting policies	16		
Notes to financial statements	17		

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

As per our report of even date attached

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

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

V Chandrasekaran
 Partner
 Membership No:024844

P Babu
 Partner
 Membership No:203358

 Place : Chennai
 Date : April 26, 2019

For and on behalf of the Board of Directors

S Viji
 Chairman
 (DIN:00139043)

M S Sreedhar
 Managing Director
 (DIN:07153983)

Filip A L Coremans
 Director
 (DIN:03178684)

S Prasad
 Director
 (DIN:00063667)

T C Rangarajan
 Chief Financial Officer

S R Balachandher
 Company Secretary

Form B - PL

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019

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

(₹' 000)

Particulars	Schedule	31st March 2019	31st March 2018
1 OPERATING PROFIT/(LOSS)			
a) Fire Insurance		47,657	1,18,860
b) Marine Insurance		(13,197)	44,198
c) Miscellaneous Insurance		11,50,640	5,21,085
2 INCOME FROM INVESTMENTS			
a) Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 7,89,167 thousand (Previous Year: ₹ 6,25,814 thousand)] (Refer note 17 of Schedule 17)		7,73,766	6,08,181
b) Profit on sale of Investments		68,274	1,07,862
Less : Loss on sale of Investments		(16,837)	(6,560)
3 OTHER INCOME			
a) Profit on sale of Assets		20	129
b) Other Income		1,114	3,517
TOTAL (A)		20,11,437	13,97,272
4 PROVISION (Other than taxation)			
a) For diminution in the value of investments		-	-
b) For doubtful debts (Refer note 12 of schedule 17)		30,382	-
c) Others (Refer note 12 of schedule 17)		19,699	-
5 OTHER EXPENSES			
a) Expenses other than those related to Insurance business		-	-
b) Employees' remuneration and welfare benefits		14,474	8,170
c) Bad debts written off (Investments)		-	-
d) Expenses of Investment & Penalties		4,192	12,870
e) CSR Contribution & Donations		15,074	8,510
f) Interest on Borrowings		1,07,500	1,07,500
TOTAL (B)		1,91,321	1,37,050
Profit/(Loss) Before Tax (A - B)		18,20,116	12,60,222
Provision for Taxation			
- Current		5,52,000	5,06,412
- MAT Credit Utilization/(Entitlement)		-	27,088
- Deferred		56,094	(1,06,248)
Profit/(Loss) After Tax		12,12,022	8,32,970
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		32,05,261	23,72,291
Balance carried forward to Balance Sheet		44,17,283	32,05,261
Significant accounting policies	16		
Notes to financial statements	17		
Earning per Share (Basic and Diluted)		2.70	2.10

As per our report of even date attached

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

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

V Chandrasekaran
Partner
Membership No:024844

P Babu
Partner
Membership No:203358

Place : Chennai
Date : April 26, 2019

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

Filip A L Coremans
Director
(DIN:03178684)

T C Rangarajan
Chief Financial Officer

M S Sreedhar
Managing Director
(DIN:07153983)

S Prasad
Director
(DIN:00063667)

S R Balachandher
Company Secretary

Form B - BS
BALANCE SHEET AS AT 31ST MARCH 2019

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

(₹' 000)

Particulars	Schedule	31st March 2019	31st March 2018
SOURCES OF FUNDS			
SHARE CAPITAL	5	44,90,000	44,90,000
RESERVES AND SURPLUS	6	69,67,283	57,55,261
FAIR VALUE CHANGE ACCOUNT			
- SHAREHOLDER FUNDS		(24,532)	(1,564)
- POLICYHOLDER FUNDS		(92,225)	(6,130)
BORROWINGS	7	10,00,000	10,00,000
TOTAL		1,23,40,526	1,12,37,567
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS	8	1,06,63,990	87,26,886
INVESTMENTS - POLICYHOLDERS	8A	4,00,90,972	3,41,95,071
LOANS	9	-	-
FIXED ASSETS	10	3,08,900	2,80,593
DEFERRED TAX ASSETS - NET (Refer note 7 of Schedule 17)		2,90,180	3,46,274
CURRENT ASSETS			
CASH AND BANK BALANCES	11	7,34,942	6,55,351
ADVANCES AND OTHER ASSETS	12	57,13,338	35,09,352
Sub - Total (A)		64,48,280	41,64,703
CURRENT LIABILITIES			
PROVISIONS	14	1,14,11,823	1,11,75,691
Sub - Total (B)		4,54,61,796	3,64,75,960
NET CURRENT ASSETS (C)=(A-B)		(3,90,13,516)	(3,23,11,257)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		-	-
TOTAL		1,23,40,526	1,12,37,567
Significant accounting policies	16		
Notes to financial statements	17		

As per our report of even date attached

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

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

V Chandrasekaran
 Partner
 Membership No:024844

P Babu
 Partner
 Membership No:203358

 Place : Chennai
 Date : April 26, 2019

For and on behalf of the Board of Directors

S Viji
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 Chief Financial Officer

M S Sreedhar
 Managing Director
 (DIN:07153983)

S Prasad
 Director
 (DIN:00063667)

S R Balachandher
 Company Secretary

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 1A		
PREMIUM EARNED (NET) - FIRE BUSINESS		
Premium from direct business written	15,04,742	14,12,017
Add: Premium on reinsurance accepted	2,12,237	2,11,103
Less: Premium on reinsurance ceded	(13,22,486)	(11,82,316)
Net Premium	3,94,493	4,40,804
Adjustment for change in reserve for unexpired risks	(86,300)	(1,41,564)
Total Premium Earned (Net)	3,08,193	2,99,240
SCHEDULE 1B		
PREMIUM EARNED (NET) - MARINE CARGO BUSINESS		
Premium from direct business written	3,71,839	3,59,085
Add: Premium on reinsurance accepted	6,578	1,241
Less: Premium on reinsurance ceded	(1,83,087)	(1,92,069)
Net Premium	1,95,330	1,68,257
Adjustment for change in reserve for unexpired risks	(12,115)	(8,269)
Total Premium Earned (Net)	1,83,215	1,59,988
SCHEDULE 1C		
PREMIUM EARNED (NET) - MARINE HULL BUSINESS		
Premium from direct business written	2,051	6,207
Add: Premium on reinsurance accepted	-	-
Less: Premium on reinsurance ceded	(1,912)	(5,913)
Net Premium	139	294
Adjustment for change in reserve for unexpired risks	155	417
Total Premium Earned (Net)	294	711
SCHEDULE 1D		
PREMIUM EARNED (NET) - MISCELLANEOUS BUSINESS		
Premium from direct business written	2,98,47,073	2,44,57,042
Add: Premium on reinsurance accepted	90,242	60,650
Less: Premium on reinsurance ceded	(84,17,309)	(48,06,185)
Net Premium	2,15,20,006	1,97,11,507
Adjustment for change in reserve for unexpired risks	(1,49,817)	(7,67,036)
Total Premium Earned (Net)	2,13,70,189	1,89,44,471

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 2A		
CLAIMS INCURRED (NET) - FIRE BUSINESS		
Claims paid		
Direct	4,71,171	5,91,642
Add: Reinsurance accepted	33,523	46,627
Less: Reinsurance ceded	(3,58,290)	(5,28,473)
Net Claims paid	1,46,404	1,09,796
Add: Claims outstanding at the end of the year	3,17,439	2,24,758
Less: Claims outstanding at the beginning of the year	(2,23,436)	(2,00,660)
Total Claims Incurred (Net)	2,40,407	1,33,894
SCHEDULE 2B		
CLAIMS INCURRED (NET) - MARINE CARGO BUSINESS		
Claims paid		
Direct	2,11,684	1,89,982
Add: Reinsurance accepted	-	-
Less: Reinsurance ceded	(1,14,208)	(1,12,989)
Net Claims paid	97,476	76,993
Add: Claims outstanding at the end of the year	1,53,610	92,703
Less: Claims outstanding at the beginning of the year	(92,703)	(95,165)
Total Claims Incurred (Net)	1,58,383	74,531
SCHEDULE 2C		
CLAIMS INCURRED (NET) - MARINE HULL BUSINESS		
Claims paid		
Direct	-	524
Add: Reinsurance accepted	-	-
Less: Reinsurance ceded	-	(505)
Net Claims paid	-	19
Add: Claims outstanding at the end of the year	206	206
Less: Claims outstanding at the beginning of the year	(206)	(207)
Total Claims Incurred (Net)	-	18
SCHEDULE 2D		
CLAIMS INCURRED (NET) - MISCELLANEOUS BUSINESS		
Claims paid		
Direct	1,45,96,616	1,24,52,032
Add: Reinsurance accepted	42,850	600
Less: Reinsurance ceded	(30,68,287)	(15,60,966)
Net Claims paid	1,15,71,179	1,08,91,666
Add: Claims outstanding at the end of the year	2,76,80,094	2,11,00,222
Less: Claims outstanding at the beginning of the year	(2,11,01,544)	(1,65,96,601)
Total Claims Incurred (Net)	1,81,49,729	1,53,95,287

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 3A		
COMMISSION - FIRE BUSINESS		
Commission paid		
Direct	1,35,396	1,44,488
TOTAL	1,35,396	1,44,488
Add: Commission on Reinsurance Accepted	18,080	14,275
Less: Commission on Reinsurance Ceded	(1,53,256)	(1,61,732)
Net Commission	220	(2,969)
Break-up of the expenses (Gross) incurred to procure business :		
Agents	23,425	19,689
Brokers	80,927	93,679
Corporate Agency	30,832	30,999
Referral	-	-
Others	212	121
TOTAL	1,35,396	1,44,488
SCHEDULE 3B		
COMMISSION - MARINE CARGO BUSINESS		
Commission paid		
Direct	37,723	43,066
TOTAL	37,723	43,066
Add: Commission on Reinsurance Accepted	66	12
Less: Commission on Reinsurance Ceded	(35,686)	(31,647)
Net Commission	2,103	11,431
Break-up of the expenses (Gross) incurred to procure business :		
Agents	17,990	14,105
Brokers	19,708	28,870
Corporate Agency	24	91
Referral	-	-
Others	1	-
TOTAL	37,723	43,066

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 3C		
COMMISSION - MARINE HULL BUSINESS		
Commission paid		
Direct	62	12
TOTAL	62	12
Add: Commission on Reinsurance Accepted	-	-
Less: Commission on Reinsurance Ceded	(518)	(979)
Net Commission	(456)	(967)
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	62	12
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	62	12
SCHEDULE 3D		
COMMISSION - MISCELLANEOUS BUSINESS		
Commission paid		
Direct	23,52,109	16,78,531
TOTAL	23,52,109	16,78,531
Add: Commission on Reinsurance Accepted	6,742	3,904
Less: Commission on Reinsurance Ceded	(15,15,265)	(11,63,370)
Net Commission	8,43,586	5,19,065
Break-up of the expenses (Gross) incurred to procure business :		
Agents	2,81,822	2,93,291
Brokers	14,49,104	10,26,921
Corporate Agency	3,94,726	2,86,430
Referral	-	-
Others	2,26,457	71,889
TOTAL	23,52,109	16,78,531

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 4		
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS		
1 Employees' remuneration and welfare benefits	16,25,969	13,71,726
2 Travel, conveyance and vehicle running expenses	85,975	69,834
3 Training expenses	11,891	3,474
4 Rents, rates and taxes	1,60,534	1,86,169
5 Repairs and maintenance	58,622	63,035
6 Printing and stationery	49,266	47,599
7 Communication	93,803	97,438
8 Legal and professional charges	30,430	19,242
9 Auditors' fees and expenses		
(a) as auditors	3,000	2,400
(b) as adviser or in any other capacity, in respect of		
(i) Taxation matters	300	250
(ii) Insurance matters	-	-
(iii) Management services	-	-
(c) in any other capacity - certification	1,054	213
(d) out of pocket expenses	318	314
10 Advertisement and publicity	3,78,671	1,59,952
11 Bank charges	51,819	40,371
12 Others		
- Data processing and outsourcing expenses	1,74,663	21,09,158
- Marketing and related expenses	9,67,427	5,92,308
- Software and Hardware maintenance charges	2,91,070	2,36,704
- Policy Stamp expenses	2,506	2,497
- Directors' sitting fees	1,750	1,441
- Miscellaneous expenses	1,97,080	1,49,441
13 Depreciation	1,15,035	1,16,119
14 GST on premium (Net)	4,845	2,345
TOTAL	43,06,028	52,72,030
Allocation of expenses		
Revenue Account - Fire Business	1,54,497	1,71,189
Revenue Account - Marine Business	55,067	47,690
Revenue Account - Miscellaneous Business	40,96,464	50,53,151
TOTAL	43,06,028	52,72,030

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 5		
SHARE CAPITAL		
1 Authorised Capital 50,00,00,000 (31st March 2018 - 50,00,00,000) Equity shares of ₹ 10/- each	50,00,000	50,00,000
2 Issued Capital 44,90,00,000 (31st March 2018 - 44,90,00,000) Equity shares of ₹ 10/- each, fully paid up	44,90,000	44,90,000
3 Subscribed Capital 44,90,00,000 (31st March 2018 - 44,90,00,000) equity shares of ₹ 10/- each, fully paid up	44,90,000	44,90,000
4 Called-up Capital 44,90,00,000 (31st March 2018 - 44,90,00,000) Equity shares of ₹ 10/- each, fully paid up Less: Calls unpaid Add: Equity Shares forfeited (Amount originally paid-up) Less: Par Value of Equity Shares bought back Less: Preliminary Expenses (to the extent not written off)	44,90,000 - - - -	44,90,000 - - - -
TOTAL	44,90,000	44,90,000

SCHEDULE 5A

SHARE CAPITAL

PATTERN OF SHAREHOLDING

[As certified by the Management]

Particulars	31st March 2019		31st March 2018	
	Number of Shares	% of holding	Number of Shares	% of holding
Shareholder				
Promoters				
Indian	26,94,00,000	60%	44,90,00,000	100%
Foreign	17,96,00,000	40%	-	-
	44,90,00,000	100%	44,90,00,000	100%
Others	-	-	-	-
TOTAL	44,90,00,000	100%	44,90,00,000	100%

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2019	31st March 2018
SCHEDULE -6		
RESERVES AND SURPLUS		
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	25,50,000	25,50,000
4 General Reserves	-	-
Less: Debit balance in Profit and Loss Account		
Less: Amount utilized for Buy-back		
5 Catastrophe Reserve	-	-
6 Other Reserves	-	-
7 Balance of Profit in Profit & Loss Account	44,17,283	32,05,261
TOTAL	69,67,283	57,55,261
SCHEDULE - 7		
BORROWINGS		
1 Debentures / Bonds (Refer note 27 of Schedule 17)	10,00,000	10,00,000
2 Banks	-	-
3 Financial Institutions	-	-
4 Others	-	-
TOTAL	10,00,000	10,00,000

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹' 000)	
Particulars	31st March 2019	31st March 2018
SCHEDULE 8		
INVESTMENTS - SHAREHOLDERS		
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	33,13,333	26,94,484
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	22,68,687	25,53,676
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	-	-
4 Investments in Infrastructure and Social Sector	17,11,572	14,72,659
5 Other than Approved Investments - Alternative Investment Funds/ Corporate Debentures	4,44,951	1,74,960
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	-	81,376
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	6,22,302	6,15,516
(bb) Preference	-	84
(b) Mutual Funds	46,197	1,01,794
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	12,60,044	5,93,812
(e) Other Securities-CD/TREP/CP	2,28,901	2,13,971
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	31,516	3,138
4 Investments in Infrastructure and Social Sector	5,56,421	1,93,455
5 Other than Approved Investments - Corporate Debentures / Equity	1,80,066	27,961
TOTAL	1,06,63,990	87,26,886
Aggregate market value of quoted investments other than Equity Shares, Mutual Funds and AIF	93,95,884	75,32,346
Aggregate book value of quoted investments other than Equity Shares, Mutual Funds and AIF	95,10,796	76,20,044
Historical cost of Equity Shares valued on fair value basis	6,89,799	6,45,338
Historical cost of Alternative Investment Funds and Mutual Funds valued on fair value basis	2,27,509	2,45,959
Aggregate book value of unquoted investments	2,60,417	2,17,109

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 8A		
INVESTMENTS - POLICYHOLDERS		
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	1,24,56,384	1,05,57,956
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	85,29,067	1,00,06,222
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	-	-
4 Investments in Infrastructure and Social Sector	64,34,608	57,70,406
5 Other than Approved Investments - Alternative Investment Funds/ Corporate Debentures	16,72,782	6,85,554
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	-	3,18,860
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	23,39,527	24,11,811
(bb) Preference	-	327
(b) Mutual Funds	1,73,672	3,98,866
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	47,37,099	23,26,767
(e) Other Securities-CD/TREP/CP	8,60,547	8,38,415
(f) Subsidiaries	-	-
(g) Investment in Properties-Real Estate	-	-
(h) Fixed Deposits with Banks	1,18,484	12,297
4 Investments in Infrastructure and Social Sector	20,91,848	7,58,028
5 Other than Approved Investments - Corporate Debentures / Equity	6,76,954	1,09,562
TOTAL	4,00,90,972	3,41,95,071
Aggregate market value of quoted investments other than Equity Shares, Mutual Funds and AIF	3,53,23,565	2,95,14,436
Aggregate book value of quoted investments other than Equity Shares, Mutual Funds and AIF	3,57,55,572	2,98,58,068
Historical cost of Equity Shares valued on fair value basis	25,93,280	25,28,666
Historical cost of Alternative Investment Funds and Mutual Funds valued on fair value basis	8,55,314	9,63,755
Aggregate book value of unquoted investments	9,79,031	8,50,712

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹' 000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 9		
LOANS		
1. Security-wise classification		
Secured		
(a) On mortgage of Property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
TOTAL	-	-
2. Borrower-wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
TOTAL	-	-
3. Performance-wise classification		
(a) Loans Classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performance loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
TOTAL	-	-
4. Maturity-wise classification		
(a) Short-Term	-	-
(b) Long-Term	-	-
TOTAL	-	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 10

FIXED ASSETS

(₹ '000)

Particulars	Cost/Gross Block			Depreciation			Net Block			
	Opening as at 1st April 2018	Additions	Deductions	Closing as at 31st March 2019	Upto 31st March 2018	For the year	On sales	Upto 31st March 2019	As at 31st March 2019	As at 31st March 2018
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Information Technology Software	4,12,772	83,447	-	4,96,219	3,64,727	39,289	-	4,04,016	92,203	48,045
Furniture and Fittings	34,193	1,104	27	35,270	22,614	1,959	25	24,548	10,722	11,579
Improvements to Leased Premises	2,72,359	7,545	-	2,79,904	1,80,643	24,974	-	2,05,617	74,287	91,716
Information Technology Equipment - Server	2,82,136	30,226	91	3,12,271	2,37,619	19,217	10	2,56,826	55,445	44,517
Information Technology Equipment - Others	2,28,005	25,261	-	2,53,266	2,00,559	15,686	-	2,16,245	37,021	27,446
Vehicles	10,490	-	-	10,490	6,460	790	-	7,250	3,240	4,030
Office Equipment	1,40,901	8,057	382	1,48,576	1,17,494	13,120	382	1,30,232	18,344	23,407
TOTAL	13,80,856	1,55,640	500	15,35,996	11,30,116	1,15,035	417	12,44,734	2,91,262	2,50,740
Work in progress	29,853	26,857	39,072	17,638	-	-	-	-	17,638	29,853
GRAND TOTAL	14,10,709	1,82,497	39,572	15,53,634	11,30,116	1,15,035	417	12,44,734	3,08,900	2,80,593
As at 31st March 2018	13,00,664	1,23,781	13,736	14,10,709	10,14,647	1,16,120	651	11,30,116	2,80,593	



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	31st Mar 2019	31st Mar 2018
SCHEDULE 11		
CASH AND BANK BALANCES		
1 Cash (including cheques, drafts and stamps)	66,450	47,384
2 Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current Accounts	6,68,492	6,07,967
(c) Others	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
TOTAL	7,34,942	6,55,351

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 12		
ADVANCES AND OTHER ASSETS		
ADVANCES		
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	68,755	51,720
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source [Net of provision for tax amounting to ₹ 23,34,353 thousand (Previous Year: ₹ 17,27,564 thousand)]	16,89,454	7,76,526
6 MAT Credit Entitlement	-	-
7 Others - Deposits for premises	85,919	81,883
- Service Tax & GST unutilised credit/advance payments	2,06,976	88,983
- Other Advances	31,757	19,345
TOTAL (A)	20,82,861	10,18,457
OTHER ASSETS		
1 Income accrued on investments	16,11,561	13,63,220
2 Outstanding Premiums	10,05,297	1,17,635
3 Agents' Balances	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business (including reinsurers)	74,824	98,119
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	8,83,364	7,76,479
- Unclaimed Amount of Policyholders - Assets	55,245	1,34,664
- Investment Related Receivables	186	778
TOTAL (B)	36,30,477	24,90,895
TOTAL (A+B)	57,13,338	35,09,352

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	31st March 2019	31st March 2018
SCHEDULE 13		
CURRENT LIABILITIES		
1 Agents' Balances	2,57,585	2,02,090
2 Balances due to other insurance companies (including reinsurers)	16,56,650	5,16,912
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	9,96,920	1,79,015
5 Unallocated Premium	1,20,583	1,94,404
6 Sundry creditors	25,87,824	23,97,905
7 Unclaimed amount of Policyholders	56,465	1,11,814
8 Due to subsidiaries / holding company	50,377	41,232
9 Claims Outstanding	2,81,51,349	2,14,17,889
10 Due to Officers / Directors	15,808	10,000
11 Others - GST Payable	37,562	95,951
- Claims approved under settlement	1,18,850	1,33,057
TOTAL	3,40,49,973	2,53,00,269
SCHEDULE 14		
PROVISIONS		
1 Reserve for Unexpired Risk	1,13,97,452	1,11,49,374
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	3,672	16,913
- Leave compensated absence	10,699	9,404
TOTAL	1,14,11,823	1,11,75,691
SCHEDULE 15		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
1 Discount Allowed in issue of shares / debentures	-	-
2 Others	-	-
TOTAL	-	-

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

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

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

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

2. Revenue recognition for insurance business

Premium (net of GST) is recognized as income over the contract period or period of risk, as appropriate and for installment cases, it is recognized on installment due dates after adjusting for unearned premium (unexpired risk) and premium deficiency, if any. Subsequent revisions to or cancellations of premium are accounted for in the year in which they occur. Premium received in advance represents premium received prior to commencement of the risk.

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

The reserve for unexpired risks represents the proportion of premium written relating to periods of insurance subsequent to the Balance Sheet date, calculated principally on a daily pro-rata basis as stipulated in the IRDAI circular no. IRDA/F&A/CIR/CPM/056/03/2016. However, in respect of Marine Cargo and Marine Hull business a fixed percentage of 50 and 100 respectively on Net Written Premium of the year, is adopted.

3. Claims

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

SIGNIFICANT ACCOUNTING POLICIES

4. Reinsurance

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

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

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

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

5. Indian Market Terrorism Risk Insurance Pool

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

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

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

6. Investments

- (a) Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) (Amendment) Regulations.
- (b) Investments maturing within or intended to be held for a period of less than twelve months from the Balance Sheet date are classified as 'Short term investments' while those maturing beyond or intended to be held for a period of twelve months or above are classified as 'Long term investments'.
- (c) Investments are recorded at cost including acquisition charges (such as brokerage, transfer stamps, etc), if any, and exclude interest paid on purchase.
- (d) Investments though not so separately classified in the accounts, are identified on an aggregate basis with the Policyholders' and Shareholders' Funds on the same lines as Investment income, as stated in item 7 herein below.
- (e) Debt securities & Preference Shares
 - i. Debt securities, which include government securities are considered as 'held-to-maturity' and are measured at historical cost. The premium / discount, if any, on purchase of debt securities is amortised over the period to maturity based on their intrinsic yield.
 - ii. The net realised gains or losses on debt securities are the differences between the net sale consideration and the amortized cost, which is computed on a weighted average basis.
 - iii. The difference between the acquisition price and the maturity value of money market instruments are recognised as income in the Revenue Accounts or the Profit and Loss Account, as the case may be, over the remaining term of these instruments on a yield to maturity basis.

SIGNIFICANT ACCOUNTING POLICIES

(f) Equity securities that are traded in active markets

- i. Measured at each Balance Sheet date at the fair value, being the last quoted closing prices available on the Balance Sheet date on the National Stock Exchange.
- ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair Value Change – Equity Account" and carried to the Balance Sheet.
- iii. Profit/Loss on actual sale of a particular security shall include the accumulated fair value change thereof and is recycled to the Profit and Loss Account.
- iv. At each Balance Sheet date the company assesses impairment if any in the value, by examining if the investee company has been making losses continuously for the last three years and also its net worth is eroded, and recognizes the resultant impairment as an expense in the Revenue/Profit and Loss account.

(g) Mutual Funds – Liquid Funds / Gilts / Debt Funds

- i. Measured at each Balance Sheet date at the fair value, being the realisable Net Asset Value.
- ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair Value Change- Mutual Fund Account" and carried to the Balance Sheet.
- iii. Profit/Loss on actual sale of units of a particular mutual fund shall include the accumulated fair value change thereof and is recycled to the Profit and Loss Account.
- iv. At each Balance Sheet date the company assesses impairment if any in the value, by examining if the realisable net asset value of each mutual fund is lower than the weighted average cost thereof, and recognizes such impairment as an expense in the Revenue/Profit and Loss Account.

(h) Alternative Investment Funds

- i. Investments in Alternative Investment Funds (AIFs) are valued at latest available Net Asset Value.
- ii. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognised in the Balance Sheet under "Fair value change Account".

7. Investment Income

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

8. Fixed Assets and Depreciation

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

SIGNIFICANT ACCOUNTING POLICIES

Useful Life and Depreciation:

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

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

9. Impairment of Assets other than investments

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

10. Operating Expenses

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

11. Operating Leases

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

12. Employee Benefits

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

SIGNIFICANT ACCOUNTING POLICIES

- (c) Costs of the Company's accumulating Compensated Absence Plans are valued and accounted for based on actuarial assumptions at each Balance Sheet date.
- (d) Actuarial gains/losses are recognized in the Revenue Account.

13. Income Tax

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

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

14. Transactions in Foreign Exchange

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

15. Provision for Contingencies

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

16. Earnings Per Share

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

SCHEDULE 17

NOTES TO FINANCIAL STATEMENTS

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

2. a) Contingent liabilities

(₹' 000)

Particulars	31st March 2019	31st March 2018
Partly paid investments	565*	565*
Underwriting commitments relating to investment activities	Nil	Nil
Claims, other than those under policies, not acknowledged as debts	Nil	Nil
Guarantees given by or issued on behalf of the Company	Nil	Nil
Statutory demands/liabilities in dispute, not provided for :		
- Disputed Income Tax Liability	6,07,585**	6,93,315**
- Disputed Service tax Liability***	7,599	11,22,428
Reinsurance obligations, to the extent not provided for in the accounts	Nil	Nil
Others	6,853****	6,853****

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

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

Based on the Directorate General of Central Excise Intelligence (DGCEI) Order, in respect of certain payments, the Income Tax Department made certain additions for earlier years. This has resulted in the additional tax demand of ₹ 34,94,145 thousands, which has not been considered as a contingent liability on the basis of expert legal advice that the demands are not sustainable and the likelihood of outflow of resources on this account is remote.

The company has paid ₹ 14,20,000 thousands based on the directions of ITAT and the Income Tax Department for the purpose of obtaining a stay for various demands.

*** Based on the Show Cause Notice issued by Directorate General of Central Excise Intelligence (DGCEI), the Commissioner – Service Tax LTU, Chennai has confirmed the disallowance of certain input credits availed by the company for earlier years and demanded service tax inclusive of penalty and interest. The Company has not considered the demand of ₹ 10,24,303 thousands as a contingent liability on the basis of expert legal advice and similar decisions of jurisdictional court in favour of the assesses that the demands are not sustainable and the likelihood of outflow of resources is remote.

**** The company is of the view that retrospective payment of bonus is not appropriate and accordingly for bonus computation such retrospective amendment has not been taken into consideration. The additional liability on account of retrospective amendment is ₹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)

Particulars	31st March 2019	31st March 2018
Commitments made and outstanding for Loans and Investments	4,21,560	1,77,430
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	18,773	92,542

NOTES TO FINANCIAL STATEMENTS

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

3. The disclosures in respect of operating leases are as follows

(₹' 000)

Particulars	31st March 2019	31st March 2018
Lease payments debited to the Profit and Loss Account	1,45,042	1,36,749
Future minimum lease payments		
- Not later than one year	1,32,664	1,14,056
- Later than 1 year but not later than 5 years	2,57,054	2,22,421
- Later than 5 years	61,335	21,368

4. Ageing of Gross Outstanding Claims

(₹' 000)

Particulars	31st March 2019		31st March 2018	
	Nos.	Amount	Nos.	Amount
Claims outstanding for a period exceeding six months	18,237	1,07,39,546	17,593	89,20,527
Other Claims (less than 6 months)	22,906	38,12,158	12,385	27,74,611
Grand Total	41,143	1,45,51,704	29,978	1,16,95,138

The claims were outstanding predominantly due to non-submission of essential documents by the insured and in respect of motor third party claims due to legal process involved. As at the year end March 31, 2019, there are Nil claims (Previous Year – Nil) outstanding for a period exceeding six months from the date when settlement has been agreed.

5. Investments

a) (₹' 000)

Particulars	31st March 2019	31st March 2018
Contracts for sales where payments are overdue	Nil	Nil
Contracts for Purchases due for delivery on the Balance Sheet date	Nil	Nil

b)

Particulars	31st March 2019	31st March 2018
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)

Particulars	31st March 2019	31st March 2018
Present value of obligations as at the end of the year	1,57,751	1,26,760
Fair value of plan assets as at the end of the year	1,54,079	1,09,784
Unrecognized Past Service Cost	-	63
Funded status Asset/(Liability)	(3,672)	(16,913)
Net Asset/(Liability) recognised in the Balance Sheet	(3,672)	(16,913)

NOTES TO FINANCIAL STATEMENTS

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

Particulars	31 st March 2019	31 st March 2018
Current Service cost	19,345	17,691
Past Service cost	63	8,497
Interest Cost	10,932	8,947
Expected return on plan assets	(8,211)	(6,345)
Net Actuarial loss recognized in the year	9,211	(9,417)
Expenses to be recognised in Revenue Accounts	31,340	19,373

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

Particulars	31 st March 2019	31 st March 2018
Changes in present value of obligations		
Present value of obligations as at the beginning of the year	1,26,760	1,09,494
Interest cost	10,932	8,947
Current Service Cost	19,345	17,691
Past Service Cost	-	8,560
Benefits Paid	(9,563)	(8,095)
Actuarial (gain)/loss on obligation	10,278	(9,837)
Present value of obligations as at the end of the year	1,57,751	1,26,760

(₹' 000)

Particulars	31 st March 2019	31 st March 2018
Changes in the fair value of plan assets – LIC Fund		
Fair value of plan assets at the beginning of the year	1,09,784	83,373
Expected return on plan assets	8,211	6,345
Contributions	44,581	28,581
Benefits paid	(9,563)	(8,095)
Actuarial gain on plan assets	1,067	(419)
Fair value of plan assets at the end of the year	1,54,079	1,09,784

d) Asset Information

Category of Assets (% Allocation)	Year Ended			
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
	%	%	(₹'000)	(₹'000)
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Insurer Managed Funds	100%	100%	1,54,079	1,09,784
Others	-	-	-	-
Grand Total			1,54,079	1,09,784

NOTES TO FINANCIAL STATEMENTS

e) Experience Adjustments (₹' 000)

	Year Ended				
	31 st March 2015	31 st March 2016	31 st March 2017	31 st March 2018	31 st March 2019
Defined benefit Obligation	68,931	81,509	1,09,494	1,26,760	1,57,751
Plan Assets	56,874	64,735	83,373	1,09,784	1,54,079
Surplus / (Deficit)	(12,057)	(16,774)	(26,121)	(16,976)	(3,672)
Exp. Adj. on Plan Liabilities	(204)	473	6,926	(6,311)	9,973
Exp. Adj. on Plan Assets	229	78	1,590	(419)	1067

f) Assumptions

Particulars	31 st March 2019	31 st March 2018
i) Discount rate	7.40%	8.05%
ii) Salary Escalation	8.33%	9.00%
iii) Expected return on plan assets	7.50%	7.50%
iv) Mortality has been considered as per the published rates under the Indian Assured Lives Mortality (2012-14) Ult table		
v) Rates of leaving service has been assumed as under		
	Age (Years)	Rates (p.a.)
	21-30	21%
	31-40	15%
	41-50	8%
	51-59	12%

B) Employee Benefits – Compensated absence

The present value of obligations towards compensated absences as at 31st March 2019 as per Actuarial Certificate is ₹ 10,699 thousands (Previous Year: ₹ 9,404 thousands) and is provided for in the books of Accounts. The basis of provision for compensated absences is as follows:

(₹' 000)

Particulars	31 st March 2019	31 st March 2018
Changes in present value of obligations		
Present value of obligations as at the beginning of the year	9,404	10,456
Interest cost	-	-
Current Service Cost	1,295	1,052
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	-	-
Present value of obligations as at the end of the year	10,699	9,404

NOTES TO FINANCIAL STATEMENTS

Assumptions

Particulars	31 st March 2019	31 st March 2018
Discount rate	7.40%	8.05%
Salary Escalation	8.33%	9.00%
Earned leave	As per Company rules	
Retirement age	60 Years	60 Years
Mortality rate Table	IALM (2012-2014)	IALM (2006-2008)

7. Deferred Tax

(₹' 000)

Particulars	31 st March 2019	31 st March 2018
Deferred Tax Assets		
Reserve for Unexpired risk	2,38,829	3,16,196
Depreciation	30,112	26,823
Accumulating Compensated Absence	3,739	3,255
Provision for Doubtful Debts	10,617	-
Others	6,883	-
Net Deferred Tax Asset	2,90,180	3,46,274

8. Participation in Indian Terrorism Risk Insurance Pool

The Company has accounted for the retro cession for 4 Quarters upto December 2018 during the year.

(₹' 000)

Particulars	31 st March 2019	31 st March 2018
Due from the Pool Manager, beginning of the year	7,76,479	6,70,317
Premium on reinsurance accepted	73,552	77,582
Investment Income	54,399	47,429
Premium on reinsurance ceded	(8,369)	(7,451)
Claims paid on reinsurance accepted	(3,450)	(2,584)
Commission/Brokerage paid on reinsurance accepted	(8,509)	(8,119)
Operating expenses related to insurance business	(738)	(695)
Profit Commission on XL	Nil	Nil
Due from the Pool Manager, end of the year	8,83,364	7,76,479
Claims outstanding, end of the year	(1,000)	(1,000)
Reserve for Unexpired risk, end of the year	(65,183)	(70,130)
Reserve for Unexpired risk, beginning of the year	70,130	42,593

9. Solatium Fund

(₹' 000)

Particulars	31 st March 2019	31 st March 2018
Contribution to the Solatium Fund @ 0.1% of the Gross Written Premium of Motor Third Party Business	8,457	7,875

NOTES TO FINANCIAL STATEMENTS

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

Particulars	31st March 2019		31st March 2018	
	Amount	%	Amount	%
Rural Sector (including Social Sector) *	58,50,799	18.44	23,05,984	8.79
Other Sectors	2,58,74,906	81.56	2,39,28,367	91.21
Total Gross Direct Premium	3,17,25,705	100	2,62,34,351	100

Social Sector	31st March 2019	31st March 2018
No. of Lives Covered	2,02,849	3,29,007
No. of Policies Issued	482	365

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

11. a) Premium Recognition on Varying Risk Pattern

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

b) Risk retention / Reinsurance

Particulars	31 st March 2019	31 st March 2018
Risk retained (%)	69	77
Risk reinsured (%)	31	23

12. During the financial year, the Company has provided a sum of ₹ 36,661 thousand (Previous year: NIL) for doubtful recoveries on premium receivable from Government & Other receivables.

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

Particulars	2018-19	2017-18
Mr. M S Sreedhar		
Salary	5,190	4,848
Allowances and perquisites	8,987	8,322
Variable Pay	15,297*	10,000
Total	29,474	23,170
Less:-Transferred to Revenue Account	15,000	15,000
Balance Transferred to Profit and Loss Account	14,474	8,170

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

(₹' 000)

Name of the Employee	Designation of the Employee	Stock Options*	Cost Incurred by Holding company
Mr. M S Sreedhar	Managing Director	750 Shares	1077

*Subject to IRDAI approval.

NOTES TO FINANCIAL STATEMENTS

14. Related Party Transactions

Enterprise having significant influence on the reporting enterprise

i) Holding company (till 21st February 2019)

Sundaram Finance Limited

ii) Promoters/Investors (from 22nd February 2019)

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

iii) Fellow Subsidiaries (till 21st February 2019)

Name of the related party	Relationship
LGF Services Limited	Fellow subsidiary
Sundaram Asset Management Company Limited	Fellow subsidiary
Sundaram Asset Management Singapore Pte Limited	Fellow subsidiary
Sundaram BNP Paribas Fund Services Limited	Fellow subsidiary
Sundaram Trustee Company Limited	Fellow subsidiary
Sundaram BNP Paribas Home Finance Limited	Fellow subsidiary
Sundaram Alternate Assets Limited	Fellow subsidiary

iv) Key Management personnel (KMP)

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

Transactions with related parties and balances

(₹' 000)

Sr No	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/ Categories	2018-19		2017-18	
				Transactions for the Current Year	Outstanding Amt Carried to Balance Sheet Payable/ (Receivable)	Transactions for the Previous Year	Outstanding Amt Carried to Balance Sheet Payable/ (Receivable)
1	Sundaram Finance Limited	Holding Company till 21st Feb,2019 Joint promoter from 22nd Feb, 2019	Insurance Premium Income -As Beneficiary - Holding Company	8,206	-	10,146	-
			Insurance Premium Received -As Beneficiary - Associate	950	-	-	-
			Insurance Premium Received -As others - Holding company	12,263	-	12,494	-
			Insurance Premium Received -As others - Associate	140	-	-	-

NOTES TO FINANCIAL STATEMENTS

(₹' 000)

Sr No	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/ Categories	2018-19		2017-18	
				Transactions for the Current Year	Outstanding Amt Carried to Balance Sheet Payable/ (Receivable)	Transactions for the Previous Year	Outstanding Amt Carried to Balance Sheet Payable/ (Receivable)
	Sundaram Finance Limited	Holding Company till 21st Feb, 2019 Joint promoter from 22nd Feb, 2019	Interest on Investment Received - Holding Company	29,099	-	43,769	-
Interest on Investment Received - Associate			2,647	-	-	-	
Rent Paid - As holding company			6,527	-	7,469	-	
Rent Paid - Associate			604	-	-	-	
Payment for Services Received - As holding company			46,470	-	45,710	-	
Payment for Services Received - Associate			1,745	-	-	-	
Agency Commission Paid - As holding company			1,63,207	-	1,48,111	-	
Agency Commission Paid - Associate			21,449	-	-	-	
Insurance Claims Paid-As Beneficiary - Holding Company			3,121	-	2,794	-	
Insurance Claims Paid-As Beneficiary - Associate			367	-	-	-	
Insurance Claims Paid -As Others - Holding Company			8,229	-	-	-	
Investment Redemption			1,80,000	-	-	-	
Interest on debentures			1,07,500	-	1,07,500	-	
Other Receivables			-	(23,831)	-	(23,872)	
Investment Held			-	(5,07,554)	-	(5,18,972)	
Rental Deposit			-	(3,625)	-	(3,625)	
Other Payable			-	50,377	-	41,599	
Insurance Deposit			-	3,649	-	34,473	
Share Capital			-	22,45,000	-	34,07,910	
Subscription of debentures			-	10,00,000	-	10,00,000	

NOTES TO FINANCIAL STATEMENTS

(₹' 000)

Sr No	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions/ Categories	2018-19		2017-18	
				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	Ageas Insurance International N.V.	Joint Promoter/ Investor from 22nd Feb,2019	Share Capital	-	17,96,000	-	-
3	Sundaram BNP Paribas Home Finance Ltd	Fellow Subsidiary**	Insurance Premium Income	1,877	-	2,078	-
			Interest Income on Investment	62,794	-	61,403	-
			Insurance Claims Expenses	516	-	389	-
			Investment Redemption	3,00,000	-	1,00,000	-
4	Sundaram Business Services Ltd.*	Fellow Subsidiary	Insurance Premium Income	-	-	204	-
			Insurance Claims Expenses	-	-	-	-
5	Sundaram BPO India Ltd.*	Fellow Subsidiary	Insurance Premium Income	-	-	170	-
			Insurance Claims Expenses	-	-	-	-
6	Sundaram Asset Management Company Ltd.	Fellow Subsidiary**	Insurance Premium Income	469	-	597	-
			Insurance Claims Expenses	38	-	1,732	-
			Rent received	-	-	-	-
			Other Payable	-	-	-	-
7	Sundaram BNP Paribas Fund Services Ltd.	Fellow Subsidiary**	Insurance Premium Income	100	-	-	-
8	Sundaram Trustee Company Ltd.	Fellow Subsidiary**	Insurance Premium Income	243	-	263	-
9	M S Sreedhar	Key Managerial Personnel	Insurance Premium Income	76	-	56	-
			Remuneration	29,474	-	23,170	-
			Other Payable	-	15,808	-	10,000

*Fellow subsidiary till January 17, 2018.

**Fellow subsidiary till February 21, 2019.

NOTES TO FINANCIAL STATEMENTS

15. Penal Actions by various statutory authorities

(For the year ended 31st March 2019)

(₹' 000)

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	- *	500	500	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government / Statutory Authority	Nil	Nil	Nil	Nil

*The order does not quantify the amount.

(For the year ended 31st March 2018)

(₹' 000)

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil
2	Service Tax Authorities	65,128	9769	9769	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

16. Segment Reporting

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

NOTES TO FINANCIAL STATEMENTS

17. Interest earned on investments is shown net of amortisation of premium / (discount) on securities. The details of such amortisation are as below : (₹ '000)

Particulars	31st March 2019	31st March 2018
Revenue Account – Policyholders’ Funds		
Fire	1,700	2,084
Marine	343	403
Miscellaneous	54,943	65,570
Profit and Loss Account – Shareholders’ Funds	15,401	17,649
Total	72,386	85,706

18. Summary of Financial Statements and Accounting Ratios

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

19. The liability of IBNR & IBNER for the year ending March 31, 2019 has been estimated by the Appointed Actuary in compliance with the guidelines issued by the IRDAI.

20. Details of Outsourcing Expenses

(₹ '000)

Particulars	31st March 2019	31st March 2018
Nature of Outsourcing		
Data processing and outsourcing expenses	1,74,663	21,09,158
Marketing and related expenses	9,67,427	5,97,437
Advertising and Brand Building	3,70,807	1,50,742
Data Centre Service Charges	37,709	35,791
Professional Fees Staff Depute	1,48,686	76,764
Others	9,055	9,288
Total	17,08,346	29,79,180

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

(For the year ended 31st March 2019)

(₹ '000)

Particulars	Total Amount	AGE-WISE ANALYSIS					
		4-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims Settled but not paid to the policyholders	-	-	-	-	-	-	-
Excess Premium & Refunds (Due to the insured)	3,884	3,054	411	48	88	98	185
Chq issued but not encashed by the Policyholder/Insured	60,676	17,781	9,341	5,186	7,569	3,804	16,995

The above given figures include the policyholders dues for the ageing 4-6 months and does not include income earned on unclaimed amount & 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 2018)

(₹ '000)

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

The above given figures include the policyholders dues for the ageing 4-6 months and does not include income earned on unclaimed amount & hence would differ from the amount given under the head "Unclaimed Amount of Policyholders" in Schedule 13.

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

23. Earnings Per Share (EPS)

Amount in ₹

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

Amount in ₹

Particulars		31st March 2018
Profit/(Loss) after tax	- A	83,29,69,511
No. of Shares		44,90,00,000
Weighted avg. no. of Shares	- B	39,68,90,411
(331,000,000 Shares for 1st April 2017 to 29th June 2017 349,000,000 Shares for 30th June 2017 to 21st Sep 2017 449,000,000 Shares for 22nd Sep 2017 to 31st Mar 2018)		
EPS – Basic & Diluted	- (A / B)	2.10

24. During the year the foreign exchange gain/loss included in the Revenue account of the Company is loss of ₹ 1364 thousands (Previous year loss ₹ 1107 thousands).

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

Product Segment	31st March 2019*		31st March 2018*	
	Investment Expenses	Other Expenses	Investment Expenses	Other Expenses
Fire	407	40,759	366	43,667
Marine Cargo	82	23,749	71	19,377
Marine Hull	-	17	-	34
Miscellaneous	11,970	25,23,882	10,360	22,49,615
Total	12,459	25,88,407	10,797	23,12,693
*Basis of Allocation	Mean Policy Holder Fund	NWP - Direct	Mean Policy Holder Fund	NWP - Direct

NOTES TO FINANCIAL STATEMENTS

26. 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	3d	Commission - Direct	16,78,531	16,73,401	5,130	Regrouped for appropriate presentation
2	4	Marketing Related Expenses	5,92,308	5,97,438	-5,130	
3	13	Balances due to other insurance companies (including reinsurers)	5,16,912	16,91,534	-11,74,622	
4	13	Sundry creditors	23,97,905	12,23,283	11,74,622	

27. Previous due date for payment of Interest on Non-Convertible Debentures: Paid on 27th March, 2019.
Next due date for payment of Interest on Non-Convertible Debentures: 30th September, 2019.

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

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers under MSMED Act	14,276	-
Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

As per our report of even date attached

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

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

V Chandrasekaran
Partner
Membership No:024844

P Babu
Partner
Membership No:203358

Place : Chennai
Date : April 26, 2019

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

ANNEXURE TO THE FINANCIAL STATEMENTS

	(₹ '000)																
Particulars	Fire	Marine Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmens Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Crop	Others	Investment of Shareholders funds	Total Excluding Motor TP Pool	Motor Pool & Declined Pool	Total Including Motor TP Pool
Gross Direct Premium	14,12,017	3,59,085	6,207	1,23,90,023	78,75,107	2,02,65,130	63,423	79,505	4,89,319	6,06,014	28,30,630	18,884	1,04,137	-	2,62,34,351	-	2,62,34,351
Premium inward	2,11,103	1,241	-	-	-	-	-	-	30,469	30,181	-	-	-	-	2,72,995	-	2,72,995
Net Written Premium	4,40,804	1,68,257	294	92,79,968	74,57,005	1,67,36,973	54,842	31,967	73,713	5,08,339	22,41,349	481	63,843	-	2,03,20,862	-	2,03,20,862
Premium earned (net)	2,99,240	1,59,988	711	96,33,624	65,64,136	1,61,97,760	52,675	32,156	69,311	4,84,229	20,33,382	481	74,477	-	1,94,04,410	-	1,94,04,410
Profit/(Loss) on sale / redemption of investments	11,964	2,300	13	77,522	2,35,367	3,12,889	615	389	1,548	4,770	17,599	21	607	1,01,302	4,54,019	-	4,54,019
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest (net of amortisation)	1,09,770	13,811	78	4,65,411	14,13,051	18,78,462	3,694	2,333	18,781	28,637	1,05,660	128	3,645	6,08,181	27,73,181	1,59,600	29,32,781
Total segmental revenue	4,20,974	1,76,100	802	1,01,76,557	82,12,554	1,83,89,111	56,984	34,878	89,640	5,17,636	21,56,641	631	78,729	7,09,483	2,26,31,610	1,59,600	2,27,91,210
Claims incurred (net)	(1,33,894)	(74,531)	(18)	(61,34,547)	(72,67,226)	(1,34,01,773)	(17,099)	(1,749)	(38,709)	(1,98,463)	(13,47,529)	2,550	(28,507)	-	(1,52,39,721)	(3,64,009)	(1,56,03,730)
Commission received / (paid), net	2,969	(11,431)	967	(5,45,477)	(5,432)	(5,50,908)	(5,732)	2,862	82,643	(28,994)	(20,860)	1,501	423	-	(5,26,560)	-	(5,26,560)
Operating expenses related to insurance business	(1,71,189)	(47,656)	(34)	(32,33,219)	(8,58,478)	(40,91,697)	(9,340)	(5,275)	(31,605)	(1,63,928)	(7,32,831)	(806)	(17,669)	-	(52,72,030)	-	(52,72,030)
Total segmental expenses	(3,02,114)	(1,33,618)	915	(99,13,242)	(81,31,136)	(1,80,44,378)	(32,171)	(4,162)	12,329	(3,91,385)	(21,01,220)	3,245	(45,753)	-	(2,10,38,311)	(3,64,009)	(2,14,02,320)
Segmental (loss) / profit	1,18,860	42,482	1,717	2,63,315	81,418	3,44,733	24,813	30,716	1,01,970	1,26,251	55,421	3,876	32,977	7,09,483	15,93,299	(2,04,409)	13,88,890
Other income	-	-	-	4,737	-	4,737	-	-	-	-	-	-	-	3,646	8,382	-	8,382
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,37,050)	(1,37,050)	-	(1,37,050)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,27,252)	(4,27,252)	-	(4,27,252)
Net profit/(loss) for the year	1,18,860	42,482	1,717	2,68,052	81,418	3,49,470	24,813	30,716	1,01,970	1,26,251	55,421	3,876	32,977	1,48,827	10,37,379	(2,04,409)	8,32,970
Segment Assets	18,13,531	2,22,074	1,223	72,81,637	2,21,07,977	2,93,89,615	57,789	37,421	3,18,910	4,48,039	17,75,022	2,010	57,209	94,34,739	4,35,57,581	38,09,672	4,73,67,253
Segment Liabilities	12,87,643	2,31,542	1,418	76,13,341	2,30,08,372	3,06,21,714	61,644	37,110	1,97,907	4,94,385	18,76,003	5,324	59,012	-	3,48,73,700	16,02,261	3,64,75,961
Capital Expenditure	7,300	1,688	29	58,027	36,882	94,909	297	372	2,373	2,980	13,257	88	488	-	1,23,781	-	1,23,781
Amortisation of premium & discount	(2,084)	(401)	(2)	(13,506)	(41,006)	(54,512)	(107)	(68)	(270)	(831)	(3,066)	(4)	(106)	(17,649)	(79,100)	(6,606)	(85,706)
Depreciation	6,848	1,583	27	54,436	34,599	89,035	279	349	2,226	2,795	12,436	83	458	-	1,16,120	-	1,16,120
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Aviation Segment Business for 2017-18 - NIL

ANNEXURE TO THE FINANCIAL STATEMENTS
ANNEXURE 2

(₹' Lakhs)

Sl No	Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
OPERATING RESULTS						
1	Gross Premiums Written-Direct	3,17,257	2,62,344	2,18,878	1,69,412	1,56,920
2	Net Premium Income#	2,21,100	2,03,209	1,90,455	1,47,326	1,38,809
3	Income from investments (net)@	30,193	26,773	25,043	19,106	17,608
4	Other income -Transfer fee etc	39	47	28	25	10
5	Total Income	2,51,332	2,30,029	2,15,526	1,66,457	1,56,427
6	Commissions (net)	8,455	5,214	5,991	5,645	5,686
7	Operating Expenses	43,060	52,772	55,846	45,451	42,618
8	Net Incurred Claims	1,85,485	1,56,037	1,34,468	1,08,018	1,01,665
9	Change in Unexpired Risk Reserve	2,481	9,165	18,356	8,324	8,463
10	Operating Profit/(Loss)	11,851	6,841	866	(981)	(2,004)
NON OPERATING RESULTS						
11	Total income shareholders' account	6,350	5,761	5,413	4,602	4,821
12	Profit/(Loss) before tax	18,201	12,602	6,279	3,612	2,817
13	Provision for tax	(6,081)	(4,272)	(1,974)	(945)	(618)
14	Profit/(Loss) after tax	12,120	8,330	4,305	2,666	2,199
MISCELLANEOUS						
15	Policyholders' Account :					
	Total funds	4,21,318	3,39,632	2,77,705	2,28,750	2,05,624
	Total investments	4,00,910	3,41,951	2,66,531	2,18,020	1,94,110
	Yield on investments	7.8%	8.5%	10.1%	8.9%	9.3%
16	Shareholders' Account :					
	Total funds	1,14,328	1,02,437	64,840	57,094	54,975
	Total investments	1,06,640	87,269	69,928	53,541	55,035
	Yield on investments	7.8%	8.5%	10.1%	8.9%	9.3%
17	Paid up equity capital	44,900	44,900	33,100	31,500	31,500
18	Net worth	1,14,328	1,02,437	64,840	57,094	54,975
19	Total assets	5,78,023	4,77,135	3,72,570	3,04,396	2,80,814
20	Yield on total investments	7.8%	8.5%	10.1%	8.9%	9.3%
21	Earnings per share (₹)*	2.70	2.10	1.32	0.85	0.70
22	Book Value per share (₹)	25.46	22.81	19.59	18.13	17.45
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	12,120	8,330	4,305	2,666	2,199
	Weighted Average Number of Shares at the end of the year	44,90,00,000	39,68,90,411	32,71,42,466	31,50,00,000	31,50,00,000

Note:(1) The Company determine the Policyholders' Fund and the Shareholders' Fund on the basis stipulated in IRDAI Circular no. IRDA/F&A/CIR/CPM/010/01/2017 (Refer Point 6 of Schedule 16 relating to Accounting Policy)

ANNEXURE TO THE FINANCIAL STATEMENTS

RATIOS FOR NON-LIFE INSURANCE COMPANIES

ANNEXURE 3

Sl No	Performance Ratio	31st March 2019	31st March 2018
1	Gross premium growth rate (segment wise) (Gross premium for the current year divided by gross premium for the previous year) Refer Accounting Ratios Schedule 1	20.9%	19.9%
2	Gross premium to shareholders' fund ratio: (Gross premium for the current year divided by the paid up capital plus free reserves)	2.77	2.56
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)	11.6%	58.0%
4	Net retention ratio (segmentwise) (Net premium divided by gross premium) Refer Accounting Ratios Schedule 2	69.0%	76.7%
5	Net commission ratio (segmentwise) (Commission net of reinsurance for a class of business divided by net premium) Refer Accounting Ratios Schedule 3	3.8%	2.6%
6	Expenses of Management to gross direct premium ratio (Expenses of Management divided by the total gross direct premium)	21.5%	27.2%
7	Expenses of Management to Net Written Premium ratio (Expenses of Management divided by the net written premium)	30.9%	35.1%
8	Net Incurred Claims to Net Earned Premium	84.8%	80.4%
9	Combined ratio: (Net Incurred Claims divided by Net Earned Premium plus Expenses of Management divided by Net Written Premium)	108.1%	108.9%
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)	1.79	1.60
11	Underwriting balance ratio (segmentwise) (Underwriting profit divided by net premium for the respective class of business) Refer Accounting Ratios Schedule 4	-0.08	-0.10
12	Operating profit ratio (Underwriting Profit plus Investment Income divided by Net Earned Premium)	5.42%	3.53%
13	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.37	0.30
14	Net earnings ratio (Profit after tax divided by Net Written Premium)	5.5%	4.1%
15	Return on networth (Profit after tax divided by net worth)	10.6%	8.1%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio	1.93	2.21

ANNEXURE TO THE FINANCIAL STATEMENTS
ANNEXURE 2
ACCOUNTING RATIOS - SCHEDULE 1
ACCOUNTING RATIOS - SCHEDULE 2
GROSS PREMIUM GROWTH RATE
NET RETENTION RATIO

Segment	Growth (%)	
	2018-19	2017-18
Fire	7%	19%
Marine	2%	6%
Motor	2%	19%
Workmen's Compensation/ Employers Liability	25%	9%
Public/Product Liability	7%	16%
Engineering	25%	13%
Personal Accident	-4%	28%
Health Insurance	26%	30%
Crop Insurance	21078%	0%
Others	72%	10%
Total	21%	20%

Segment	% to GWP	
	2018-19	2017-18
Fire	23%	27%
Marine	51%	46%
Motor	83%	83%
Workmen's Compensation/ Employers Liability	86%	86%
Public/Product Liability	39%	40%
Engineering	12%	14%
Personal Accident	83%	80%
Health Insurance	79%	79%
Crop Insurance	19%	3%
Others	40%	61%
Total	69%	77%

ACCOUNTING RATIOS - SCHEDULE 3
ACCOUNTING RATIOS - SCHEDULE 4
NET COMMISSION RATIO
UNDERWRITING BALANCE RATIO

Segment	% to NWP	
	2018-19	2017-18
Fire	0%	-1%
Marine	1%	6%
Motor	5%	3%
Workmen's Compensation/ Employers Liability	10%	10%
Public/Product Liability	-8%	-9%
Engineering	-99%	-112%
Personal Accident	9%	6%
Health Insurance	5%	1%
Crop Insurance	-15%	-312%
Others	-10%	-1%
Total	4%	3%

Segment	to NEP	
	2018-19	2017-18
Fire	-0.28	-0.01
Marine	-0.17	0.17
Motor	-0.11	-0.14
Workmen's Compensation/ Employers Liability	0.54	0.39
Public/Product Liability	0.73	0.87
Engineering	1.04	1.18
Personal Accident	0.20	0.19
Health Insurance	-0.05	-0.03
Crop Insurance	0.01	-2.86
Others	0.51	0.45
Total	-0.08	-0.10

MANAGEMENT REPORT

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

1. We confirm that the Certificate of Registration granted by the Insurance Regulatory and Development Authority of India, to transact general insurance business, continues to be valid. The fee for renewal of the Certificate of Registration has been paid for 2018/2019.
2. We certify that all dues payable to the Statutory Authorities have been duly paid.
3. We confirm that the shareholding pattern during the year ended 31st March 2019 has been in accordance with the Statutory/Regulatory requirements.
4. We declare that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. The Company has maintained the required solvency margins.
6. The values of all the assets have been reviewed on the date of the Balance Sheet and in our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the headings 'Investments', 'Interest, Dividends and Rents accruing but not due', 'Amounts due from other persons or Bodies carrying on insurance business', 'Cash' and the several items specified under 'Other Accounts', except debt securities which are shown at amortised cost.
7. The Company is exposed to a variety of risks such as quality of risks underwritten, fluctuations in the value of assets, operational risks and higher expenses.

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

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

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

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

Ageing as on 31st March 2019

(₹ '000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 year and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	651	29,832	211	1,76,906	126	1,33,416	95	1,61,209	-	477	1,083	5,01,840
Marine Cargo	2,678	36,553	1,725	1,10,683	197	45,169	73	19,013	2	265	4,675	2,11,684
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,79,052	47,28,533	32,863	36,75,361	2,881	9,48,897	3,526	20,13,513	1,171	7,69,379	3,19,493	1,21,35,683
Workmen compensation	9	0	17	2,940	18	5,831	8	1,047	-	-	52	9,818
Liability	12	1,701	9	1,827	1	88	-	120	-	3	22	3,738
Engineering	152	2,460	246	1,79,810	67	21,782	36	45,097	-	128	501	2,49,277
Personal Accident	1,681	2,00,334	61	72,581	-	-	-	-	-	-	1,742	2,72,914
Health	42,135	11,56,211	1,835	6,20,478	-	-	-	-	-	-	43,970	17,76,689
Crop	33,674	1,68,539	-	-	-	-	-	-	-	-	33,674	1,68,539
Others	489	8,380	227	8,207	29	3,029	7	2,554	-	44	752	22,213
Total	3,60,533	63,32,541	37,194	48,48,793	3,319	11,58,211	3,745	22,42,552	1,173	7,70,296	4,05,964	1,53,52,394

Ageing as on 31st March 2018

(₹ '000)

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

Ageing as on 31st March 2017

(₹'000)

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

Ageing as on 31st March 2016

(₹'000)

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

Ageing as on 31st March 2015

(₹'000)

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

10. We certify that

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

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

The average yield on investments after considering the profit on sale and amortisation of costs of investments is 7.84%. All investments in our portfolio as at 31st March 2019 are performing investments.

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

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

- b) The Management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the net profit of the Company for the year ended 31st March 2019.
- c) The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, (4 of 1938) as amended by the Insurance Law (amendment) Act 2015 / Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Management has prepared the financial statements on a going concern basis.
- e) The Management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

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

(₹'000)

Sl No.	Entity in which Director is interested	Name of the Director	Interested as	Amount	Nature of Payments
1	Sundaram Finance Limited	S. Viji	Director	7,131	Rent
		T.T. Srinivasaraghavan	Director	44,916	Information Technology & Others
		S. Prasad	Director	1,84,655	Agency Commission
		Harsha Viji	Director	3,488	Insurance Claims
2	Sundaram BNP Paribas Home Finance Limited	S. Viji	Director	574	Insurance Claims
		T.T. Srinivasaraghavan	Director		
		Srinivas Acharya *	Director		
		Radha Unni	Director		
3	Sundaram Asset Management Company Limited	T.T. Srinivasaraghavan	Director	38	Insurance Claims
		Harsha Viji	Director		
4	TV Sundram Iyengar & Sons Private Limited	S. Viji	Director	38	Insurance Claims
5	Sundaram Finance Holdings Limited	S. Viji	Director	72,807	Tele-calling activity
		T.T. Srinivasaraghavan	Director		
		S. Prasad	Director	135	Other Payments
		Harsha Viji	Director		

*Relinquished Directorship in Royal Sundaram General Insurance Co. Limited on 22nd February 2019

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

For and on behalf of the Board of Directors

S Viji

Chairman

(DIN:00139043)

Filip A L Coremans

Director

(DIN:: 03178684)

T C Rangarajan

Chief Financial Officer

M S Sreedhar

Mangaging Director

(DIN:07153983)

S Prasad

Director

(DIN:00063667)

S R Balachandher

Company Secretary

Place : Chennai

Date : April 26, 2019

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

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

Particulars	31st March, 2019	31st March, 2018
		(₹' 000)
Cash flows from operating activities		
Premium received from policyholders, including advance receipts & GST	3,69,83,007	3,07,22,200
Other receipts	5,017	8,253
Payments to the re-insurers, net of commissions and claims	(35,43,467)	(12,41,428)
Payments to co-insurers, net of claims recovery	25,649	(6,235)
Payments of claims	(1,53,27,573)	(1,33,90,851)
Payments of commission and brokerage	(24,25,565)	(17,47,624)
Payments of other operating expenses	(42,56,124)	(54,79,739)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(59,105)	(33,023)
Income taxes paid (Net)	(14,64,928)	(10,52,585)
GST paid	(53,30,026)	(44,37,031)
Other payments	(375)	10,676
Cash flows before extraordinary items	-	-
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	46,06,510	33,52,613
Cash flows from investing activities		
Purchase of fixed assets	(1,35,678)	(1,03,024)
Proceeds from sale of fixed assets	103	129
Purchases of investments	(1,71,62,450)	(1,77,61,821)
Loans disbursed	-	-
Sales of investments	91,89,931	85,84,558
Repayments received	-	-
Rents/Interests/Dividends received	33,89,722	26,08,563
Investments in money market instruments and in liquid mutual funds (Net)	3,17,655	1,57,241
Expenses related to investments	(16,151)	(13,898)
Net cash flow from investing activities	(44,16,868)	(65,28,252)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	29,50,000
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	(1,09,608)	(1,06,802)
Net cash flow from financing activities	(1,09,608)	28,43,198
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	(443)	(169)
Net increase in cash and cash equivalents	79,591	(1,19,006)
Cash and Cash equivalents at the beginning of the year	6,55,351	7,74,356
Cash and cash equivalents at the end of the year	7,34,942	6,55,351

As per our report of even date attached

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

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

V Chandrasekaran
 Partner
 Membership No:024844

P Babu
 Partner
 Membership No:203358

 Place : Chennai
 Date : April 26, 2019

For and on behalf of the Board of Directors

S Viji
 Chairman
 (DIN:00139043)

Filip A L Coremans
 Director
 (DIN:03178684)

T C Rangarajan
 Chief Financial Officer

M S Sreedhar
 Managing Director
 (DIN:07153983)

S Prasad
 Director
 (DIN:00063667)

S R Balachandher
 Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

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

1. Registration Details:

Registration No.	1	8	-	4	5	6	1	1
State Code							1	8
Balance Sheet Date	3	1	-	0	3	-	1	9

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

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

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

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

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

Turnover	2	5	7	1	1	4	3	8	
(Net Earned Premium, income from Investments and other incomes)									
Total Expenditure	2	3	8	9	1	3	2	1	
Profit before Tax		1	8	2	0	1	1	6	
Profit after Tax		1	2	1	2	0	2	2	
Earnings per share (₹)					2	.	7	0	
Dividend Rate (%)							N	I	L

5. Generic names of 3 principal products, services of the Company

(as per monetary terms):

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

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

Filip A L Coremans
Director
(DIN:03178684)

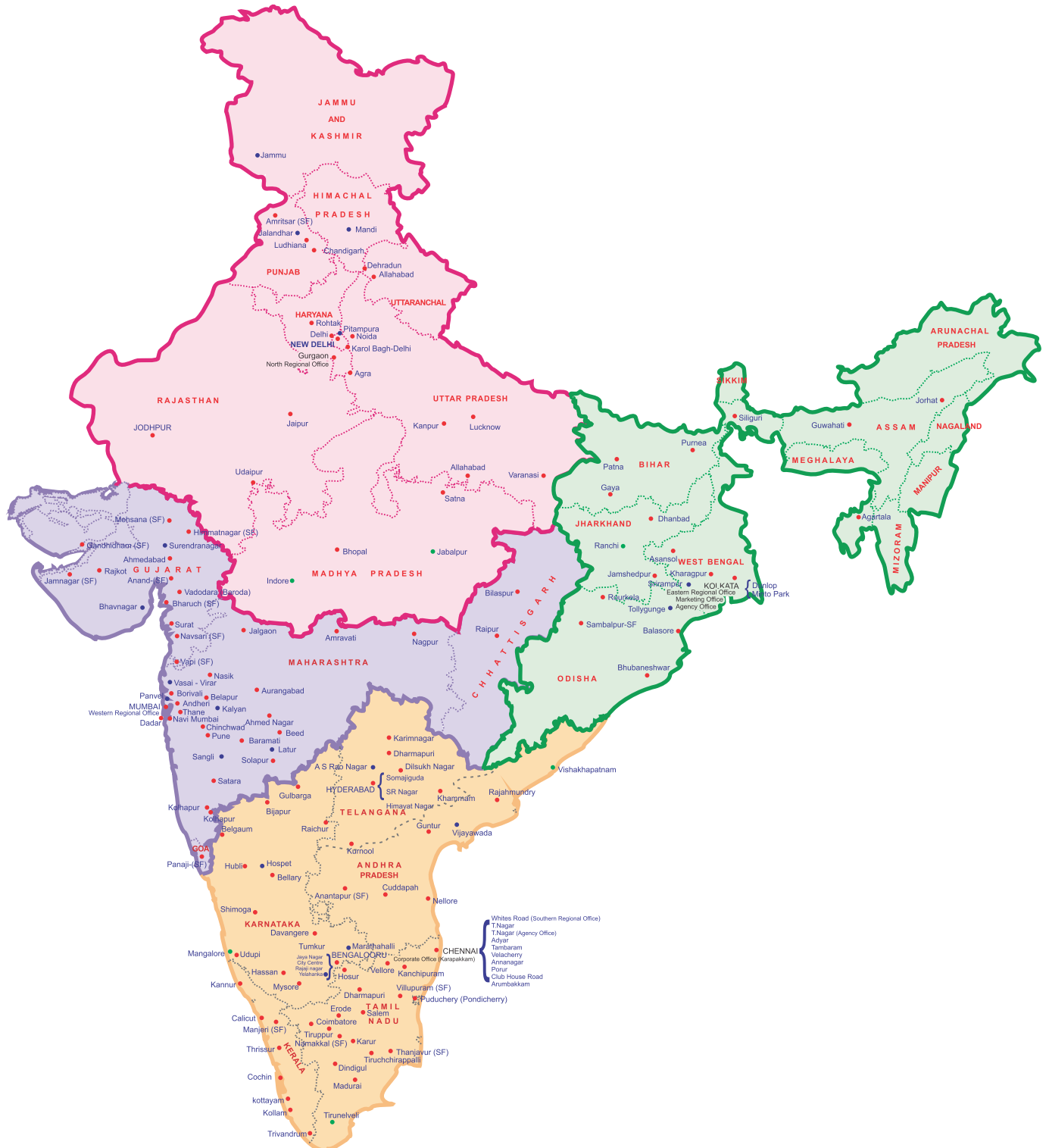
S Prasad
Director
(DIN:00063667)

T C Rangarajan
Chief Financial Officer

S R Balachandher
Company Secretary

Place : Chennai
Date : April 26, 2019

Royal Sundaram Branch Network - 143 Branches





Royal Sundaram

General Insurance

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.

We Insure:

Health



Motor



Home



Accident



Travel



Marine



Establishment



Industry



Rural



Crop



Reach us:



Call
1860 425 0000



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