

Ref. No.: GIC Re/SE/AGM/18-19

Date: August 1, 2019

To,  
The Manager  
Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street  
Mumbai - 400001

The Manager  
Listing Department  
The National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor, Plot C/1,  
G Block, Bandra Kurla Complex  
Mumbai - 400051

**Scrip Code: (BSE – 540755/ NSE – GICRE)**

Dear Sir/Madam,

**Sub: Notice of 47<sup>th</sup> Annual General Meeting(AGM), Annual Report for the Financial Year 2018-19 and intimation of e-voting facility**

Dear Sir/Madam,

- Pursuant to regulation 30 read with Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the **Notice of 47<sup>th</sup> AGM**, scheduled to be held on **August 27, 2019 at 3.00 P.M(IST)** at **“Y. B. Chavan Auditorium”**, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400021 (Maharashtra).
- Pursuant to Regulation 34(1), please find enclosed herewith the **Annual Report for the Financial Year 2018-19** being dispatched/sent to the members in the permitted mode(s).

The Notice and Annual Report is also being uploaded on the website of the Corporation [www.gicofindia.com](http://www.gicofindia.com)

- Pursuant to Regulation 44 of SEBI (LODR) Regulations, 2015 and Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Corporation is providing its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice.

You are requested to take note of the above and arrange to bring this to the notice of all concerned.

Thanking You

Yours sincerely

**For General Insurance Corporation of India**



(Suchita Gupta)

**Company Secretary & Compliance Officer**



**भारतीय साधारण बीमा निगम**  
(भारत सरकार की कंपनी)

**General Insurance Corporation of India**

(Government of India Company)

CIN NO.: L67200MH1972GOI016133 IRDA REGN No.: 112

“सुरक्षा”, 170, जे. टाटा रोड, चर्चगेट, मुंबई - 400 020.  
“SURAKSHA”, 170, J. Tata Road, Churchgate,  
Mumbai - 400 020. INDIA Tel.: +91-22-2286 7000  
[www.gicofindia.in](http://www.gicofindia.in)



*Reassuring India, Reassuring the World ...Since 1972*



आपत्काले रक्षिष्यामि  
GIC Re

47<sup>th</sup> ANNUAL REPORT 2018-19







## Vision

# To be a Leading global reinsurance and risk solution provider

## Mission

To achieve our vision by:

- Building long-term mutually beneficial relationship with business partners
- Practicing fair business ethics and values
- Applying “state-of-art” technology, processes including enterprise risk management and innovative solutions
- Developing and retaining highly motivated professional team of employees
- Enhancing profitability and financial strength befitting the global position

## Core Values

- Trust and mutual respect
- Professional excellence
- Integrity and transparency
- Commitment
- Responsive Service





# Awards for Achievements



Smt. Alice G Vaidyan being presented the CEO of The Year award at the Economic Times Prime Women Leadership Awards for 2019



CMD, Smt. Alice G Vaidyan was awarded the Most Powerful Women Award (2018) by Fortune India

# Awards for Achievements



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## Chairman's Message



**Alice G. Vaidyan,**

*Chairman cum Managing Director*

**Dear Shareholders,**

I have great pleasure in welcoming you to the 47<sup>th</sup> Annual General Meeting of your Company.

It was another eventful year for your company and with the growth momentum generated over the last couple of years, the year was one of consolidation and reflection. This is a natural outcome of any expansion and yields results that help a company plan its future course of action.

It was also a second year in succession where the globe was faced with major natural catastrophes. However, despite challenging circumstances, your company succeeded in maintaining the dividend of last year, which was the highest ever for your company.

### **Macroeconomic overview**

Financial Year 2019 has been eventful for the Indian economy witnessing positive effect of reforms initiated in the previous Financial Year, including Goods and Service Tax and Insolvency and Bankruptcy Code etc. On the growth front, FY 2019 witnessed real GDP growth of circa 7% as per the Ministry of Finance - Monthly Economic Report - March 2019. The world GDP growth is estimated at 3% in 2018 and is expected to improve further with growth picking up across major economies.

### **Industry overview**

The Indian non-life insurance industry maintained robust growth during FY 2019 and reported 12.86% increase in Gross premium, while life insurance industry registered a growth of 10.73% for new business premium. The non-life insurance premium is expected to grow further in view of the increase in penetration of Agriculture insurance, new Government initiatives on the national health insurance scheme, pickup in economic growth etc. Apart from this, technology will play a larger role in the industry going forward.

The global non-life reinsurance premium reached USD 180 Bn in 2018 reflecting a growth of 5%. The hurricanes and typhoons that struck the US and Japan coasts respectively, caused an estimated insured loss of USD 23.8 bln. Coming close on the heels of the Catastrophes last year, this resulted

in quite a few reinsurers and ILS funds withdrawing from the market and this had a direct impact in the rates which saw stability & improvement during renewal after a very long phase of a soft cycle.

### Financial Performance

Your company continued its growth in FY 2019 reporting higher premium. The Gross premium and net profits during FY 2019 were ₹ 44,238 Crore and ₹ 2,224 Crore respectively. While Agriculture portfolio posted a modest growth as did the other classes of business too, the underwriting results for the year were impacted due to major catastrophic events across the world and accordingly underwriting loss for FY 2019 increased to ₹ 2,211 Crore as against ₹ 1,497 Crore in the previous year. Your company continued its leadership in the domestic market which contributed 70.1% of the premium income for FY 2019. Your company has a Net worth (including fair value of shares) of ₹ 52,765 Crore and total assets ₹ 1,18,883 Crore, while the Solvency ratio is 2.06.

I am also pleased that the investment performance of your company during FY 2018-19 has been very strong with investment income having grown by 17% to ₹ 6,130 Crore providing a mean yield of 12.17%. The net non-performing assets percentage has risen from 0.56% to 1.12% during the period, mainly due to a very conservative provisioning for IL&FS.

With the sound financial performance, your company could declare the dividend of ₹ 6.75 per share for the year under review.

I am pleased to inform you that the Global rating agency A M Best reaffirmed the Financial Strength Rating of "A- (Excellent)" and issuer credit rating of "a-" of the Corporation in April 2019 for the 12<sup>th</sup> continuous year. Your company was formally ranked 10<sup>th</sup> largest international reinsurer based on Net Written premium by S&P, a stupendous achievement indeed.

### Future Outlook

The low penetration of insurance in the domestic market, expansion in rural economy, revival in the private investments, Governmental initiatives like Ayushman Bharat etc. would provide continued growth opportunity for the sector. Having maintained its leadership in the domestic reinsurance market after opening up of the market last year, your company is well positioned to take advantage of the growth in the domestic market.

The three operating branches of your company have been well established in their respective geographical areas and have shown a good performance. The joint ventures and subsidiaries are consolidating their positions and gaining traction for the next level of growth.

We are close to being given "Admitted Reinsurer" status in Brazil and the upgradation of our Representative office in Moscow to a full-fledged Subsidiary Company. This will enhance our footprint in South America and Former Soviet Union (FSU) countries including Russia. GIC Re is poised to take on a major position in the reinsurance space of BRICS.

Domestically, we continue to encourage product innovation and have extended support to Cyber Insurance, Drone Insurance, Latent Defect Insurance and Title Insurance. Additionally, with the launch of the Flood Insurance model, we are in a better position to map our country for another major peril.

I assure you that your company has been fully geared up to support the Indian and world insurance industry and would continue to focus to achieve underwriting surplus in the nearest future. I take this opportunity to thank all Stakeholders, Board members, Customers, intermediaries and colleagues for their continued support and co-operation in achieving yet another milestone.

**Alice G. Vaidyan**

Chairman-cum-Managing Director

## Corporate Information

### DIRECTORS

Smt. Alice G. Vaidyan	Chairman cum Managing Director
Shri Ravi Mital	
Smt. Usha Sangwan	Upto 29.09.2018
Shri Gopalan Srinivasan	Upto 31.07.2018
Shri Atanu Kumar Das	
Shri Amarendra Pratap Singh	
Shri V. Ramasamy	
Shri G. B. Pande	
Shri Y. Ramulu	Upto 31.05.2018
Smt. Sashikala Muralidharan	
Shri C. R. Vijayan	W.e.f. 01.06.2018 and upto 31.07.2018
Smt. Usha Ramaswamy	W.e.f. 01.08.2018

### MANAGEMENT

#### Chairman cum Managing Director

Smt. Alice G. Vaidyan

#### Director & General Manager

Shri Y. Ramulu	Upto 31.05.2018
Smt. Sashikala Muralidharan	
Shri C. R. Vijayan	W.e.f. 01.06.2018 and upto 31.07.2018
Smt. Usha Ramaswamy	W.e.f. 01.08.2018

#### General Managers

Shri Dinesh R. Waghela	Upto 31.05.2018 - Transferred to Oriental Insurance Company Ltd.
Shri B. N. Narasimhan	Upto 10.05.2018 - Transferred to National Insurance Company Ltd.
Shri Pauly Sukumar N.	Upto 30.06.2018
Shri V. C. Jain	Upto 31.07.2018
Shri Sushil Kumar	Upto 31.12.2018
Smt. Reena Bhatnagar	W.e.f. 30.11.2016
Shri Deepak Prasad	
Shri Devesh Srivastava	
Smt. Madhulika Bhaskar	W.e.f. 09.07.2018
Shri Deepak Godbole	W.e.f. 09.07.2018
Shri S. N. More	W.e.f. 09.07.2018
Smt. Suchita Gupta	W.e.f. 09.07.2018

#### Chief Vigilance Officer

Shri Ravi Chaudhary	Upto 31.12.2018
Shri Sistla Venkateswarlu	W.e.f. 01.01.2019

#### Appointed Actuary (Non-Life)

Smt. Priscilla Sinha	Upto 31.12.2018
Shri Ajai Kumar Tripathi	W.e.f. 20.11.2018

#### Appointed Actuary (Life)

#### Deputy General Managers

Smt. Lakshmikala Raghupathy	
Shri Charles G. Ashirvatham	Upto 22.03.2018 (Deputation to GIC Re South Africa Ltd.)
Shri Ramaswamy Narayanan	Upto 08.04.2018 (Deputation to London)
Smt. Girija Subramanian	
Shri Satyajit Tripathy	
Smt. Jayashree Ranade	
Ms. Blessy Sequeira	
Shri Uttam Kumar Sharma	
Smt. P. G. Manisha	
Shri Rajesh Pawar	
Shri Paul Lobo	W.e.f. 31.12.2018
Shri Rajesh Khadatare	W.e.f. 31.12.2018
Shri Balaji Thiagrajan	W.e.f. 31.12.2018
Shri G. Radhakrishna	W.e.f. 31.12.2018
Shri Hitesh Joshi	W.e.f. 31.12.2018

<b>Company Secretary</b>	Smt. Suchita Gupta
<b>Statutory Auditors</b>	<div>M/s. Samria &amp; Co. Chartered Accountants 2E, Court Chambers, 35, New Marine Lines, Behind Aayakar Bhavan, Mumbai - 400 020</div> <div>M/s. J. Singh &amp; Associates Chartered Accountants 505/506/507 Hubtown, Viva Shankar wadi, Western Express Highway, Between Andheri &amp; Jogeshwari (E) Mumbai - 400 060</div>
<b>Secretarial Auditor</b>	M/s. S. N. Ananthasubramanian & Co., Company Secretaries 10/26, Brindaban, Thane - 400 601
<b>Registrar &amp; Transfer Agent</b>	Karvy Fintech Pvt. Ltd. Karvy Selenium, Plot No 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032 Tel. No.: (040) 6716 1562/3321 1000 E-mail: einward.ris@karvy.com Website: www.karvyfintech.com
<b>Stock Exchanges</b>	<div>BSE Ltd. P. J. Towers, Dalal Street, Mumbai - 400 001</div> <div>The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051</div>
<b>Banker</b>	Bank of India Ground Floor, Eros Theatre Building, Jamshedji Tata Road, Churchgate, Mumbai-400 020
<b>Registered Office</b>	"Suraksha", 170, J. T. Road, Churchgate, Mumbai - 400 020 (India) Tel.: +91 22 2286 7000 Email : investors.gic@gicofindia.com Website: www.gicofindia.com
<b>CIN</b>	L67200MH1972GOI016133
<b>IRDAI Registration No.</b>	112



Sr. No.	Date and Year	Event
1	22 <sup>nd</sup> November 1972	General Insurance Corporation of India was formed in the pursuance of section 9(1) of GIBNA Act and also under the Companies Act, 1956 as Private Company limited by Shares
2	1 <sup>st</sup> January 1973	The general insurance business in India was nationalized, 107 general insurance companies was merged and GIC of India was formed as the holding Company with four subsidiaries viz, The New India Assurance Co. Ltd., National Insurance Co. Ltd., Oriental Insurance Co. Ltd. and United India Insurance Co. Ltd.
3	1 <sup>st</sup> January 1978	Loss Prevention Association of India was formed by GIC of India and its 4 subsidiaries
4	6 <sup>th</sup> December 1978	Kenindia Assurance Company Ltd. was incorporated by merging branch operations of subsidiaries of GIC and LIC operating in Kenya
5	1 <sup>st</sup> January 1988	India International Insurance Pte. Ltd. was set up as a locally incorporated wholly owned subsidiary Company of GIC and four Public Sector Insurance Companies in Singapore
6	12 <sup>th</sup> December 1989	GIC Housing Finance Co. Ltd. was set up by GIC of India and the four Public Sector Insurance Companies
7	25 <sup>th</sup> May 1993	GIC Asset Management Co. Ltd. was set up by GIC of India and the four Public Sector Insurance Companies
8	19 <sup>th</sup> April 2000	Insurance Regulatory & Development Authority (IRDA) was formed
9	3 <sup>rd</sup> November 2000	GIC notified as "Indian Reinsurer"
10	June 2001	London representative office set up
11	April 2002	Moscow representative office set up
12	20 <sup>th</sup> December 2002	Agricultural Insurance Company of India was set up by GIC Re, the 4 PSU Companies and NABARD
13	April 2003	Life Reinsurance started its Underwriting activities
14	1 <sup>st</sup> April 2002	GIC Re appointed as managers to the Terrorism Insurance Pool
15	7 <sup>th</sup> August 2002	GIBNA Act Amended
16	21 <sup>st</sup> March 2003	GIC Re ceased to be holding Company
17	April 2005	Dubai representative office set up
18	February 2006	SAP went live
19	27 <sup>th</sup> April 2006	Loss Prevention Association of India was amalgamated with GIC Re
20	1 <sup>st</sup> January 2007	Dubai representative office was upgraded to a Branch office

Sr. No.	Date and Year	Event
21	1 <sup>st</sup> April 2007	GIC Re was appointed as managers to Motor Third Party Pool
22	1 <sup>st</sup> January 2008	London representative office was upgraded to branch office and commenced its operations
23	19 <sup>th</sup> June 2008	Signing of Co-operation Agreement with Hannover Re for Life Re Business
24	10 <sup>th</sup> October 2008	Retakaful reinsurance
25	16 <sup>th</sup> October 2008	GIC Re mandated to form Nat Cat Pool for Afro Asian Region
26	16 <sup>th</sup> January 2009	GIC Re registered as Eventual Reinsurer in Brazil
27	11 <sup>th</sup> November 2010	GIC Re Malaysia Branch start functioning
28	20 <sup>th</sup> September 2011	Launch of e-Thru platform by Shri J. Harinarayan, Chairman, IRDA
29	19 <sup>th</sup> October 2011	GIC Re won the Marine Insurance Award at Seatrade Middle East and Indian Subcontinent Awards 2011
30	5 <sup>th</sup> July 2012	GIC Re entered into a joint venture agreement for setting up the 1st Reinsurance Company in Bhutan
31	26 <sup>th</sup> November 2012	GIC Re won the Marine Insurance Award second time in a row, at Seatrade Middle East and Indian Subcontinent Awards 2012
32	5 <sup>th</sup> September 2013	The joint venture Reinsurance Company in Bhutan-GIC Bhutan Re Ltd. became operational
33	19 <sup>th</sup> September 2013	GIC Re appointed as Managers of FAIR NATCAT Reinsurance Pool at Beijing, China
34	11 <sup>th</sup> August 2014	GIC Re South Africa Ltd., the Wholly owned subsidiary of GIC Re in South Africa established
35	12 <sup>th</sup> June 2015	India Nuclear Insurance Pool launched
36	29 <sup>th</sup> January 2016	GIC Re, India, Corporate Member Limited, the Wholly owned subsidiary of GIC Re in UK established
37	4 <sup>th</sup> February 2016	GIC Re converted into 'Public Limited Company'
38	21 <sup>st</sup> April 2017	GIC Re opened IFSC Insurance office in GIFT City
39	25 <sup>th</sup> October 2017	GIC Re got listed on BSE Limited and The National Stock Exchange of India Limited
40	1 <sup>st</sup> April 2018	GIC Syndicate 1947



# Board of Directors

(Left to Right): Shri Atanu Kumar Das, Smt. Usha Ramaswamy, Smt. Sashikala Muralidharan, Shri Ravi Mital, Smt. Alice G. Vaidyan, Shri G. B. Pande, Shri A. P. Singh, Shri V. Ramasamy



**Smt. Alice G. Vaidyan,**

*Chairman-cum-Managing Director  
(DIN: 07394437)*

Ms. Vaidyan holds post graduate degree in English literature and has trained at Harvard Business School, Boston, USA. She is a Fellow of the Insurance Institute of India.

Ms. Vaidyan is the first lady officer to assume the post of Chairman-cum-Managing Director of our Corporation and the first lady Chairman-cum-Managing Director in the public-sector insurance industry (non-life) under Ministry of Finance in India. She has over 30 years of experience in the Indian insurance and reinsurance industry.

She has won several national and international awards. Ms. Vaidyan is the only Indian in Fortune's Global list (2018) of 50 Most Powerful Women in Business. She was honoured with the Freedom of City of London in recognition of her work to promote insurance ties between India and UK. She has also recently been presented with the CEO of The Year award by ET Prime at the Economic Times Prime Women Leadership Awards for 2019. Business Today recognized her as one of the 30 most powerful women in Indian business in 2016, 2017 and 2018. FORTUNE India announced Ms. Alice G Vaidyan, as the 4th most powerful women in Business in their October issue on "Most Powerful Women in Business". ASSOCHAM presented Ms. Vaidyan, the Leadership Excellence Award in February 2019.

Ms. Vaidyan is on the Boards of Life Insurance Corporation of India, ECGC Limited, Kenindia Assurance Co. Ltd., Indian Register of Shipping, GIC Housing Finance Ltd. and others. She is also a member of the Council of Asian Reinsurance Corporation, Bangkok and International Insurance Society, USA.



**Shri Ravi Mital,**

*Additional Secretary, Department of  
Financial Services, Ministry of  
Finance (DIN: 06507252)*

Ravi Mital is a Non-Executive Director of our Corporation. He holds a bachelor's degree in Engineering (Mechanical Engineering). Shri Mital, Additional Secretary, Department of Financial Services, Ministry of Finance, is a 1986 batch Indian Administrative Services Officer of Bihar Cadre. Previously, he has worked as Principal Secretary (Finance), Government of Bihar.



**Shri Atanu Kumar Das,**

*Executive Director, Bank of India  
(DIN: 07758968)*

Atanu Kumar Das is an Independent Director of our Corporation. He holds a Master's degree of Arts in Analytical and Applied Economics from Utkal University. He has been part of several important training programs workshops conducted at premier institutions like IIM (Kozhikode), IIM (Ahmedabad), ASCI (Hyderabad), NIBM, BTC, Frankfurt School of Business Management and IDRBT- Certification Programme in IT and Cyber Security for Board Members- Hyderabad. He has experience of working in public sector banks. Previously, he has worked at Vijaya Bank.





**Shri G. B. Pande,**

*Independent Director*  
(DIN:01174568)

G. B. Pande is an Independent Director on the board of our Corporation.

He holds Master degree in Law & is a Gold Medalist from Lucknow University.

He has varied experience in academic, banking & insurance. He was Astt. Professor of law & a banker before moving to join L.I.C. as direct recruit officer in 1977. Served in different capacities in L.I.C during his 33 years career, mainly Executive Director group insurance, inspection & Zonal Manager of LIC central zone comprising states of Madhya Pradesh & Chhattisgarh.

After retirement, he was selected Insurance Ombudsman for U.P. & Uttarakhand. He is voracious reader, blogger & poet. He is also associated with Doordarshan Lucknow & IGNOU.



**Shri Amarendra Pratap Singh,**

*Independent Director*  
(DIN:01725925)

Amarendra Pratap Singh is an Independent Director of our Corporation. He holds a Master's degree in Arts from University of Allahabad. Previously, he was Zonal Manager In-charge of LIC of India's North & Central Zones and has also worked as CEO of LICHFL Care Homes Limited and as MD & CEO of Life Insurance Corporation (Nepal) Ltd. At present, he is a director in Ballarpur Industries Limited.



**Shri V. Ramasamy,**

*Independent Director*  
(DIN:00490988)

V. Ramasamy is an Independent Director of our Corporation. He holds a Bachelor's degree in Science from University of Madras.

He holds a certificate of membership of the Institute of Chartered Accountants of India. He has experience in the insurance industry. Previously, he was the Chairman and Managing Director of National Insurance Company Limited. At present, he is a Director in GIC Housing Finance Limited.

**Smt. M. Sashikala,**

*Whole Time Director,  
General Manager & CFO  
(DIN:08036523)*

M. Sashikala, a Graduate in Commerce from University of Madras, ICWAI Intermediate and an Associate of Insurance Institute of India, began her career in the insurance industry in The New India Assurance Co. Ltd. in December 1983. She has served The New India Assurance Co. Ltd. for nearly 27 years in several executive and leadership positions at field offices and Corporate Office, Mumbai. Her experience spans finance, Information Technology, customer relationship and driving growth in retail broker and bancassurance marketing channels.

She also had the privilege of serving United India Insurance Co. Ltd. at the Corporate office, ushering in a slew of customer centric initiatives. She was elevated and posted in National Insurance Co. Ltd., where she served as the CISO, CFO and led the IT team in the implementation of the end to end, tightly integrated, ERP comprising of core insurance solution, CRM, DMS, Financials, HRMS etc. She also had the privilege in serving the Insurance Information Bureau of India, an organisation promoted by IRDAI, on various committees from time to time.

**Smt. Usha Ramaswamy,**

*Whole Time Director &  
General Manager  
(DIN:08190310)*

Usha Ramaswamy is the Director & General Manager of our Corporation. She holds a Master's Degree in Economics from University of Madras and is a fellow of the Insurance Institute of India. She has been associated with our Corporation since 2015. She manages the Property Vertical, Protection & Engineering. Previously, she has worked in United India Insurance Company Limited & has held key positions in the various operational verticals. Presently, she is on the Board of GIC Bhutan Re Ltd.



# Management

(Sitting Left to Right):

Shri Deepak Prasad (General Manager), Shri Ajai Kumar Tripathi (Appointed Actuary-Life), Shri S. N. More (General Manager), Shri Deepak Godbole (General Manager), Smt. Suchita Gupta (General Manager), Smt. Usha Ramaswamy (Director & General Manager), Smt. Alice G. Vaidyan (Chairman cum Managing Director), Smt. Sashikala Muralidharan (Director & General Manager), Smt. Reena Bhatnagar (General Manager), Smt. Madhulika Bhaskar (General Manager), Shri Devesh Srivastava (General Manager), Shri Satyajit Tripathy (General Manager)

(Deputy General  
Managers standing  
Left to Right):

Smt. Jayashree Ranade, Ms. Blessy Sequeria, Shri Paul Lobo, Shri Savio Fernandes, Shri S. K. Rath, Smt. Girija Subramanian, Shri T. Balaji, Smt. P. G. Manisha, Shri Rajesh Khadatre, Smt. Lakshmikala Raghupathy, Shri Hitesh Joshi, Smt. Sarita Kunder, Shri G. Radhakrishna, Shri Rajesh Pawar, Shri Uttam Kumar Sharma

## Directors' Report

To the Members,

The Directors have pleasure in presenting the Forty Seventh Annual Report on the working and affairs of the Corporation alongwith the audited statements of account for the year ended 31<sup>st</sup> March 2019.

### FINANCIAL RESULTS:

The highlights of the financial results for the year under review are as under:

(₹ in Crore)

	2018-19	2017-18
1. Gross premium	<b>44,238.00</b>	41,799.37
2. Net Premium	<b>38,995.97</b>	37,634.46
3. Net Earned Premium	<b>37,679.08</b>	38,096.05
4. Net Incurred Claims % to Earned Premium	<b>33,739.95</b> <b>89.50</b>	32,953.55 86.50
5. Net Commission % to Earned Premium	<b>6,105.43</b> <b>16.20</b>	6,370.15 16.70
6. Operating Expenses and Other Outgo less Other Income	<b>39.87</b>	269.77
7. Investment Income Apportioned to Revenue less expenses	<b>4,632.67</b>	3,830.88
8. Premium Deficiency	<b>5.29</b>	0.00
9. Total Profit/Loss (-) (3+7-4-5-6-8)	<b>2,421.21</b>	2,333.46

	2018-19	2017-18
10. Interest, Dividends & Rents (net) and Profit on sale of Investments	<b>1,768.67</b>	1,561.15
11. Other Income less Other Outgo	<b>17.75</b>	-52.25
12. Reserve for Doubtful Debts and Investment including Amortization of Investments Written off and diminution in the value of investments written off	<b>773.81</b>	174.10
13. Profit before Tax (9+10+11-12)	<b>3,433.82</b>	3,668.26
14. Provision for tax including deferred taxes	<b>1,209.51</b>	434.68
15. Profit after Tax (13-14)	<b>2,224.31</b>	3,233.58

(Net Earned Premium is arrived after adjustments for Reserve for Unexpired Risks)

(Percentages relate to the net earned premium of the corresponding year)

(Obligatory sessions from Domestic Insurance Companies reduced from 10% to 5% w.e.f. 01.04.13 vide IRDA/NL/RI/41/2012-13 dated 3<sup>rd</sup> March 2013)

### DIVIDEND & DIVIDEND DISTRIBUTION POLICY

The Board of Directors at its meeting held on 23<sup>rd</sup> May 2019, recommended a Dividend of ₹ 6.75 per share of Face Value of ₹ 5/- each (i.e. 135% of paid-up equity share capital) for the year 2018-19 as against ₹ 13.5 per share of Face Value of ₹ 5/- each (i.e. 270% of paid-up equity share capital) in 2017-18. The final dividend shall be paid to the Members, whose name appear in the Register of Members as on 22<sup>nd</sup> July 2019.

The Board of your Corporation has formulated a Dividend Distribution Policy. The Policy is available on the website of the Corporation <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>.

### BONUS SHARES

The Board of Directors in their meeting held on 25<sup>th</sup> May 2018 and pursuant to approval of Shareholders through Postal Ballot, have issued shares in the ratio of 1:1, i.e. 1 (one) equity share of ₹ 5/- each for every 1 (one) existing equity share of ₹ 5/- each to the shareholders of the Corporation, in the month of July 2018.

### CAPITAL AND FUNDS

Capital and Funds of the Corporation stood at ₹ 80,834.73 Crore as on 31<sup>st</sup> March 2019 as against ₹ 74,347.78 Crore in the previous year, the details of which are given below:



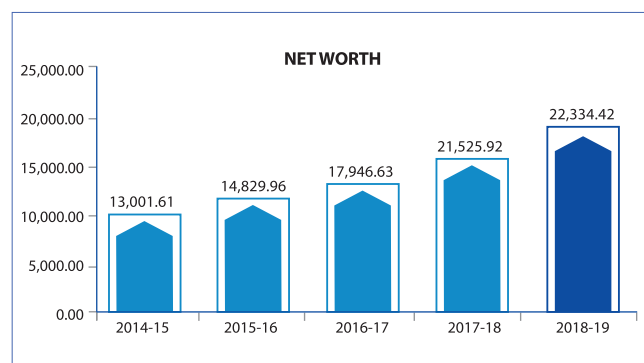
(₹ in Crore)

	As on 31.03.2019	As on 31.03.2018
<b>Shareholders' Funds (Net Worth)</b>		
Paid up Capital	877.20	438.60
General Reserve	15,885.38	16,323.98
Profit & Loss a/c*	4,030.33	3,233.67
Share Premium Account	1,544.07	1,544.07
Total	22,336.98	21,540.32
Less: Deferred Tax Assets	2.56	14.40
<b>Net worth</b>	<b>22,334.42</b>	<b>21,525.92</b>
<b>Policyholders Fund</b>	<b>58,500.31</b>	<b>52,821.86</b>
<b>Total Funds</b>	<b>80,834.73</b>	<b>74,347.78</b>

\*Profit & loss account ₹ 2,224.31 Crore (Previous year ₹ 3,233.58 Crore) without making adjustment for dividend, dividend distribution tax.

### Net worth (Shareholders' Funds) for the last 5 years

(₹ in Crore)



### ASSETS

Total assets of the Corporation were ₹1,18,883.62 Crore as on 31<sup>st</sup> March 2019 as compared to ₹1,09,672.39 Crore as on 31<sup>st</sup> March 2018.

### CONSOLIDATED FINANCIAL STATEMENT

Provisions regarding Financial Statements are laid down under Section 129 of the Companies Act, 2013. As per the provision of Section 129 (2) of the said Act, at every Annual General Meeting of a company, the Board of Directors of the company shall lay before such meeting financial statements for the

financial year. Section 129 (3) of the Companies Act, 2013 provides that where a company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-section (2) of Section 129, prepare a consolidated financial statements of the company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the Annual General Meeting of the company along with the laying of its financial statements under sub-section (2) of Section 129.

Explanation:

The Corporation is preparing Consolidated Financial Statements as it has two subsidiaries namely GIC Re South Africa Limited and GIC Re, India, Corporate Member Limited, UK and two Associate Companies namely, Agriculture Insurance Company of India Ltd. (AICIL) and India International Insurance Pte. Ltd., Singapore.

### FINANCIAL RATING AND RANKING

Global rating agency A M Best reaffirmed the Financial Strength Rating of "A- (Excellent)" and issuer credit rating of "a-" of the Corporation in March 2019. The outlook of these credit ratings is Stable. The rating reflects GIC Re's balance sheet strength, which AM Best categorizes as very strong, as well as its adequate operating performance, favorable business profile and appropriate enterprise risk management.

CARE Ratings Limited (formerly known as Credit Analysis & Research Limited) reaffirmed AAA (In) Claims Paying Ability rating for the Corporation in April 2019. The rating reflects the Corporation's strategic importance as the dominant Indian reinsurer with good solvency position, comfortable liquidity profile, moderation in asset quality and moderate profitability. Ownership by GOI, solvency position and profitability are key rating sensitivities.

GIC Re is ranked 10<sup>th</sup> by Standard & Poor's in the Top 40 Global Reinsurance Groups Ranked by Net Reinsurance Premiums Written in year 2017 (12<sup>th</sup> in previous year).

A M Best has also ranked GIC Re as 11<sup>th</sup> in the Top 50 World's Largest Reinsurance Groups based on Gross Written Premium in year 2017 (12<sup>th</sup> in previous year).

## SOLVENCY RATIO

The Solvency Margin of the Corporation as on 31<sup>st</sup> March 2019 stood at 2.06 as against 1.72 in the previous year.

## INVESTMENTS

The book value of the investment of the Corporation in India (representing investment, loans & deposits) amount to ₹ 52,923.35 Crore as on 31<sup>st</sup> March 2019 as against ₹ 47,816.52 Crore in the previous year. The Investment Income of ₹ 6,130.30 Crore were apportioned to Policy Holder & Share Holder as under:

(₹ in Crore)

	2018-19	2017-18
Apportioned to Policyholders	4,436.51	3,705.29
Apportioned to Shareholders	1,693.80	1,509.97

The mean yield on funds with profit on sale of investments stood at 12.17% (Previous year 12.0%). The percentage of net NPA (Non-Performing Assets) to Gross loan assets (including Government Securities) was at 1.12% (Previous year 0.56%).

## INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)

The Corporation being a Reinsurance Company, its working and functions, are governed by the Insurance Regulatory and Development Authority of India (IRDAI). The Corporation's existing paid-up equity capital of ₹ 877.20 Crore conforms to the specifications of the IRDAI. The Accounts of the Corporation are drawn up according to the stipulations prescribed in the IRDAI (Preparation of Financial Statements and Auditor's Report) Regulations, 2002.

### "ART/Structured Solutions Contract" (Retro Programme)

GIC Re had arranged ART Retro protection programme from 1<sup>st</sup> October 2001 till 31<sup>st</sup> May 2014 followed by Structured Solution Contract from 1<sup>st</sup> June 2014 till 31<sup>st</sup> May 2017 for covering risks from all classes of business, as per agreed terms and conditions. The ART Contract was for the period 1<sup>st</sup> October 2001 to 31<sup>st</sup> May 2014 and was not renewed from 31<sup>st</sup> May 2014.

The Structured Solution Contract though not utilized

following the Board resolution in February 2017, is still live, with some run-off cessions still being serviced under the contract. IRDAI vide letter dated 25<sup>th</sup> February 2019 has approved the existing Structured Solutions Contract. GIC Re and the reinsurers will maintain all contractual rights and obligations arising out of the contract and towards statutory dues, till the final closure at a mutually agreed date after both parties agree to the net balance quantum.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186(4) of the Companies Act, 2013 (the Act) requiring disclosure in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security are proposed to be utilised by the recipient of the loan or guarantee or security are not applicable to the Corporation.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of future operations of the Corporation.

## ENTERPRISE RISK MANAGEMENT

The Corporation has in place a robust ERM policy. The policy defines a Governance structure as well as the roles and responsibilities at each level. The ERM department is headed by the Chief Risk Officer (CRO) who reports to the Board Risk Management Committee through the Chairman cum Managing Director (CMD) and Management-level ERM committee.

ERM department conducts risk assessment with the assistance of the Risk and Mitigation Plan Owners (RMOs), primarily Scale V level officers, where new risks are brought for discussion and thereafter the entire risk universe is re-calibrated with the objective of prioritization for mitigation. During the exercise, RMOs also propose controls/mitigation plans, which post deliberations are implemented. The department keeps conducting periodic review of the risk universe and checking the control effectiveness and keeps

the Management and Board Risk Management Committees duly informed of developments and deviations.

As part of its allied activities, the ERM department reviews the Business Continuity Plan (BCP) which aims at providing continuity of services at a defined minimum acceptable level of critical functions and to safeguard the financial, competitive and reputational position in the short and medium term. Teams under BCP have been adequately trained as to their specific responsibilities under the Plan with an aim to create awareness to reinforce the Business Continuity culture and refresh the importance of the on-going Business Continuity Exercises. As part of BCP, a Mock Drill was conducted at an Alternate Site so as to create awareness and ensure preparedness among the Critical Resource Team and other Business Continuity Teams in time of emergency.

During the year under review, a neutral Third Party Consultant was appointed for carrying out the Stress Test Exercise of GIC Re for the Financial Year 2018-19 based on financial data as on 31<sup>st</sup> March 2018. The Stress Test Exercise evaluated scenarios of significant adverse threats to the future financial condition and found it to be adequately resilient.

Framing of Standard Operating Procedures (SOP) was undertaken for two key functions of the Corporation viz: Reinsurance and Investment and their related accounting activities, thus ensuring that the critical processes have been duly documented.

An Anti-Fraud Policy framed by GIC which covers prevention, identification, investigation and reporting of frauds is reviewed every year. Corporation has declared 'Zero Tolerance' to any non-compliance to the terms and conditions of the Anti-Fraud policy.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING**

The Corporation is having a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Corporation, which has been approved by the Board.

The CSR Policy may be accessed on the Corporation's website at the link: <http://gicofindia.com/images/pdf/CSR-Policy-with-amendment.pdf>

The CSR Reporting as per Section 135 of the Companies Act, 2013 given in **Annexure I**.

#### **AUDITORS AND AUDIT REPORT**

##### **STATUTORY AUDITORS**

Samria & Co., Chartered Accountants and J. Singh & Associates, Chartered Accountants were appointed as Joint Statutory Auditors to audit the accounts of the Corporation for the financial year 2018-19 by the Comptroller & Auditor General of India under Section 139 and section 143 of the Companies Act, 2013.

The Auditors Report does not contain any qualification, reservation or adverse remark.

##### **SECRETARIAL AUDIT**

The Board has appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2018-19.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial Audit Report of the Corporation is given in **Annexure II**.

##### **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return (Form MGT-9) of the Corporation is annexed herewith as **Annexure III** to this Report and also available on the website of the Corporation at <https://www.gicofindia.com/en/investors-en>.

##### **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

The Corporation has annexed to this report Annexure IV, a certificate obtained from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The operations and future prospects of the Corporation is dealt in the Management Discussion and Analysis Report which forms part of the Directors Report.

##### **FOREIGN EXCHANGE EARNINGS & OUTGO AND OTHER INFORMATION**

The particulars of Foreign Exchange earnings/outgo as required by the Companies (Accounts) Rules, 2014 is given below:

- i) Earnings ₹ 3,870.93 Crore
- ii) Outgo ₹ (4,968.92) Crore

The earnings included all receipts denominated in foreign currencies in respect of premium, recovery of claims, outward commission and investment earnings. The outgo comprised all payments in foreign currency in respect of outward premium, claims on reinsurance accepted, commission and expenses of management.

Expenses on (a) Entertainment (b) Foreign Tours and (c) Publicity and Advertisement amounted to ₹ 7,50,499/-, ₹ 4,42,03,714/- and ₹ 10,98,86,473/- respectively for the year under review.

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Corporation is not engaged in any manufacturing activity and as such there are no particulars to disclose under the Companies (Accounts) Rules, 2014 as regards Conservation of Energy or Technology absorption.

### PERSONNEL AND INDUSTRIAL RELATIONS

#### I. STAFF POSITION AS ON 31<sup>st</sup> March 2019

Class I	-	Officers	506
Class III	-	Clerical Employees	69
Class IV	-	Sub-Staff	5
<b>TOTAL</b>			<b>580</b>

#### II. Composition of Scheduled Castes and Scheduled Tribes in the employee Strength

Cadre	Total Employee Strength	Composition			
		SC	%	ST	%
Officers	506	77	15.22	27	5.33
Clerical	69	21	30.43	10	14.49
Sub-Staff	5	0	0	0	0
Total	580	98	16.89	37	6.38

#### III. WELFARE OF SC / ST / OBC:

As per the National Policy on reservation for SC / ST & OBC, GIC Re has framed rules, which allow reservations and concessions/relaxation for SC / ST and OBC in recruitment and promotion wherever applicable. Special in-house training

classes are conducted for SC / ST employees who are in the promotion zone in order to enable them to acquire knowledge so that they are able to give a better account of themselves in the written test. The Corporation also organizes online pre-recruitment trainings for the SC / ST candidates who apply for the recruitment examination on All India Basis.

### DISCLOSURE UNDER THE SEXUAL HARASSEMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Corporation has been employing women employees in various cadres within its office. The Corporation has in place a policy against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under the policy. There was no complaint received from any employee during the financial year 2018-19 and hence no complaint is outstanding as on 31<sup>st</sup> March 2019 for redressal.

### IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY OF THE CENTRAL GOVERNMENT

During the year under review, the Corporation improved its performance in implementation of Official Language Policy of the Government of India and complied with the guidelines issued by the Ministry.

For implementation of Official Language Policy of the Government, regular inspections of Departments situated in head office, Mumbai and liaison offices at Delhi and Chennai were carried out by the officials of Official Language Department.

Four In-house workshops were organized and four meetings of Official Language Implementation Committee were conducted during the year. Apart from the regular translation work, translation of Financial Standing Order (FSO) was carried out.

In-house quarterly journal KSHITIJ was published regularly. It was also made available on Corporation's website. During Hindi fortnight, various competitions were organized. The winners of these competitions were awarded prizes during a cultural programme.

CMD's Shield was awarded to Human Resources Department



and certificates were given to General Accounts Department and Corporate Social Responsibility Department as these departments were found to be the best performing departments of the Corporation with regards to Official Language Implementation.

Almost all Officers and Employees are having working knowledge of Official Language. Out of 580 personnel of GIC Re, 149 are proficient in Hindi.

Akruti based UNICODE has been installed on the computers. Officers and Employees can do their day to day work in Hindi also.

Officials of GIC have attended all Town Official Language Implementation Committee (TOLIC) meetings and participation was assured in various programmes organized under Town Official Language Implementation Committee (TOLIC) by its members.

Official Language Department of GIC was awarded II prize for Hindi In-house magazine KSHITIJ by Town Official Language Implementation Committee (TOLIC). Hindi Implementation in GIC Re was awarded III prize by an apex NGO working in the field of Official Language.

### VIGILANCE

The Vigilance Department of the Corporation is headed by a Chief Vigilance Officer (CVO) in the rank of General Manager. The emphasis of the Vigilance Department is on preventive vigilance.

The Department also focuses on various systems improvement initiatives.

The focus of the Organization, in concurrence with CVC guidelines, is to take proactive steps to avoid a vigilance-like situation. Audit reports are studied, and remarks made by Auditors are analysed. Surprise inspections are conducted periodically and lapses studied from a vigilance angle. Based on this, suggestions are made for improvement of systems and procedures of the organization. The purpose is to focus and accept vigilance as an organizational objective and create an atmosphere conducive to "Zero corruption" functioning, with role clarity and clear sense of direction. To improve vigilance administration, CVO and other officers also participate in the vigilance training programmes/workshops

conducted by reputed organizations. The vigilance department also conducts workshop for employees during the vigilance awareness week.

Periodical discussions are held with the officials of various departments / companies to ensure financial and office discipline and imbibe a culture of value and ethics in the organization.

### INTERNAL AUDIT DEPARTMENT

The Corporation has systems and controls in place covering all major areas of operations such as Underwriting, Investment and Finance. The objective of the Internal Audit Department is to critically appraise the adequacy and effectiveness of the various systems and controls in the various areas of operation of the Corporation, with a view to facilitate the Management to strengthen the overall governance mechanism.

To achieve the objective, the Internal Audit Department has utilized the services of professional audit firms. During the year 2018-19, M/s Mayra & Khatri were re-appointed as Internal Auditors for Reinsurance Operations and Business Accounts and M/s S.K. Patodia & Associates were re-appointed as Internal Auditors for Investment Operations and other departments.

The Internal Audit Department also appoints Internal Auditors for foreign branches of GIC Re in London, Dubai and Malaysia, representative office in Moscow and International Financial Service Centre Insurance Offices (IIO) at GIFT City. The Internal Audit of GIFT City IIO was conducted by GIC Re H.O. officials for FY 2018-19. The Internal Audit Department also conducted audit of Liaison Offices at Delhi and Chennai for FY 2018-19.

Besides, the following special audits were also arranged by the Internal Audit Department:

1. Secretarial Audit
2. RTI Audit
3. Audit of FAIR Nat CAT Pool
4. Audit of Indian Nuclear Insurance Pool
5. Audit of Indian Market Terrorism Risk Insurance Pool
6. IRMSP Audit

Internal Audit Department also liaisons with Comptroller &

Auditor General of India (CAG) and other departments for matters relating to CAG audit. The status of Draft Paras (DPs) and Inspection Reports (IRs), issued by Comptroller & Auditor General of India (CAG), is placed before the Board and the Audit Committee of the Board from time to time.

The Internal Audit Department functions independently under the supervision of the Audit Committee of the Board.

The Audit reports of GIC Re Head Office and Foreign branches are placed before the Audit Committee of the Board for their consideration and directions. Six (6) meetings of the Audit Committee of the Board were held during the year 2018-19. Action Taken Reports were presented to the Audit Committee to report the status of progress on the implementation of the directions of the Committee. During the year, emphasis was laid on core business activities and audit of Reinsurance underwriting operations, settlement of outstanding accounts & reconciliations of broker balances. Other departments like Human Resources, IT, Communication, General Accounts, Office Services etc. were also covered during the year.

Besides major expenditures incurred, both Revenue and Capital, having financial implications were also subjected to audit. Treaty acceptances, Cash Call settlements and Settlement of Accounts were audited on concurrent basis.

Audit of Investment Operations was conducted on concurrent basis. This covered the primary and secondary market transactions. In line with RBI directions, Subsidiary Government Ledger (SGL) for Central and State Government Securities were subjected to concurrent audit and confirmation of correctness of balances and its reconciliation at the end of each month were sent to RBI. The same were also placed before the Audit Committee at its meetings.

The major contributions of the auditors during the year include appraising the management of the scope of improvement in cash call servicing, broker-wise and cedant-wise receivable management, reduction in unappropriated amounts and streamlining of outstanding loss reserves. The Audit function in the Corporation has brought about improvement in data quality, acceleration in claim processing, streamlining of process of accounts receivable management in the Reinsurance Operations.

By critically appraising the Management of the Corporation

of the various systems and processes, the Internal Audit Department facilitated to strengthen the overall governance mechanism.

### RTI ACT, 2005

The Corporation has in place the stipulated structure to implement the RTI Act, 2005 in the Organization. The Setup is headed by a Director & General Manager designated as the Transparency & Nodal Officer. A General Manager functions as the Appellate Authority, an Assistant General Manager is the Central Public Information Officer, an Assistant General Manager discharges the duties of Assistant Public Information Officer under the provisions of the Act. An Assistant Manager has been nominated as Nodal Officer, MIS.

The Corporate website [www.gicofindia.com](http://www.gicofindia.com) also hosts information as relevant to the Corporation, under the Act. It has separate Right to Information link developed and continuously updated by the RTI Cell (<https://www.gicofindia.com/en/right-to-information>) containing information and complying with the provisions under the RTI Act, 2005 and other Ministerial and CIC circulars.

GIC in the FY 2018-19 complied with the guidelines issued by Ministry of Personnel regarding Implementation of  *suo motu* disclosure u/s 4 of the RTI Act, 2005 and its Audit thereof.

During the period under review (2018-19) the corporation received two hundred and ten Applications and seven First Appeals under the RTI Act, 2005. All the Applications were duly replied and appeals were disposed of well within the stipulated time. No Second Appeal has been filed against the Corporation before Central Information Commission.

During the period under review, Transparency Audit for Disclosure of Information was conducted by Central Information Commission for 838 Public Authorities. General Insurance Corporation of India has been Graded A with score of 96%.

### INFORMATION TECHNOLOGY MANAGEMENT GROUP (ITMG)

Information Technology is an enabler and has been at the core of all global businesses. Applying 'state of art' technology and processes is important for GIC Re in moving towards the set vision of becoming a leading global reinsurance and risk solution provider.

Information Technology Management Group (ITMG) has been ably supporting the needs of the stakeholders for business and reporting. During the year under review ITMG, while ensuring availability of uninterrupted IT services and keeping the data secure undertook the following major activities:

- Life Reinsurance Management software (LRM) was configured and implemented. LRM will contribute towards improvements in data management, analysis and periodic regulatory reporting.
- Catastrophe Modelling- ITMG assisted underwriting and protection sections in implementing a global catastrophe modelling software for various perils and different territories worldwide.
- e-Helpdesk: A PowerApps based tool developed in-house for providing an opportunity for employees to raise support issues.
- Data Centre capacity has been enhanced by adding more nodes into the Hyperconverged Infrastructure (HCI).
- Special Projects: Proof of Concept (POC) carried out in the areas of Wireless LAN, Virtual Desktop Interface & Robotic Process Automation.

To review the controls and assess the vulnerabilities of the IT systems, Vulnerability and Penetration Testing (VAPT) audit is conducted periodically by experts and actions are taken based on the reports. Talks by experts are arranged to disseminate information on security threats for the Middle and Top Management. Information Security Policy is circulated to all employees.

Skill development, training and building awareness of the IT team is a continuous process. In the age of disruptive technologies, the team keeps abreast of the ever evolving concepts such as Block Chain, Machine Learning/ Artificial Intelligence and Robotic Process Automation by participation at relevant conferences, seminars and specific training.

### TRAINING/HRD

Employees today are required to compete in a dynamic environment where in technology, ideas and events converge rapidly, creating challenges and opportunities for them.

For this, one is required to constantly learn new skills and be

abreast of knowledge as well as excel in Inter-personal relationships, too. Training Department enables the employees in perfecting their in-born talents and learning new skills. We empower them to use imagination, develop creative solutions and remain flexible while ideating or communicating. Both, experienced and young leaders become equipped to motivate others to turn their ideas into results that make a difference to business. Training plays an important role in the overall growth of the organization.

In the year 2018-19, training was imparted to all levels of employees. Training programmes were conducted for the employees at GIC Suraksha Premises; National Insurance Academy, Pune; Insurance Institute of India, BKC, Mumbai and other Reputed Institutes. Many soft skilled programmes as well as technical based programmes were initiated and completed successfully.

A summary of various training programmes organized by the Training Department are indicated below:

Organization	No. of Programmes	No. of Employees trained
GIC Re	12	452
National Insurance Academy	19	46
Insurance Institute of India	2	2
Other Reputed Institutes	70	198
Seminar / Conferences / Trainings in Foreign Countries	22	51

Some highlights of the programmes are:

1. 45 days long Induction Training Programme was conducted at Insurance Institute of India, BKC, Mumbai for 25 Direct Recruit Scale-1 Officers (Assistant Manager). The sessions covered aspects of both, Insurance and Reinsurance.
2. This year training department has arranged the one – day workshop on Corporate Grooming, Etiquette & Fine Dining by Ms. Sabira Merchant

for the Senior Executives (GMs & DGMs) of GIC Re. The programme was received very well by all the executives.

3. In order to motivate the employees and bringing a new energy in them, the training department has conducted the two-days workshop on office procedures for all Class III/IV employees of GIC RE.
4. As a special initiative towards SC/ST employees, Training Department has nominated 5 SC/ST GIC Re officials for the Three-days Reinsurance Training programme. The training programme was organized by the Singapore College of Insurance. Training Department has also conducted Workshop on "Reservation in Services" for SC/ST employees.
5. A specialized programme on 'MS EXCEL' was conducted at NIA, Pune for all the BAS officials. It was a two days programme attended by 23 BAS officials. The programme was appreciated by all the participants.
6. The Training Department also conducted a training programme to familiarize the employees about Reinsurance Clauses and the training ended with a very interactive session with the speaker, Shri Vikas Shukla.
7. This time a specialized in-house programme on the topic – "SAP and BWP Overview" was also conducted at GIC Re, Suraksha. Approximately 40 employees attended this training programme in different batches.
8. As part of the Vigilance Awareness Week, training department has organized a training on "Preventive Vigilance - DO's and DON'T's" for Deputy Managers and newly promoted Senior Managers. The faculty for this session was our CVO, Shri Ravi Chaudhary. This session brought out the precautionary steps needed to be taken by the middle level managers. The Training Department has ensured that every employee was nominated to at least one training

programme during the year 2018-19. Such initiatives ensure that our employees are skilled enough to handle the complex business scenarios.

## OVERSEAS EXPANSION

Overseas expansion of operations, through branch offices, subsidiaries and joint ventures is an integral part of the business growth strategy so as to expand the reach of the operations into multiple countries throughout the world. GIC Re targets expansion into new markets by efficiently using the potential and creating additional sustainable income opportunities, both in developed countries, where there is larger demand and in developing countries where there is increasing demand.

Expansion plans are drawn basing on study of market opportunities, supported by understanding of the business, working environment and regulations in prospective markets. GIC Re has also been striking strategic partnership with reinsurers abroad to take advantage of the expertise and experience of both and leverage on economies of scale.

Following approval by Lloyd's in March 2018 to establish syndicate, the fully Indian capital backed GIC Syndicate 1947 became operational in London from April 2018. M/s. Pembroke Agency Limited, a Liberty Mutual Company will be the Managing Agent in initial years till GIC Re establishes its own Managing Agency.

Scaling up of Moscow Representative Office to a full-fledged business office is in an advanced stage.

## INVESTMENT IN INSURANCE COMPANIES

### DOMESTIC OPERATIONS

#### • AGRICULTURE INSURANCE COMPANY OF INDIA LTD. (AICIL)

The Corporation holds 35% equity of AICIL and NABARD holds 30% while the balance is held equally to the extent of 8.75% by the four public sector non-life insurance Companies.

### OVERSEAS OPERATIONS

GIC Re has 4 overseas offices viz; a Representative Office in Moscow and Branch Offices in London, Dubai and Malaysia.

The Corporation has exposure in the share capital of Kenindia Assurance Company Ltd., Kenya, India International Insurance Pte. Ltd., Singapore, Asian Reinsurance Corporation, Bangkok and East Africa Reinsurance Company Ltd., Kenya.

- **LONDON BRANCH (UK)**

During the current financial year 2018-19, the Gross Premium written by the Branch was GBP 99.29 million compared to GBP 90.21 million last year and earned a profit of GBP 11.04 million as against a profit of GBP 1.85 million last year.

- **DUBAI BRANCH (UAE)**

During the current financial year 2018-19, the Gross Premium written by the Branch is AED 956.47 million compared to AED 1,198.29 million last year and incurred a loss of AED 25.91 million as against a loss of AED 0.18 million last year.

- **MALAYSIA BRANCH**

During the current financial year 2018-19, the Gross Premium written by the Branch was RM 732.64 million compared to RM 664.07 million and incurred a loss of RM 34.40 million as against a loss of RM 49.18 million.

- **KENINDIA ASSURANCE CO. LTD., KENYA**

The paid-up share capital of the Company is Kshs 561 million. The total shares held by GIC is 515,777 shares of Kshs 100 each as on 31<sup>st</sup> December 2018. The Corporation's holding in the share capital of the Company is 9.19%.

- **INDIA INTERNATIONAL INSURANCE PTE. LTD., SINGAPORE**

The Corporation holds 20% shares in India International Insurance Pte. Ltd., which has a share capital of S\$ 50 million. The total shareholding of GIC Re in the Company is 10 mn shares each of 1 S\$.

The Company has made a profit of S\$ 4.76 million as against a profit of S\$ 3.05 million last year.

The Directors have recommended a first & final dividend of 0.5 cents per share based on 2017 results.

- **ASIAN REINSURANCE CORPORATION, BANGKOK**

The Corporation is holding 6.32% of the share capital as Associate Member of Asian Re in addition to holding 0.99% of the share capital as its Regular Member on behalf of the Government of India.

As per the Dividend Policy of the Corporation, proposal for dividend will be considered by the Council of Members, in its next meeting.

- **EAST AFRICA REINSURANCE COMPANY LTD., KENYA**

The Corporation has 14.7521% stake in the share capital of East Africa Reinsurance Company Ltd., an existing profit making reinsurance company in Kenya. The total shareholding of the Corporation is 221,281 shares of 1000 Kshs, as on 31<sup>st</sup> December 2018.

The Company has made a profit of Kshs 615.55 million as against a profit of Kshs 601.57 million last year.

Board has recommended a total dividend of Kshs 100 million equivalent to 16.25% of PAT to registered shareholders as at 31<sup>st</sup> December 2018.

- **GIC BHUTAN RE LTD.**

The maiden reinsurance company of Bhutan is a Joint Venture between the Corporation and local Bhutanese promoters. The venture began its operations in the name 'GIC Bhutan Re Ltd.' in December 2013.

The Corporation has a 26% stake in the Joint Venture and held 13,000,000 shares of value Nu 10 each as of 31<sup>st</sup> December 2018. The rest of the shareholding is divided between two Local Bhutanese promoters with 17% stake each and 40% shares are held by the public.

The Company has made a profit of Nu 42.84 million as against a profit of Nu. 31.44 million last year. The Company has not declared any dividend for the year ended 31<sup>st</sup> December 2018.

- **GIC RE SOUTH AFRICA LTD.**

GIC Re South Africa Ltd. is the Corporation's first 100% owned subsidiary (Wholly owned subsidiary) operational since October 2014. The company when acquired was in the run-off for both Life as well as Non-life business. GIC started writing new Non-life business since January 2015.



The Corporation held 571,030,862 no par value ordinary shares with a value of ZAR 1,142,061,724 constituting 100% of GIC Re South Africa Ltd's equity as of 31<sup>st</sup> March 2019.

The Company has made a profit of Rand 254.60 million as against a loss of Rand 76.42 million last year.

The Company has not paid or declared any dividend during the year ended 31<sup>st</sup> March 2019.

• **GIC RE, INDIA, CORPORATE MEMBER LIMITED**

With the objective of becoming a reputed global reinsurer, GIC Re expanded into Lloyd's of London by offering reinsurance capacity to Lloyd's syndicates through quota share capital gearing treaties since 2011. Since as a capacity provider, GIC Re was required to have its own Corporate Membership at Lloyd's, GIC Re acquired I-CAT CCM TEN Ltd., an existing corporate Member company, in November 2013 and renamed it as GIC Re, India, Corporate Member Ltd., which is registered as a private limited company in the UK. The Company commenced reinsurance operations in 2014.

The business underwritten by the Company is fully reinsured with GIC Re.

The company has earned a profit of GBP 1.04 million as against a loss of GBP 22,000 last year.

The company has not declared payment of any dividend for the year.

**LISTING OF EQUITY SHARES**

The shares of the Corporation are listed on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

**PUBLIC DEPOSITS**

The Corporation has not accepted any deposits under Section 73 of the Companies Act, 2013.

**DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Corporation as on 31<sup>st</sup> March 2019 consisted of Eight (8) Directors, out of which four are independent Directors, one is Government Nominee Director and three are whole-time Directors including the Chairman cum Managing Director.

None of the Directors are related to any other Director or employee of the Corporation.

The details pertaining to composition and change in Board, committees and details of meetings is provided under Corporate Governance Report and hence not repeated here to avoid duplication.

**DECLARATION BY INDEPENDENT DIRECTORS**

All Independent directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**RETIREMENT OF DIRECTOR BY ROTATION**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Ravi Mital, Government Nominee Director would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Shri Ravi Mital has offered himself for re-appointment.

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Corporation being a Government Company, is exempted to furnish information under Section 134 (3) (e) of the Companies Act, 2013 vide MCA Notification dated 5<sup>th</sup> June 2015.

**POLICY FOR REMUNERATION OF KEY MANAGERIAL PERSON AND OTHER EMPLOYEES**

The Corporation, being a Government Company, the remuneration payable to Key Managerial Persons and other employees are as per the Government of India norms.

**CODE OF CONDUCT UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

The Corporation has in place a Code of Conduct to regulate, monitor and report trades in securities by Directors, Employees & Connected Persons which is in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to the Employees of the Corporation, Designated Persons, and their Immediate Relatives and Connected Persons, to the extent applicable. The objective of the Code is to prohibit insider

trading in any manner by the Designated Persons and to maintain confidentiality of unpublished price sensitive information and access to information on a 'need to know' basis.

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Corporation, being a Government Company is subjected to the CVC Guidelines and the Corporation has a separate Vigilance Department administering the Vigilance matters.

The Corporation has a Whistle Blower Policy/Vigil Mechanism Policy approved by the Board and the same is placed on the website of the Corporation.

### CORPORATE GOVERNANCE

The Corporation continues to adopt the best practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning. The Corporate Governance Report has been incorporated as a separate section, forming part of this Annual Report.

### BUSINESS RESPONSIBILITY REPORTING

Business Responsibility Report as stipulated under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms part of the Annual Report and has been hosted on the website of the Corporation and can be viewed at [www.gicofindia.com](http://www.gicofindia.com).

### CEO / CFO CERTIFICATION

In terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the certification by the Managing Director & CEO and Chief Financial Officer of the Corporation on the financial statements and internal controls relating to financial reporting has been obtained.

### DETAILS OF UNCLAIMED SUSPENSE ACCOUNT

Details of Unclaimed Suspense Account as provided by our RTA i.e. Karvy Fintech Private Limited pursuant to Regulation 39 read with Part F of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Sr. No.	Description	No. of Shareholders	No. of Shares
1	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on 1 <sup>st</sup> April 2018	07	112
2	Number of shareholders who approached Listed entity for transfer of shares from suspense account during the year	06	96
3	No. of shareholders to whom shares were transferred from suspense account during the year	06	96
4	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on 31 <sup>st</sup> March 2019	01	32*

**\*The Outstanding shares lying unclaimed as on 31<sup>st</sup> March 2019 includes 16 (Sixteen) Bonus Equity shares issued by the Corporation to the Shareholders in the month of July 2018.**

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134 of Companies Act, 2013, the Directors confirm that:

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. The Directors have selected such Accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to
3. give a true and fair view of the state of affairs of the Corporation at the end of the financial year and the profit and loss of the Corporation for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;

4. The Directors have prepared the annual accounts on a going concern basis;
5. The Directors have laid down Internal financial control to be followed by the Corporation and that such Internal Financial Controls are adequate and are operating effectively; and
6. The Directors have devised proper systems to ensure compliance with applicable laws and that such systems were adequate and operating effectively.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE CORPORATION**

There has been no material change and commitment affecting the financial position of the Corporation which occurred between the end of the financial year of the Corporation to which the financial statements relate and the date of this Report.

#### **BOARD MEETINGS**

The number of Board meetings held during financial year 2018-19 of the Corporation were Six (6) and these are as follows:

25<sup>th</sup> May 2018

30<sup>th</sup> July 2018

5<sup>th</sup> September 2018

13<sup>th</sup> November 2018

8<sup>th</sup> February 2019

25<sup>th</sup> March 2019

#### **SECRETARIAL STANDARDS**

During 2018-19, the Corporation was in compliance with the applicable accounting standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings.

#### **SUBMISSION OF ACCOUNTS BEFORE PARLIAMENT**

As confirmed by the Ministry of Finance, Insurance Division, the Annual Report of the Corporation for the year 2017-18 along with Directors Report were placed before both the Houses of Parliament under Section 394 of the Companies Act, 2013 as per details given below:

LOK SABHA 21<sup>st</sup> December 2018

RAJYA SABHA 18<sup>th</sup> December 2018

#### **ACKNOWLEDGEMENT**

The Corporation is grateful to the Insurance Regulatory and Development Authority of India, Government of India, Reserve Bank of India and Securities and Exchange Board of India for their continued cooperation, support and guidance. The Corporation wishes to thank its investors, rating agencies, depositories, Registrar & Share Transfer Agent & Stock Exchanges for their support.

The Corporation would like to express its gratitude for the continued support and guidance received from Principal Director of Commercial Audit and Ex-Officio Member, Audit Board- I, Mumbai.

The Directors express their deep sense of appreciation to all the employees, whose outstanding professionalism, commitment and initiative have made the Organisation's growth and success possible and continue to drive its progress. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board of Directors  
Sd/-

**(Alice G. Vaidyan)**

Chairman-cum-Managing Director

Date : 23<sup>rd</sup> May 2019

Place : Mumbai

## CSR Report - Annexure-I

### 1. Brief outline of CSR policy:

To strive to transform India into a risk- aware society from being a risk-averse society.

To achieve our vision by integrating social, environmental and health concerns of the Indian society into Corporation's overall CSR policy and programmes.

The thrust of CSR activities is on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and upliftment of the marginalized and under-privileged sections of the society.

### 2. Composition of CSR Committee:

Smt. Alice G. Vaidyan, Chairman cum Managing Director  
Shri Ravi Mital, Government Nominee Director

Shri Atanu Kumar Das, Independent Director

Shri G. B. Pande, Independent Director

Smt. Sashikala Muralidharan, Director & General Manager

Smt. Usha Ramaswamy, Director & General Manager

### 3. Average Net profit of Company for last three financial years: ₹ 3727.35 Crore

### 4. Prescribed CSR expenditure (2% of the amount in item 3): ₹ 74.55 Crore

### 5. Details of CSR spent during financial year 2018-19:

- Total Amount to be spent in FY: ₹ 74.55 Crore
- Amount Unspent: ₹ 9.26 Crore
- Manner in which the amount spent during the financial year in detail:

Sr. No	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
1.	Annamrita Foundation	Infrastructure (Vans)	Mumbai, Maharashtra; Jaipur, Rajasthan	16,35,000.00	15,20,242.00	0.00	15,20,242.00	DIRECT-AF
2.	ALIMCO	Disability camps	Firozpur, Haridwar, Amravati, Indore,	5,00,00,000.00	1,00,00,000.00	0.00	1,00,00,000.00	DIRECT-ALIMCO
3.	Ashray Social Welfare Foundation	Infrastructure (Vans)	Patan, Gujarat	19,75,000.00	19,75,000.00	0.00	19,75,000.00	DIRECT-ASHRAY
4.	Amar Seva Sangam	Infrastructure	Ayikudy, Tamil Nadu	1,27,48,731.00	63,74,866.00	0.00	63,74,866.00	DIRECT-ASSA
5.	BMVSS Ahmedabad	Livelihood generation	Bengaluru, Karnataka	9,20,000.00	6,07,200.00	0.00	6,07,200.00	DIRECT-BMVSS

Sr. No	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
6.	BMVSS Jaipur	Livelihood generation	Jaipur, Rajasthan	24,99,000.00	24,99,000.00	0.00	24,99,000.00	DIRECT-BMVSS
7.	BMVSS Jaipur	Livelihood generation	8 centers, Rajasthan	4,04,98,750.00	4,04,98,749.00	0.00	4,04,98,749.00	DIRECT-BMVSS
8.	Bosco Net	Infrastructure (Vans)	Andhra Pradesh, Telangana	98,98,565.00	98,98,565.00	0.00	98,98,565.00	DIRECT-BN
9.	CMDRF Kerala	Rehabilitation	Kerala	3,00,00,000.00	3,00,00,000.00	0.00	3,00,00,000.00	DIRECT-CMDRF-Kerala
10.	CMRF Nagaland	Rehabilitation	Nagaland	3,00,00,000.00	3,00,00,000.00	0.00	3,00,00,000.00	DIRECT-CMRF-Nagaland
11.	Ciigma Health Foundation	Health care	Aurangabad, Maharashtra	24,00,000.00	6,00,000.00	0.00	6,00,000.00	DIRECT-CHF
12.	Deep Vidya Mandir Samiti	Infrastructure (Vans)	Dausa, Rajasthan	23,60,061.00	23,60,061.00	0.00	23,60,061.00	DIRECT-DVMS
13.	DHAN Foundation	Infrastructure	Madurai, Tamil Nadu	9,00,000.00	8,99,482.00	0.00	8,99,482.00	DIRECT-DIF
14.	DHAN Foundation	Infrastructure	Madurai, Tamil Nadu	2,00,80,500.00	80,32,200.00	0.00	80,32,200.00	DIRECT-DIF
15.	GIC Vriksharopan	Plantation	Pune, Maharashtra	3,31,000.00	3,06,000.00	0.00	3,06,000.00	DIRECT-MULTIPLUS AGENCY DIRECT-SAI ENTERPRISES
16.	Impact India Foundation	Health	Varanasi, Uttar Pradesh	84,66,000.00	50,79,600.00	0.00	50,79,600.00	DIRECT- IIF
17.	Kendriya Sainik Board	Penury	PAN India	9,60,00,000.00	80,00,000.00	0.00	80,00,000.00	DIRECT-KSB
18.	Language and Learning Foundation	Education	Chhattisgarh, Haryana	49,25,500.00	12,99,999.00	0.00	12,99,999.00	DIRECT-LLF



Sr. No	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
19.	Parivar Education Society	Education	Devas, Madhya Pradesh	2,95,89,450.00	73,97,362.00	0.00	73,97,362.00	DIRECT-PES
20.	Masoom	Education	Mumbai, Maharashtra	46,06,132.00	0.00	0.00	0.00	DIRECT-Masoom
21.	NIA	Education	Pune, Maharashtra	5,61,000.00	5,61,000.00	0.00	5,61,000.00	DIRECT-NIA
22.	NARMADA	Infrastructure/ Vans	Purnalepa, Madhya Pradesh	1,39,77,154.00	82,27,154.00	0.00	82,27,154.00	DIRECT-NARMADA
23.	RAIL Sahyog	Steel benches	Mumbai, Pune, Maharashtra	52,25,00,000.00	26,12,50,000.00	0.00	26,12,50,000.00	DIRECT-RS
24.	Ramakrishna Sevashrama Mission	Education	Vrindavan, Uttar Pradesh	24,75,000.00	23,92,500.00	0.00	23,92,500.00	DIRECT-RSM
25.	Ramakrishna Sevashrama Mission	Renewable Energy	Vrindavan, Uttar Pradesh	1,26,00,000.00	1,25,08,000.00	0.00	1,25,08,000.00	DIRECT-RSM
26.	Ramakrishna Sarada Mission Matri Bhavan	Infrastructure	Kolkata, West Bengal	63,37,812.00	59,60,567.00	0.00	59,60,567.00	DIRECT-RSMB
27.	Rural Development Trust	Infrastructure/ Health	Anantpur, AP	19,08,177.00	19,08,177.00	0.00	19,08,177.00	DIRECT-RDT
28.	Samarthanum Trust for the Disabled	Renewable Energy	Bengaluru, Karnataka	24,50,000.00	24,50,000.00	0.00	24,50,000.00	DIRECT-STB
29.	Sainik School	Digitalization	Kazakootam, Kerala	20,00,000.00	20,00,000.00	0.00	20,00,000.00	DIRECT-SS

Sr. No	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
30.	SankalpTaru Foundation	Plantation	Leh, Jammu & Kashmir / Barmer, Rajasthan	15,81,680.00	15,81,680.00	0.00	15,81,680.00	DIRECT-STF
31.	Seva Mandir	Education	Rajasthan	7,57,350.00	3,78,675.00	0.00	3,78,675.00	DIRECT-SM
32.	Satya Special School	Infrastructure (Vans)	Puducherry	24,86,620.00	24,86,620.00	0.00	24,86,620.00	DIRECT-SSS
33.	Smile Foundation	Health care	4 centers, PAN India	4,95,77,004.00	1,38,69,272.00	0.00	1,38,69,272.00	DIRECT-SF
34.	Shraddha Rehabilitation Foundation	Health care	Karjat, Maharashtra	2,84,94,000.00	89,51,550.00	0.00	89,51,550.00	DIRECT-SRF
35.	Samaritan Help Mission	School infrastructure	Howrah, West Bengal	3,36,85,000.00	1,68,42,500.00	0.00	1,68,42,500.00	DIRECT-SHM
36.	Samaritan Help Mission	Hospital	Howrah, West Bengal	1,51,57,500.00	75,78,750.00	0.00	75,78,750.00	DIRECT-SHM
37.	SP Medical College	Renewable energy	Bikaner, Rajasthan	3,67,07,500.00	91,76,875.00	0.00	91,76,875.00	DIRECT-SPM
38.	Stree Mukti Sanghatana	Cleanliness	Mumbai, Maharashtra	4,38,446.00	4,38,446.00	0.00	4,38,446.00	DIRECT-SMS
39.	Shree Pragnachakshu Mahila Seva Kunj	Renewable energy	Surendranagar, Umargaon, Gujarat	31,01,974.00	28,94,870.00	0.00	28,94,870.00	DIRECT-SPCMSK
40.	Sri Sankaradeva Nethralaya	Health care	Guwahati, Assam	1,10,98,895.00	1,10,98,895.00	0.00	1,10,98,895.00	DIRECT-SSN
41.	The Akshaya Patra Foundation	Mid-day meal	Rourkela, Puri, Odisha	1,82,45,700.00	1,82,45,700.00	0.00	1,82,45,700.00	DIRECT-TAPF

Sr. No	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
42.	The Akshaya Patra Foundation	Mid-day meal	Bhillai, Nathdwara, Nayagarh, Rourkela, Lucknow, Vrindavan, Hubli & Guwahati	4,85,48,500.00	4,85,48,500.00	0.00	4,85,48,500.00	DIRECT-TAPF
43.	The Akshaya Patra Foundation	Kitchen	Puducherry, Tamil Nadu	5,92,15,864.00	2,36,80,000.00	0.00	2,36,80,000.00	DIRECT-TAPF
44.	Tata Memorial Center	Cancer care	Mumbai, Maharashtra	6,30,00,000.00	1,26,00,000.00	0.00	1,26,00,000.00	DIRECT-TMC
45.	Tata Memorial Center	Cancer care	Mumbai, Maharashtra	50,00,000.00	49,97,300.00	0.00	49,97,300.00	DIRECT-TMC
46.	Tata Memorial Center	Cancer care	Mumbai, Maharashtra	50,00,000.00	48,65,000.00	0.00	48,65,000.00	DIRECT-TMC
47.	Vanarai	Plantation	Pune, Maharashtra	58,500.00	58,500.00	0.00	58,500.00	DIRECT-VANARAI
<b>Total</b>				<b>1,29,67,97,365.00</b>	<b>65,28,98,857.00</b>	<b>0.00</b>	<b>65,28,98,857.00</b>	

#### 6. Reasons for the unspent amount:

Many projects are in the implementation stage and have a multiple grant disbursement schedule which is rolling over to the FY 2019-20.

#### 7. Responsibility Statement of the CSR Committee:

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

Sd/-

**Smt. Alice G. Vaidyan**

(Chairman-cum-Managing Director)

(Chairman - CSR Committee)

## Secretarial Audit Report - Annexure-II

**Form No. MR-3**

### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

**The Members,**

**General Insurance Corporation of India,**

**CIN L67200MH1972GOI016133**

Suraksha 170,

Jamshedji Tata Road,

Churchgate, Mumbai - 400 020.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **General Insurance Corporation of India** (hereinafter called 'the Company') for the year ended **31<sup>st</sup> March, 2019**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2019** according to the provisions of :

- (i) The Companies Act, 2013 (the Act), and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Applicable to the**

### extent of Foreign Direct Investment and Overseas Direct Investment;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10<sup>th</sup> November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11<sup>th</sup> November, 2018);
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable as the Company has not issued any shares / options to directors / employees under the said Regulations during the period under review;**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable as the Company has not issued and listed debt securities during the financial year under review;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the financial year under review;**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (up to 10<sup>th</sup> September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11<sup>th</sup> September 2018)- **Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review and**

(vi) The management has identified and confirmed the following laws as specifically applicable to the Company:

1. Insurance Act, 1938
2. Insurance Laws (Amendment) Act, 2015
3. IRDA (Appointed Actuary) Regulations, 2017
4. IRDA (Investment) Regulations, 2016
5. Corporate Governance Guidelines, 2016
6. IRDA (General Insurance-Reinsurance) Regulations, 2016
7. IRDA (Life Insurance-Reinsurance) Regulations, 2013
8. IRDA (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016
9. IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002
10. IRDA (Places of Business) Regulations, 2015
11. Indian Insurance Companies (Foreign Investment) Rules, 2015
12. IRDA (Form of Annual Statement of Accounts and Records) Rules, 2001
13. IRDA (Issuance of Capital by Indian Insurance Companies Transacting Other than Life Insurance Business) Regulations, 2015.
14. IRDAI (Reinsurance) Regulations, 2018

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that –

- the Board of Directors of the Company is duly constituted with Executive, Non-Executive and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- adequate notice was given to all Directors about the schedule of the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven

days in advance before the meeting. The Company has obtained consents from the Directors for convening meetings of Board / Committee for which notice and / or agenda were not sent seven days in advance. Any additional information(s) / clarification(s) sought by the Directors on the agenda items before the meetings were provided to them.

- all decisions of the Board and Committee thereof were carried out unanimously.

**We further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- As informed the Company has responded appropriately to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever found necessary.

**We further report that** during the audit period the following event has occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:-

- Issue and allotment of 87,72,00,000 fully paid-up bonus equity shares of Rs. 5/- each by capitalizing the reserves of the Company to the members in the ratio of 1:1 equity share held by them as on the Record Date.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**For S. N. ANANTHASUBRAMANIAN & CO.**

**Company Secretaries**

**Firm Registration No. P1991MH040400**

**Malati Kumar**

**Partner**

**ACS : 15508**

**COP No. : 10980**

**Date : 17<sup>th</sup> May 2019**

**Place : Thane**



**Annexure-A**

To,

**The Members,**

**General Insurance Corporation of India,**

**CIN L67200MH1972GOI016133**

Suraksha 170,

Jamshedji Tata Road,

Churchgate, Mumbai- 400 020.

Our Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2019 of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

**FOR S. N. ANANTHASUBRAMANIAN & CO.**

**Company Secretaries**

**Firm Registration No. P1991MH040400**

**Malati Kumar**

**Partner**

**ACS : 15508**

**COP No. : 10980**

**Date : 17<sup>th</sup> May 2019**

**Place : Thane**

## Extract of Annual Return - Annexure-III

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31<sup>st</sup> March 2019**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

### I. REGISTRATION AND OTHER DETAILS

i)	CIN	L67200MH1972GOI016133
ii)	Registration Date	22 <sup>nd</sup> November 1972
iii)	Name of the Company	GENERAL INSURANCE CORPORATION OF INDIA
iv)	Category / Sub-Category of the Company	Insurance Company - Public Company Limited by Shares
v)	Address of the registered office and contact details	"Suraksha", 170, J. Tata Road, Churchgate, Mumbai - 400 020. Tel.: (+91-22) 2286 7000; Fax: (+91-22) 2288 4010
vi)	Whether listed company Yes/No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	M/s. Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Financial District, Gachibowli, Hyderabad - 500 032. Telephone no.: +91-40-6716 1562 Fax No.: +91-40-2300 1153 E-mail ID: einward.ris@karvy.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:-

Sr. No.	Name and Description of main products/services	NIC Code of the products/service	% to total turnover of the company
1	Reinsurance	6520	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>India International Ins. Pte Ltd</b> 64 Cecil Street, #04-#05 IOB Building, Singapore 049711		ASSOCIATE	20%	Section 2(6) of Companies Act, 2013
2	<b>GIC Bhutan Re Ltd</b> Post Box No 1679, Near Thimphu Thromde Office, Thimphu, Bhutan		ASSOCIATE	26%	Section 2(6) of Companies Act, 2013

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3	<b>Agriculture Insurance Company India Ltd</b> 13 <sup>th</sup> Floor, Ambadeep Building, 14, Kasturba Gandhi Marg, New Delhi - 110 001, India	CIN: U74999DL2002PLC 118123	ASSOCIATE	35%	Section 2(6) of Companies Act, 2013
4	<b>GIC Re South Africa Ltd</b> 15 Eton Road, Park Town, Johannesburg 2193, South Africa		SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
5	<b>GIC Re, India, Corporate Member Limited, UK</b> Leadenhall Insurance Consultants Ltd, Suite 835, At Lloyd's, One Lime Street, London, England, EC3M 7DQ		SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

During 2018-19, the Corporation, pursuant to the approval of shareholders through postal ballot, issued bonus equity shares in the ratio of 1:1, i.e. 1 (one) equity share of ₹ 5/- each (fully paid up) for every 1 (one) existing equity share of ₹ 5/- each (fully paid up) to the Shareholders of the Corporation, in the month of July 2018.

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	752500000	0	752500000	85.78	1505000000	0	1505000000	85.78	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>752500000</b>	<b>0</b>	<b>752500000</b>	<b>85.78</b>	<b>1505000000</b>	<b>0</b>	<b>1505000000</b>	<b>85.78</b>	<b>0</b>
<b>2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Shareholding of Promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	<b>752500000</b>	<b>0</b>	<b>752500000</b>	<b>85.78</b>	<b>1505000000</b>	<b>0</b>	<b>1505000000</b>	<b>85.78</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	6076009	0	6076009	0.69	13059678	0	13059678	0.74	0.05
b) Banks / FI	14901323	0	14901323	1.70	29692334	0	29692334	1.69	-0.01
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	82402335	0	82402335	9.39	168911464	0	168911464	9.63	0.23
g) FIs / FPIs	2654681	0	2654681	0.30	4603129	0	4603129	0.26	-0.04
h) Foreign Venture	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>106034348</b>	<b>0</b>	<b>106034348</b>	<b>12.09</b>	<b>216266605</b>	<b>0</b>	<b>216266605</b>	<b>12.33</b>	<b>0.24</b>

# Extract of Annual Return - Annexure-III



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.	4053107	0	4053107	0.46	6038493	0	6038493	0.34	-0.12
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13372132	28	13372160	1.52	24475777	1172	24476949	1.40	-0.13
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	94980	0	94980	0.01	1816372	0	1816372	0.10	0.09
c) Others (specify)	1145405	0	1145405	0.13	801581	0	801581	0.05	-0.08
Clearing Members	127745	0	127745	0.01	83710	0	83710	0	-0.01
NBFC	655039	0	655039	0.07	3008	0	3008	0	-0.07
Non-Resident Indians	274920	0	274920	0.03	515150	0	515150	0.03	0
NRI - Non Repatriation	87701	0	87701	0.01	199713	0	199713	0.01	0
<b>Sub-total (B)(2):-</b>	18665624	28	18665652	2.13	33132223	1172	33133395	1.89	-0.24
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	124699972	28	124700000	14.22	249398828	1172	249400000	14.22	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	877199972	28	877200000	100.00	1754398828	1172	1754400000	100.00	0



**ii) Shareholding of Promoters**

Sr. No.	Name of Shareholder	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	<b>President of India</b>	752500000	85.78	0	1505000000	85.78	0	0
	<b>Total</b>	752500000	85.78	0	1505000000	85.78	0	0

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Date	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	At the beginning of the year	01.04.2018	752500000	85.78	0	0
2	Bonus Allotment	18.07.2018	752500000	85.78	1505000000	85.78
3	At the End of the year	31.03.2019	0	0	1505000000	85.78

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of Shareholder	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	<b>LIFE INSURANCE CORPORATION OF INDIA</b>				
	<b>At the beginning of the year</b>	<b>73872862</b>	<b>8.42</b>	-	-
	Purchase(s) prior to bonus	2077689	0.24	75950551	8.66
	Sale(s) prior to bonus	-	-	75950551	8.66
	Bonus shares	75901967	8.65	151852518	8.66
	Purchase(s) post bonus	-	-	151852518	8.66
	Sale(s) post bonus	-	-	151852518	8.66
	<b>At the end of the year</b>	-	-	<b>151852518</b>	<b>8.66</b>
2	<b>THE NEW INDIA ASSURANCE COMPANY LIMITED</b>				
	<b>At the beginning of the year</b>	<b>6042485</b>	<b>0.69</b>	-	-
	Purchase(s) prior to bonus	-	-	6042485	0.69
	Sale(s) prior to bonus	-	-	6042485	0.69

# Extract of Annual Return - Annexure-III



Sr. No.	Name of Shareholder	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
	Bonus shares	6042485	0.69	12084970	0.69
	Purchase(s) post bonus	-	-	12084970	0.69
	Sale(s) post bonus	-	-	12084970	0.69
	<b>At the end of the year</b>	-	-	<b>12084970</b>	<b>0.69</b>
<b>3</b>	<b>ICICI PRUDENTIAL EQUITY &amp; DEBT FUND*</b>				
	<b>At the beginning of the year</b>	-	-	-	-
	Purchase(s) prior to bonus	56596	0.01	56596	0.01
	Sale(s) prior to bonus	(9767)	-	46829	0.01
	Bonus shares	46516	0.01	93345	0.01
	Purchase(s) post bonus	5089088	0.29	5182433	0.30
	Sale(s) post bonus	(127462)	(0.01)	5054971	0.29
	<b>At the end of the year</b>	-	-	<b>5054971</b>	<b>0.29</b>
<b>4</b>	<b>STATE BANK OF INDIA</b>				
	<b>At the beginning of the year</b>	<b>3958350</b>	<b>0.45</b>	-	-
	Purchase(s) prior to bonus	-	-	3958350	0.45
	Sale(s) prior to bonus	-	-	3958350	0.45
	Bonus shares	3958350	0.45	7916700	0.45
	Purchase(s) post bonus	-	-	7916700	0.45
	Sale(s) post bonus	(5650)	-	7911050	0.45
	<b>At the end of the year</b>	-	-	<b>7911050</b>	<b>0.45</b>
<b>5</b>	<b>PUNJAB NATIONAL BANK</b>				
	<b>At the beginning of the year</b>	<b>3865850</b>	<b>0.44</b>	-	-
	Purchase(s) prior to bonus	-	-	3865850	0.44
	Sale(s) prior to bonus	-	-	3865850	0.44
	Bonus shares	3865850	0.44	7731700	0.44
	Purchase(s) post bonus	-	-	7731700	0.44
	Sale(s) post bonus	-	-	7731700	0.44
	<b>At the end of the year</b>	-	-	<b>7731700</b>	<b>0.44</b>
<b>6</b>	<b>L&amp;T MUTUAL FUND TRUSTEE LTD - L&amp;T EQUITY FUND</b>				
	<b>At the beginning of the year</b>	<b>2542127</b>	<b>0.29</b>	-	-

Sr. No.	Name of Shareholder	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
	Purchase(s) prior to bonus	131964	0.02	2674091	0.31
	Sale(s) prior to bonus	-	-	2674091	0.31
	Bonus shares	2674091	0.31	5348182	0.31
	Purchase(s) post bonus	593186	0.03	5941368	0.34
	Sale(s) post bonus	-	-	5941368	0.34
	<b>At the end of the year</b>	-	-	<b>5941368</b>	<b>0.34</b>
<b>7</b>	<b>NATIONAL INSURANCE COMPANY LTD</b>				
	<b>At the beginning of the year</b>	<b>1166696</b>	<b>0.13</b>	-	-
	Purchase(s) prior to bonus	-	-	1166696	0.13
	Sale(s) prior to bonus	-	-	1166696	0.13
	Bonus shares	1166696	0.13	2333392	0.13
	Purchase(s) post bonus	-	-	2333392	0.13
	Sale(s) post bonus	-	-	2333392	0.13
	<b>At the end of the year</b>	-	-	<b>2333392</b>	<b>0.13</b>
<b>8</b>	<b>ANDHRA BANK</b>				
	<b>At the beginning of the year</b>	<b>2319512</b>	<b>0.26</b>	-	-
	Purchase(s) prior to bonus	-	-	2319512	0.26
	Sale(s) prior to bonus	-	-	2319512	0.26
	Bonus shares	2319512	0.26	4639024	0.26
	Purchase(s) post bonus	-	-	4639024	0.26
	Sale(s) post bonus	-	-	4639024	0.26
	<b>At the end of the year</b>	-	-	<b>4639024</b>	<b>0.26</b>
<b>9</b>	<b>UTI - TOP 100 FUND*</b>				
	<b>At the beginning of the year</b>	<b>2260142</b>	<b>0.26</b>	-	-
	Purchase(s) prior to bonus	58796	0.01	2318938	0.27
	Sale(s) prior to bonus	(500348)	(0.06)	1818590	0.21
	Bonus shares	1819270	0.21	3637860	0.21
	Purchase(s) post bonus	55757	-	3693617	0.21
	Sale(s) post bonus	(3411691)	(0.19)	281926	0.02
	<b>At the end of the year</b>	-	-	<b>281926</b>	<b>0.02</b>

## Extract of Annual Return - Annexure-III



Sr. No.	Name of Shareholder	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
<b>10</b>	<b>UNION BANK OF INDIA</b>				
	<b>At the beginning of the year</b>	<b>1546338</b>	<b>0.18</b>	-	-
	Purchase(s) prior to bonus	-	-	1546338	0.18
	Sale(s) prior to bonus	-	-	1546338	0.18
	Bonus shares	1546338	0.18	3092676	0.18
	Purchase(s) post bonus	3092676	0.18	6185352	0.36
	Sale(s) post bonus	(3092676)	(0.18)	3092676	0.18
	<b>At the end of the year</b>	-	-	<b>3092676</b>	<b>0.18</b>
<b>11</b>	<b>BANK OF BARODA</b>				
	<b>At the beginning of the year</b>	<b>1546338</b>	<b>0.18</b>	-	-
	Purchase(s) prior to bonus	-	-	1546338	0.18
	Sale(s) prior to bonus	-	-	1546338	0.18
	Bonus shares	1546338	0.18	3092676	0.18
	Purchase(s) post bonus	3092676	0.18	6185352	0.36
	Sale(s) post bonus	(3092676)	(0.18)	3092676	0.18
	<b>At the end of the year</b>	-	-	<b>3092676</b>	<b>0.18</b>
<b>12</b>	<b>INTEGRATED CORE STRATEGIES ASIA PTE LTD*</b>				
	<b>At the beginning of the year</b>	<b>1281064</b>	<b>0.15</b>	-	-
	Purchase(s) prior to bonus	-	-	1281064	0.15
	Sale(s) prior to bonus	(63061)	(0.01)	1223107	0.14
	Bonus shares	1220110	0.14	2443217	0.14
	Purchase(s) post bonus	-	-	2443217	0.14
	Sale(s) post bonus	(484958)	(0.03)	1953155	0.11
	<b>At the end of the year</b>	-	-	<b>1953155</b>	<b>0.11</b>

**Note:**

- (i) The shares of the Corporation are traded on a daily basis and hence the date-wise increase / decrease in shareholding are not indicated.
- (ii) During 2018-19, the Corporation had issued bonus shares in the ratio of one equity share of ₹ 5/- each for one existing equity share of ₹ 5/- each in July 2018.

\*Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

**(v) Shareholding of Directors and Key Managerial Personnel**

**Shareholding of Smt. Alice G. Vaidyan (Chairman cum Managing Director) (On behalf of President of India)**

Sr. No.	Particulars	Date	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	At the beginning of the year	01.04.2018	40	-	-	-
2	Transferred to President of India's account <sup>#</sup>	02.06.2018	(40)	-	-	-
3	At the End of the year	31.03.2019	-	-	-	-

**Shareholding of Shri Yekkelikar Ramulu (Director)\* (On behalf of President of India)**

Sr. No.	Particulars	Date	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	At the beginning of the year	01.04.2018	40	-	-	-
2	Transferred to President of India's account <sup>#</sup>	02.06.2018	(40)	-	-	-
3	At the End of the year	31.03.2019	-	-	-	-

**\*Ceased to be Director w.e.f. 31.05.2018**

**Shareholding of Shri Ravi Mital (Government Nominee Director) (On behalf of President of India)**

Sr. No.	Particulars	Date	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	At the beginning of the year	01.04.2018	80	-	-	-
2	Transferred to President of India's account <sup>#</sup>	02.06.2018	(80)	-	-	-
3	At the End of the year	31.03.2019	-	-	-	-



**Shareholding of Smt. Usha Sangwan\* (Director) (On behalf of President of India)**

Sr. No.	Particulars	Date	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	At the beginning of the year	01.04.2018	40	-	-	-
2	Transferred to President of India's account <sup>#</sup>	02.06.2018	(40)	-	-	-
3	At the End of the year	31.03.2019	-	-	-	-

\* Ceased to be Director w.e.f. 29.09.2018

<sup>#</sup> The shares were held by Directors on behalf of President of India, Promoter of the Corporation and the same were transferred to President of India's account on 02.06.2018.

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

(Amount in ₹)

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director / Whole Time Director / Manager

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Smt. Alice G. Vaidyan	Shri Y. Ramulu (upto 31.05.2018)	Smt. Sashikala Muralidharan	Smt. Usha Ramaswamy (w.e.f. 01.08.2018)	
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) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	30,86,837 4,38,691 -	3,70,450 3,12,183 -	22,56,108 3,48,311 -	15,26,132 2,55,307 -	72,39,527 13,54,492 -
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify					
	i) Corporation's contribution to PF	2,65,320	25,320	1,46,692	92,464	5,29,796
	<b>Total (A)</b>	<b>37,90,848</b>	<b>7,07,953</b>	<b>27,51,111</b>	<b>18,73,903</b>	<b>91,23,815</b>
	Ceiling as per the Act	Not Applicable				

Note: Smt. Sashikala Muralidharan was appointed as Chief Financial Officer w.e.f. 01.08.2018 and the Total Remuneration drawn by her i.e. ₹ 2,751,111/- is inclusive of the amount (₹ 1,876,811/-) drawn by her as a Chief Financial Officer of the Corporation.

**B. Remuneration to other directors**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors							
		Smt. Usha Sangwan (Ceased to be Director w.e.f. 29.09.2018)	Shri G. Srinivasan (Ceased to be Director w.e.f. 31.07.2018)	Shri Ravi Mital	Shri Atanu Kumar Das	Shri G.B. Pande	Shri A.P. Singh	Shri V. Ramasamy	Total
1	Independent Directors								
	• Fee for attending board/ committee meetings • Commission • Others, please specify	NIL	NIL	N.A.	NIL	2,00,000	2,00,000	1,30,000	5,30,000
	Total (1)	NIL	NIL	N.A.	NIL	2,00,000	2,00,000	1,30,000	5,30,000
2.	Other Non-Executive Directors								
	• Fee for attending board/ committee meetings • Commission • Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	2,00,000	2,00,000	1,30,000	5,30,000
	<b>Total Managerial Remuneration</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>2,00,000</b>	<b>2,00,000</b>	<b>1,30,000</b>	<b>5,30,000</b>
	Overall Ceiling as per the Act	Not Applicable							

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

Key Managerial Personnel includes Key Managerial Personnel as defined under Section 203(1) of the Companies Act, 2013 and as defined under Corporate Governance Guidelines issued by IRDAI, for insurers in India.

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel						
		Company Secretary	Chief Financial Officer		Chief Marketing Officer		Chief Investment Officer	
		Smt. Suchita Gupta, G M	Smt. Sashikala Muralidharan (w.e.f. 01.08.2018), G M	Shri V. C. Jain (upto 31.07.2018), G M	Shri Pauly Sukumar (upto 30.06.2018), G M	Shri Deepak Godbole (w.e.f. 01.08.2018), G M	Shri Uttam Kumar Sharma (upto 31.07.2018), DGM	Shri Shashikant N. More (w.e.f. 01.08.2018), G M
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,69,401	15,53,134	7,03,827	5,18,484	15,02,596	2,42,632	15,56,300
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3,00,959	2,25,011	1,22,016	3,84,661	1,88,717	1,04,244	3,60,950
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961							
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-	-	-
5	Others, please specify							
	i) Corporation's contribution to PF	1,36,856	98,666	46,720	34,062	90,939	41,708	93,000
	<b>Total (A)</b>	<b>26,07,216</b>	<b>18,76,811</b>	<b>8,72,563</b>	<b>9,37,207</b>	<b>17,82,252</b>	<b>3,88,584</b>	<b>20,10,250</b>
	Ceiling as per the Act	Not Applicable						

# Extract of Annual Return - Annexure-III



(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel						
		Chief of Internal Audit			Chief Risk Officer	Chief Underwriting Officer	Appointed Actuary	Actuary
		Shri D.R. Waghela (upto 31.05.2018), G M	Shri Devesh Srivastava (from 01.08.2018 upto 10.10.2018), G M	Smt. Reena Bhatnagar (w.e.f. 11.10.2018), G M	Smt. Madhulika Bhaskar, G M	Smt. Usha Ramaswamy (w.e.f. 01.08.2018), G M	Smt. Priscilla Sinha (Upto 31.12.2018), Appointed Actuary (Non-Life)	Shri Ajai Kumar Tripathi (w.e.f. 20.11.2018), Appointed Actuary (Life)
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,50,259	5,93,073	11,62,524	22,03,681	15,26,132	59,40,902	17,53,333
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	64,224	2,48,955	1,41,280	1,06,070	2,55,307	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-	-	-
5	Others, please specify							
	i) Corporation's contribution to PF	23,902	66,255	69,799	1,34,095	92,464	-	-
	<b>Total (A)</b>	<b>4,38,385</b>	<b>9,08,283</b>	<b>13,73,603</b>	<b>24,43,846</b>	<b>18,73,903</b>	<b>59,40,902</b>	<b>17,53,333</b>
	Ceiling as per the Act	Not Applicable						



(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		General Manager(GM)				
		Shri Deepak Prasad	Shri Sushil Kumar (upto 31.12.2018)	Shri B. N. Narasimhan (Upto 10.05.2018)	Shri Devesh Srivastava	Smt. Reena Bhatnagar
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,54,247	17,54,391	2,25,971	15,58,752	24,23,360
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	94,877	5,83,297	26,016	4,73,273	2,99,810
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify					
	i) Corporation's contribution to PF	1,41,116	1,05,774	15,447	1,25,987	1,45,714
	<b>Total (A)</b>	<b>24,90,240</b>	<b>24,43,462</b>	<b>2,67,434</b>	<b>21,58,012</b>	<b>28,68,884</b>
	Ceiling as per the Act	Not Applicable				

Note:

- (i) Shri Devesh Srivastava was appointed as Chief of Internal Audit for the period 01.08.2018 to 10.10.2018 and therefore, the Total Remuneration drawn by him i.e. ₹ 21,58,012/- is inclusive of the amount (₹ 908,283/-) drawn by him as a Chief of Internal Audit of the Corporation for the mentioned period.
- (ii) Smt. Reena Bhatnagar was appointed as Chief of Internal Audit w.e.f. 11.10.2018 and the Total Remuneration drawn by her i.e. ₹ 28,68,884/- is inclusive of the amount (₹ 13,73,603/-) drawn by her as a Chief of Internal Audit of the Corporation. Her Remuneration includes arrears of Salary of ₹ 1,76,195/- for the period November 2016 to October 2018.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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



## Certificate on Corporate Governance - Annexure-IV

To,  
The Members,  
**General Insurance Corporation of India**  
**CIN: L67200MH1972GOI016133**  
'SURAKSHA', 170, J. Tata Road,  
Churchgate  
Mumbai – 400 020

We have examined all relevant records of **General Insurance Corporation of India** ('the Company') for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended **31<sup>st</sup> March, 2019**, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Chapter IV and Para C, D, and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') as referred to in Regulation 15(2) of the LODR.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management and our examination was limited to the procedure and implementation thereof.

In our opinion and to the best of our information and according to the explanation given to us and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the conditions of Corporate Governance as specified in the LODR.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For S. N. ANANTHASUBRAMANIAN & CO.**  
**Company Secretaries**  
**Firm Registration No. P1991MH040400**

**Malati Kumar**  
**Partner**  
**ACS : 15508**  
**COP No. : 10980**  
**Date : 17th May 2019**  
**Place : Thane**

## Corporate Governance Report

Corporate governance refers to the system of structures, rights, duties and obligations by which corporations are directed and controlled. Governance provides the structure through which corporations set and pursue their objectives, while reflecting the context of the social, regulatory and market environment. GIC Re strongly believes in good corporate governance and aims at being a good corporate citizen. It recognizes the significance of effective corporate governance in achieving the trust and confidence of cedants, intermediaries, regulator and other stake holders.

GIC Re is a fully corporate governance compliant Company. The Corporation follows guidelines issued by IRDAI and other regulatory bodies regarding corporate governance regulatory framework which has been put in place and is discussed as follows:

### Board of Directors:

The constitution of Board of the Corporation is in compliance with Companies Act, 2013, SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and Corporate Governance Guidelines issued by IRDAI. The Corporation is governed by a Board of Directors under the chairmanship of Chairman-cum-Managing Director. The Board of GIC Re has eight directors which includes four Independent Directors. GIC Re Board has a whole time Chairman. None of the

Directors are related to each other. All the directors have executed a deed of covenant with the Corporation.

- The Board provides overall direction to the business, including projections on the capital requirements, revenue streams, expenses and profitability;
- It ensures full compliance with the Insurance Act and the regulations framed there under and other statutory requirements applicable to it;
- It addresses conflicts of interest situations;
- It ensures fair treatment of ceding companies and employees;
- It ensures information sharing with and disclosures to stakeholders, including investors, ceding companies, employees, the regulators, consumers, financial analysts and rating agencies;
- It establishes through whistle blowing mechanism an effective channel for encouraging and facilitating employees raising concerns or reporting a possible breach of law or regulations, with appropriate measures to protect against retaliation against reporting employees; a whistle blowing Policy has been put in place;
- It provides a conducive environment for developing a corporate culture that recognizes and rewards adherence to ethical standards.

### Composition of Board of Directors

The composition of Board of Directors as on 31<sup>st</sup> March 2019:

DIN No.	Name of the Director	Category	Designation
07394437	Smt. Alice G. Vaidyan	Executive Director	Chairman cum Managing Director
06507252	Shri Ravi Mital	Non-Executive Director	Government Nominee Director
07758968	Shri A. K. Das	Non-Executive Director	Independent Director
00490988	Shri V. Ramasamy	Non-Executive Director	Independent Director
01174568	Shri G. B. Pande	Non-Executive Director	Independent Director
01725925	Shri A. P. Singh	Non-Executive Director	Independent Director
08036523	Smt. Sashikala Muralidharan	Executive Director	Whole Time Director
08190310	Smt. Usha Ramaswamy	Executive Director	Whole Time Director

### Changes in the Composition of the Board during the year:

Shri Y. Ramulu ceased to be Director of the Corporation w.e.f. 31.05.2018.

Shri C. R. Vijayan was appointed as Whole time Director of the Corporation w.e.f. 01.06.2018 and ceased to be Director w.e.f. 31.07.2018.

Shri G. Srinivasan ceased to be Director of the Corporation w.e.f. 31.07.2018.

Smt. Usha Ramaswamy was appointed as Whole Time Director of the Corporation w.e.f. 01.08.2018.

Smt. Usha Sangwan ceased to be Director of the Corporation w.e.f. 29.09.2018.

The Directors wish to place on record the co-operation received from Shri Y. Ramulu, Shri C. R. Vijayan, Shri G. Srinivasan and Smt. Usha Sangwan during their tenure as Directors on the Board and also for their valuable contribution to the cause of the General Insurance Industry.

### Board Meetings

Six (06) Board Meetings were held during the Financial Year on the following dates:

25.05.2018	30.07.2018	05.09.2018
13.11.2018	08.02.2019	25.03.2019

### STATEMENT SHOWING NUMBER OF BOARD MEETINGS AND ANNUAL GENERAL MEETING ATTENDED BY THE DIRECTORS DURING THE PERIOD APRIL 2018 TO MARCH 2019

Name of Directors	Date of Meetings						Last AGM held on 05.09.2018
	25.05.18	30.07.18	05.09.18	13.11.18	08.02.19	25.03.19	
Smt. Alice G. Vaidyan	Present	Present	Present	Present	Present	Present	Present
Shri Ravi Mital	Present	Absent	Absent	Absent	Present	Absent	Absent
Smt. Usha Sangwan*	Present	Present	Absent	-	-	-	Present
Shri G. Srinivasan**	Present	Absent	-	-	-	-	-
Shri A. K. Das	Present	Absent	Absent	Absent	Absent	Present	Absent
Shri V. Ramasamy	Present	Absent	Absent	Present	Present	Present	Absent
Shri G. B. Pande	Present	Present	Present	Present	Present	Present	Present
Shri A. P. Singh	Present	Present	Present	Present	Present	Present	Present
Shri Y. Ramulu ***	Present	-	-	-	-	-	-
Smt. Sashikala Muralidharan	Absent	Present	Present	Present	Present	Present	Present
Shri C. R. Vijayan#	-	Present	-	-	-	-	-
Smt. Usha Ramaswamy##	-	-	Present	Present	Absent	Present	Present

\*Ceased to be Director w.e.f. 29.09.2018

\*\* Ceased to be Director w.e.f. 31.07.2018

\*\*\* Ceased to be Director w.e.f. 31.05.2018

# Appointed as Director w.e.f. 01.06.2018

and Ceased to be Director w.e.f. 31.07.2018

## Appointed as Director w.e.f. 01.08.2018

### Directorship of Directors in Other Companies

None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders' Relationship Committee) across all the Indian Public Companies in which he/she is a Director. None of the Directors hold office in more than ten Public Companies. Also, none of the Independent Directors of the Corporation serve as an Independent Director in more than seven listed companies.

Necessary disclosures regarding their Committee positions have been made by all the Directors as detailed below:

Name of Directors	Details of directorship in companies	Category of directorship in Listed Entity	Membership held in Committees as specified in Regulation 26 of SEBI (LODR) Regulations, 2015
Smt. Alice G. Vaidyan	<b>A. Listed Entity</b> 1. GIC Housing Finance Ltd.  <b>B. Other Entity</b> 1. ECGC Limited 2. GIC Re South Africa Ltd. 3. Kenindia Assurance Company Ltd. 4. Health Insurance TPA India Ltd. 5. Asian Reinsurance Corporation 6. Life Insurance Corporation of India 7. Indian Register of Shipping 8. International Insurance Society 9. Agriculture Insurance Company of India Ltd.	Non-Executive - Non Independent Director, Chairperson related to Promoter	Member - Audit Committee - ECGC Limited
Shri Ravi Mital	<b>A. Listed Entity</b> 1. Punjab National Bank  <b>B. Other Entity</b> 1. National Investment and Infrastructure Fund Trustee Ltd.	Non-Executive - Nominee Director	1. Member - Audit Committee - Punjab National Bank
Shri A. K. Das	<b>A. Listed Entity</b> 1. Bank of India  <b>B. Other Entity</b> 1. Bank of India (Botswana) Ltd. 2. SWIFT India Domestic Services Pvt. Ltd. 3. BOI Shareholding Ltd.	Executive Director	1. Member - Audit Committee - Bank of India  2. Member - Stakeholders' Relationship Committee - Bank of India
Shri V. Ramasamy	<b>A. Listed Entity</b> 1. GIC Housing Finance Ltd.  <b>B. Other Entity</b> NIL	Non-Executive - Independent Director	1. Chairman - Audit Committee - GIC Housing Finance Ltd.
Shri G. B. Pande	NIL	N.A.	NIL



Name of Directors	Details of directorship in companies	Category of Directorship in Listed Entity	Membership held in Committees as specified in Regulation 26 of SEBI (LODR) Regulations, 2015
Shri A. P. Singh	<b>A. Listed Entity</b> 1. Ballarpur Industries Ltd. <b>B. Other Entity</b> NIL	Non-Executive - Independent Director	1. Member - Audit Committee - Ballarpur Industries Ltd.
Smt. Sashikala Muralidharan	<b>A. Listed Entity</b> 1. GIC Housing Finance Ltd. <b>B. Other Entity</b> 1. IDBI Trusteeship Services Limited	Non-Executive - Non Independent Director	1. Member - Audit Committee - GIC Housing Finance Ltd. 2. Member - Stakeholders' Relationship Committee - GIC Housing Finance Ltd. 3. Member - Audit Committee - IDBI Trusteeship Services Limited
Smt. Usha Ramaswamy	<b>A. Listed Entity</b> 1. GIC Bhutan Reinsurance Co. Ltd. - Foreign Listed Entity <b>B. Other Entity</b> NIL	Director	NIL

### SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Name of Directors	No. of Shares held
Shri Ravi Mital*	80
Smt. Usha Sangwan*	40

\*The shares were held on behalf of President of India, Promoter of the Corporation and the same have been transferred to President of India's account on 2<sup>nd</sup> June 2018.

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarised with their roles, rights and responsibilities in the Corporation as well as with the nature of industry and business model of the Corporation through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, business overview, digitisation initiatives in policy issuance and servicing processes, key regulatory developments, governance, strategy, investment, human resource and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the

Corporation and can be accessed on the link: <https://www.gicofindia.com/images/pdf/Details-of-Familiarization-Programme-2018-19-for-Independent-Directors.pdf>

### SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Corporation which are currently available with the Board:

- Guiding corporate strategies, major plans of actions, risk policy, internal controls etc.
- Ensuring the integrity of the Corporation's accounting, financial reporting systems and also ensuring that there are appropriate systems of operational and financial controls in place.
- Monitoring and managing potential conflict of interests amongst senior management, members of the BOD and other stakeholders.

## DECLARATION BY INDEPENDENT DIRECTORS

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

## COMMITTEES OF THE BOARD

General Insurance Corporation of India has eight Board level Committees, viz. Audit Committee, Investment Committee, Corporate Social Responsibility Committee, Risk Management Committee, Nomination & Remuneration

Committee, Human Resource Committee, Stakeholders' Relationship Committee and Ethics Committee.

## AUDIT COMMITTEE

In compliance with Section 177 of the Companies Act, 2013, GIC Re has an Audit Committee which is headed by an Independent Director.

- The Audit Committee oversees the financial statements and disclosure processes both on an annual and quarterly basis. It sets up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- The Committee oversees the efficient functioning of the internal audit department and review its reports and monitors the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.
- The Committee is responsible for the recommendation of the appointment, remuneration, performance and oversight of the work of the auditors (internal/statutory/concurrent).

The composition of Audit Committee as on 31<sup>st</sup> March 2019 was as follows:

Sr. No.	Name	Category	Designation
1	Shri V. Ramasamy	Chairman	Independent Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Shri A. K. Das	Member	Independent Director
4	Shri A. P. Singh	Member	Independent Director
5	Shri G. B. Pande	Member	Independent Director

## STATEMENT SHOWING NUMBER OF AUDIT COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2018 TO MARCH 2019

Name of Members	Date of Meetings					
	25.05.18	30.07.18	05.09.18	13.11.18	08.02.19	25.03.19
Shri Ravi Mital	Present	Absent	Absent	Absent	Present	Absent
Smt. Usha Sangwan*	Present	Present	Absent	-	-	-
Shri A. K. Das	Present	Absent	Absent	Absent	Absent	Present
Shri V. Ramasamy	Present	Absent	Absent	Present	Present	Present
Shri A. P. Singh	Present	Present	Present	Present	Present	Present
Shri G. B. Pande	Present	Present	Present	Present	Present	Present

\* Ceased to be Director w.e.f. 29.09.2018

### INVESTMENT COMMITTEE

GIC Re has an Investment Committee consisting of the CMD, 3 Non-Executive Directors, 2 Executive Directors, Chief Investment Officer, Chief Financial Officer and Chief Risk Officer.

- The Committee lays down annual investment policy and provides oversight to investment operations of the Corporation.
- The policy focuses on a prudential Asset Liability Management (ALM) supported by robust internal control systems. The investment policy and operational

framework inter alia, encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments and above all protection of policyholders' funds.

- The Committee is responsible for a periodic review of the Investment policy based on the performance of investments and the evaluation of dynamic market conditions.

The composition of Investment Committee as on 31<sup>st</sup> March 2019 was as follows:

Sr. No.	Name	Category	Designation
1	Smt. Alice G. Vaidyan	Chairman	Chairman cum Managing Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Shri A. K. Das	Member	Independent Director
4	Shri V. Ramasamy	Member	Independent Director
5	Smt. Sashikala Muralidharan	Member	Executive Director & Chief Financial Officer
6	Smt. Usha Ramaswamy	Member	Executive Director
7	Shri S. N. More	Member	Chief Investment Officer
8	Smt. Madhulika Bhaskar	Member	Chief Risk Officer

### STATEMENT SHOWING NUMBER OF INVESTMENT COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2018 TO MARCH 2019

Name of Members	Date of Meetings				
	25.05.18	30.07.18	13.11.18	08.02.19	25.03.19
Smt. Alice G. Vaidyan	Present	Present	Present	Present	Present
Shri Ravi Mital	Present	Absent	Absent	Present	Absent
Smt. Usha Sangwan*	Present	Present	-	-	-
Shri G. Srinivasan**	Absent	Absent	-	-	-
Shri A. K. Das	Present	Absent	Absent	Absent	Present
Shri Y. Ramulu***	Present	-	-	-	-
Shri V. Ramasamy	Present	Absent	Present	Present	Present
Smt. Sashikala Muralidharan (CFO)®	Absent	Present	Present	Present	Present
Smt. Usha Ramaswamy®	-	-	Present	Absent	Present

Name of Members	Date of Meetings				
Shri V. C. Jain (CFO)***	Present	Present	-	-	-
Shri Uttam K. Sharma (CIO)#	Present	Present	-	-	-
Shri S. N. More (CIO)**	-	-	Present	Present	Present
Smt. Madhulika Bhaskar (CRO)	Present	Present	Present	Present	Present
Smt. Priscilla Sinha, Actuary###	Present	Present	Present	-	-

\*Ceased to be Director w.e.f. 29.09.2018

\*\* Ceased to be Director w.e.f. 31.07.2018

\*\*\* Ceased to be Director w.e.f. 31.05.2018

#Ceased to be CIO w.e.f. 31.07.2018

@ Appointed as CFO w.e.f. 01.08.2018

@@ Appointed as Director w.e.f. 01.08.2018

@@@Ceased to be CFO w.e.f. 31.07.2018

## Appointed as CIO w.e.f. 01.08.2018

###Ceased to be Actuary w.e.f. 31.12.2018

## NOMINATION & REMUNERATION COMMITTEE

The terms of reference of Nomination and Remuneration Committee is as prescribed under Section 178 of the Companies Act, 2013 except to the extent of exemptions granted to Government Companies.

- The Nomination and Remuneration Committee shall comprise of three directors, all of whom shall be non-executive directors, and at least fifty percent of the directors shall be independent directors;
- The Chairperson of the Corporation (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee, but shall not chair such Committee;
- To evaluate the performance of Chairman-cum- Managing Director of the Corporation for the entitlement of Performance Linked Incentives, subject to achievement of broad quantitative parameters fixed for performance evaluation matrix based on the Statement of Intent (SOI) on Goals and qualitative parameters and benchmarks based on various compliance reports during the last financial year;
- To take on record the appointment and removal of directors, including independent directors, by the President of India acting through the respective ministries;

The composition of Nomination and Remuneration Committee as on 31<sup>st</sup> March 2019 was as follows:

Sr. No.	Name	Category	Designation
1	Shri V. Ramasamy	Chairman	Independent Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Shri A. K. Das	Member	Independent Director

## STATEMENT SHOWING NUMBER OF NOMINATION & REMUNERATION COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2018 TO MARCH 2019:

Name of Members	Date of Meetings
	27.09.18
Shri Ravi Mital	Absent
Smt. Usha Sangwan*	Present
Shri V. Ramasamy	Present
Shri A. K. Das	Absent

\*Ceased to be Director w.e.f. 29.09.2018

### PERFORMANCE EVALUATION

A formal annual evaluation of the performance of the Board, its committees and individual directors has been carried out by the Board of Directors of the Corporation while performance evaluation of the Independent directors has been done by Non-Independent Directors. In the evaluation of Directors, the directors being evaluated had not participated.

### RISK MANAGEMENT COMMITTEE

The Corporation has a Risk Management Committee of the Board of Directors and a Risk Management Committee (RMC) of the Management consisting of 1 Director, 2 General Managers, Chief Risk Officer (CRO) and Chief Investment Officer (CIO).

- The Committee is supervising implementation of

Enterprise Risk Management (ERM) framework which is expected to put in place a robust ERM system for effectively and efficiently managing the various risk exposures;

- The Committee assists the Board in effective operation of the risk management system by performing specialized analysis and quality reviews; maintaining a group-wide and aggregated view on the risk profile of the insurer in addition to the solo and individual risk profile;
- Report to the Board details on the risk exposures and the actions taken to manage the exposures;
- Advice the Board with regard to risk management; decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.

The composition of Risk Management Committee of the Board as on 31<sup>st</sup> March 2019 was as follows:

Sr. No.	Name	Category	Designation
1	Smt. Alice G. Vaidyan	Chairman	Chairman cum Managing Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Shri A. K. Das	Member	Independent Director
4	Shri A. P. Singh	Member	Independent Director
5	Smt. Sashikala Muralidharan	Member	Executive Director
6	Smt. Usha Ramaswamy	Member	Executive Director

The members of the Risk Management Committee (Management) are :

- Smt. Sashikala Muralidharan, Director & General Manager
- Shri Deepak Godbole, General Manager
- Smt. Madhulika Bhaskar, General Manager & Chief Risk Officer
- Shri Shashikant N. More, General Manager & Chief Investment Officer

### STATEMENT SHOWING NUMBER OF RISK MANAGEMENT COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2018 TO MARCH 2019

Name of Members	Date of Meetings				
	25.05.18	05.09.18	13.11.18	08.02.19	25.03.19
Smt. Alice G. Vaidyan	Present	Present	Present	Present	Present
Shri Ravi Mital	Present	Absent	Absent	Present	Absent

Name of Members	Date of Meetings				
Smt. Usha Sangwan*	Present	Absent	-	-	-
Shri G. Srinivasan**	Absent	-	-	-	-
Shri A. K. Das	Present	Absent	Absent	Absent	Present
Shri A. P. Singh	Present	Present	Present	Present	Present
Shri Y. Ramulu***	Present	-	-	-	-
Smt. Sashikala Muralidharan	Absent	Present	Present	Present	Present
Smt. Usha Ramaswamy#	-	Present	Present	Absent	Present

\*Ceased as Director w.e.f. 29.09.2018

\*\*\* Ceased as Director w.e.f. 31.05.2018

\*\* Ceased as Director w.e.f. 31.07.2018

# Appointed w.e.f. 01.08.2018

## ETHICS COMMITTEE

GIC Re has put in place a 2-level Ethics Committee of which one is at the management level while the other is at the Board level. The set-up provides a robust support to the

whistle-blowing mechanism where maintenance of confidentiality is of prime importance to provide adequate comfort level to the employees of the Corporation.

The composition of Ethics Committee as on 31<sup>st</sup> March 2019 was as follows:

Sr. No.	Name	Category	Designation
1	Smt. Alice G. Vaidyan	Chairman	Chairman cum Managing Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Shri A. K. Das	Member	Independent Director

The members of the Ethics Committee (Management) are:

1. Shri Deepak Godbole, General Manager
2. Smt. Suchita Gupta, General Manager & Company Secretary

have to contribute 2 percent of three years average net profit for Corporate Social Responsibility.

GIC Re has formed Board level Committee for Corporate Social Responsibility. This committee plays important role to plan, analyze, formulate and execute the CSR policies. GIC Re executes the CSR policies through NGO/Organization which are selected through transparent evaluation process.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

As per section 135 of Companies Act, 2013, companies fulfilling the criteria about Net Worth, Net Profit and Turnover

The composition of Corporate Social Responsibility Committee as on 31<sup>st</sup> March 2019 was as follows:

Sr. No.	Name	Category	Designation
1	Smt. Alice G. Vaidyan	Chairman	Chairman cum Managing Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Shri A. K. Das	Member	Independent Director
4	Shri G. B. Pande	Member	Independent Director
5	Smt. Sashikala Muralidharan	Member	Executive Director
6	Smt. Usha Ramaswamy	Member	Executive Director



**STATEMENT SHOWING NUMBER OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2018 TO MARCH 2019**

Name of Members	Date of Meetings				
	25.05.18	05.09.18	13.11.18	08.02.19	01.03.19
Smt. Alice G. Vaidyan	Present	Present	Present	Present	Present
Shri Ravi Mital	Present	Absent	Absent	Present	Absent
Smt. Usha Sangwan*	Present	Absent	-	-	-
Shri G. Srinivasan**	Absent	-	-	-	-
Shri A. K. Das	Present	Absent	Absent	Absent	Absent
Shri G. B. Pande	Present	Present	Present	Present	Present
Shri Y. Ramulu***	Present	-	-	-	-
Smt. Sashikala Muralidharan	Absent	Present	Present	Present	Present
Smt. Usha Ramaswamy#	-	Present	Present	Absent	Present

\*Ceased to be Director w.e.f. 29.09.2018

\*\* Ceased to be Director w.e.f. 31.07.2018

\*\*\* Ceased to be Director w.e.f. 31.05.2018

# Appointed w.e.f. 01.08.2018

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Board has constituted a Stakeholders' Relationship Committee comprising of Independent and Whole Time Directors to specifically look into the redressal of grievances of shareholders, debenture holders and other Security

holders. Shri A. K. Das, Independent Director is the Chairman of the Committee. Smt. Suchita Gupta, General Manager & Company Secretary is designated as Compliance Officer of the Corporation.

The composition of Stakeholders' Relationship Committee as on 31<sup>st</sup> March 2019 was as follows:

Sr. No.	Name	Category	Designation
1	Shri A. K. Das	Chairman	Independent Director
2	Smt. Alice G. Vaidyan	Member	Chairman cum Managing Director
3	Smt. Sashikala Muralidharan	Member	Executive Director
4	Smt. Usha Ramaswamy	Member	Executive Director

**STATEMENT SHOWING NUMBER OF STAKEHOLDERS' RELATIONSHIP COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2018 TO MARCH 2019**

Name of Members	Date of Meetings		
	25.05.18	18.07.18	13.11.18
Smt. Alice G. Vaidyan	Present	Present	Present
Smt. Usha Sangwan*	Present	Absent	-
Shri Y. Ramulu**	Present	-	-
Shri A. K. Das	-	-	Absent
Smt. Sashikala Muralidharan	Absent	Present	Present
Smt. Usha Ramaswamy***	-	Present	Present

\*Ceased to be Director w.e.f. 29.09.2018

\*\* Ceased to be Director w.e.f. 31.05.2018

\*\*\*Appointed w.e.f. 01.08.2018

**Details of Complaints received and attended during the Financial Year 2018-19 are as given below:**

No. of Complaints pending as on 1 <sup>st</sup> April 2018	0
No. of Complaints received during the year	689
No. of Complaints resolved during the year	689
No. of Complaints pending as on 31 <sup>st</sup> March 2019	0

**GENERAL BODY MEETINGS**

The details of the last three Annual General Meetings of the Members held during the last three years are as follows:

Particulars	2015-16	2016-17	2017-18
<b>Date</b>	28 <sup>th</sup> September 2016	8 <sup>th</sup> September 2017	5 <sup>th</sup> September 2018
<b>Time</b>	3:30 P.M.	1:15 P.M.	3:00 P.M.
<b>Venue</b>	'Suraksha', 170, J. T. Road, Churchgate, Mumbai	'Suraksha', 170, J. T. Road, Churchgate, Mumbai	"Y. B. Chavan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021
<b>No. of Special Resolutions passed</b>	1	NIL	NIL
<b>Purpose/Details of Special Resolution</b>	To seek approval of shareholders for amendment in Articles of Association of the Corporation in order to include clauses in compliance with Disinvestment / IPO process	N.A.	N.A.

The details of Extraordinary General Meetings of the Members held during the last three years are as follows:

Particulars	2015-16	2016-17	2017-18
<b>Date</b>	4 <sup>th</sup> February 2016	4 <sup>th</sup> August 2017	NIL
<b>Time</b>	10:30 A.M.	12.00 P.M.	
<b>Venue</b>	'Suraksha', 170, J. T. Road, Churchgate, Mumbai	'Suraksha', 170, J. T. Road, Churchgate, Mumbai	
<b>No. of Special Resolutions passed</b>	3	4	
<b>Purpose/Details of Special Resolution</b>	To seek approval of shareholders: i) to convert the class of company from 'Private Limited Company' to 'Public Limited Company'. ii) to alter the capital clause of Memorandum of Association consequent to sub-division of shares iii) to adopt the new set of Articles of Association of the Corporation.	To seek approval of shareholders: i) for consolidation of face value of shares of the Corporation. ii) to alter the capital clause of Memorandum of Association consequent to Consolidation of Shares. iii) for amendment of the Articles of Association. iv) for raising of additional capital through Initial Public Offer	

### Postal ballot

During the Financial Year 2018-19, the Corporation approached the shareholders through postal ballot. The Postal Ballot exercise was conducted by Shri Ved Prakash, Practicing Company Secretary of S. Anantha & Ved LLP.

The details of the postal ballot are as follows :

Date of Postal Ballot Notice: 2<sup>nd</sup> June 2018  
Voting Period: 5<sup>th</sup> June 2018 to 4<sup>th</sup> July 2018  
Date of approval: 4<sup>th</sup> July 2018  
Date of Declaration of Result: 6<sup>th</sup> July 2018

Name of the Resolution	Type of Resolution	No. of votes polled	Votes cast in favor		Votes cast against	
			No. of votes	%	No. of votes	%
Approval to capitalize Reserves of the Corporation and to issue Bonus shares	Ordinary Resolution	832533704	832527049	99.99	6655	0

### PROCEDURE FOR POSTAL BALLOT:

As prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

### REMUNERATION OF DIRECTORS:

- The Corporation being a Government Company, the remuneration payable to its Whole-time Directors/ Executive Directors is approved by the Government and advices received through the Administrative Ministry, viz. Ministry of Finance.

- The non-official Directors are paid Sitting Fees for Board Meetings and Sub Committee Meetings of the Board attended by them. The Corporation does not have a policy of paying commission on profits to any of the Directors of the Corporation.
- The remuneration payable to officers below Board level is also approved by the Government of India.

The details of Remuneration paid to all the Directors are disclosed in the Extract of Annual Return - MGT-9 as annexed to the Directors' Report.

#### INDEPENDENT DIRECTORS' MEETING

As provided under Schedule IV of the Companies Act, 2013 and also as per Regulation 25(3) of the SEBI (Listing

Obligations & Disclosure Requirements) Regulations, 2015, separate meeting of Independent Directors was held on 08.02.2019 for performance evaluation of Directors, Board and the Committees. The details of familiarization programme provided to the Independent Directors are also hosted on the website of the Corporation. Being a Government Company, the appointment of all Directors including Independent Directors is being done by the Government of India.

#### KEY MANAGERIAL PERSONNEL

As per section 2(51) and section 203(1) of the Companies Act, 2013, following are the Key Managerial Personnel of the Corporation as on 31<sup>st</sup> March 2019.

Sr. No.	Name	Designation
1	Smt. Alice G. Vaidyan	Chairman cum Managing Director
2	Smt. Alice G. Vaidyan	Chief Executive Officer
3	Smt. Suchita Gupta	Company Secretary
4	Smt. Sashikala Muralidharan*	Chief Financial Officer

\* Shri V. C. Jain ceased to be Chief Financial Officer w.e.f. 31.07.2018 and Smt. Sashikala Muralidharan was appointed as Chief Financial Officer w.e.f. 01.08.2018.

As per IRDA Act, 1999, following are the Key Managerial Personnel of the Corporation as on 31<sup>st</sup> March 2019.

Sr. No.	Name	Designation
1	Smt. Alice G. Vaidyan	Chief Executive Officer
2	Smt. Sashikala Muralidharan	Chief Financial Officer
3	Smt. Usha Ramaswamy <sup>#</sup>	Chief Underwriting Officer
4	Smt. Reena Bhatnagar <sup>##</sup>	Chief of Internal Audit & Financial Advisor
5	Smt. Madhulika Bhaskar	Chief Risk Officer
6	Shri Deepak Godbole*	Chief Marketing Officer
7	Shri Shashikant N. More <sup>**</sup>	Chief Investment Officer
8	Smt. Suchita Gupta	Chief Compliance Officer
9	Shri Deepak Prasad	General Manager
10	Shri Devesh Srivastava	General Manager
11	Shri Ajai Kumar Tripathi <sup>***</sup>	Appointed Actuary (Life Insurance)

# Appointed w.e.f. 01.08.2018

\*Appointed w.e.f. 01.08.2018

##Appointed w.e.f. 11.10.2018

\*\*Appointed w.e.f. 01.08.2018

\*\*\*Appointed w.e.f. 20.11.2018

- Shri D. R. Waghela ceased to be Chief of Internal Audit & Financial Advisor w.e.f. 31.05.2018
- Shri PaulySukumar ceased to be Chief Marketing Officer w.e.f. 30.06.2018
- Shri Uttam Kumar Sharma ceased to be Chief Investment Officer w.e.f. 31.07.2018
- Smt. Priscilla Sinha ceased to be Appointed Actuary w.e.f. 31.12.2018

### MEANS OF COMMUNICATION

Timely disclosure of consistent, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, major steps taken are as under :

#### a. Quarterly Financial Results

The quarterly unaudited financial / yearly audited financial results of the Corporation are announced within the time limits prescribed by the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The results are published in leading business/regional newspapers.

#### b. Website

The Corporation's website [www.gicofindia.com](http://www.gicofindia.com) provides separate section for investors "Investors" where relevant information for shareholders is available.

#### c. News Release

Official News Releases are hosted on Corporation's website: [www.gicofindia.com](http://www.gicofindia.com).

#### d. Annual Report

Annual Report for 2018-19 is circulated to shareholders and others entitled thereto. The Management Discussion & Analysis Report is part of the Annual Report.

### GENERAL SHAREHOLDER INFORMATION

#### a. 47<sup>th</sup> Annual General Meeting

**Date & Time :** Tuesday, 27<sup>th</sup> August 2019 at 3.00 p.m.

**Venue :** "Y. B. Chavan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400021 (Maharashtra)

#### h. Stock Market Data

##### GICRE Share Price

(in ₹)

Year	BSE		NSE	
	High	Low	High	Low
2017-18*	890.00	680.05	899.00	752.50
2018-19**	769.10	206.35	769.90	207.35

\*The Corporation got listed on 25<sup>th</sup> October 2017.

\*\* The Corporation issued bonus equity shares in the ratio 1:1 i.e. 1 (One) Bonus equity share of ₹ 5/- each for every 1 (One) existing equity share of ₹ 5/- each held by the Shareholders, in the month of July, 2018.

#### b. Financial Year: 1<sup>st</sup> April to 31<sup>st</sup> March

The financial calendar (tentative) to approve quarterly/ annual financial results of the Corporation for the financial year 2019-20 is given below:

Quarter ending 30<sup>th</sup> June 2019 : On or before 14.08.2019

Quarter ending 30<sup>th</sup> September 2019 : On or before 14.11.2019

Quarter ending 31<sup>st</sup> December 2019 : On or before 14.02.2020

Quarter & year ending 31<sup>st</sup> March 2020 : On or before 30.05.2020

#### c. Record Date for Final Equity Dividend: Monday, 22<sup>nd</sup> July 2019

#### d. Dividend payment date: A dividend of ₹ 6.75 per share (135%), as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders within the stipulated 30 days period after the AGM as provided under the Companies Act.

#### e. Listing on Stock Exchanges as of 31<sup>st</sup> March 2019:

<b>BSE Limited</b> Phiroze Jeejeeboy Towers, Dalal Street, Mumbai- 400 001	<b>The National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051
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#### f. Listing Fees: The listing fees for Financial Year 2019-20 has been paid to the Stock Exchanges within stipulated time period.

#### g. Stock Code: BSE : 540755 NSE : GICRE ISIN : INE481Y01014

## GICRE Share Price Monthly data

(in ₹)

Months	BSE		NSE	
	High	Low	High	Low
April-2018	751.65	707.45	754.75	708.00
May-2018	765.80	671.00	766.80	670.00
June-2018	740.30	695.00	743.05	695.50
July-2018*	769.10	321.00	769.90	325.10
August-2018	376.00	326.00	374.95	330.00
September-2018	358.90	325.00	358.55	325.00
October-2018	329.70	299.90	332.00	298.00
November-2018	331.00	284.05	329.95	284.05
December-2018	298.85	248.50	299.65	247.10
January-2019	266.05	240.25	266.75	241.00
February-2019	254.95	206.35	255.00	207.35
March-2019	277.50	218.85	277.00	217.35

\* The Corporation issued bonus equity shares in the ratio 1:1 i.e. 1 (One) Bonus equity share of ₹ 5/- each for every 1 (One) existing equity share of ₹ 5/- each held by the shareholders.

**i. Registrar and Transfer Agents**

M/s. Karvy Fintech Private Limited\*

Karvy Selenium, Tower B,

Plot number 31 & 32,

Financial District, Gachibowli

Hyderabad - 500 032.

Contact No.: (040) 6716 1562 Fax No.: (040) 2300 1153

E-mail: einward.ris@karvy.com

\* The operations of Karvy Computershare Private Limited (KCPL), the Registrar and Transfer Agents of the Corporation have been transferred to Karvy Fintech Private Limited (Karvy Fintech) with effect from 17<sup>th</sup> November, 2018 vide Order of the Hyderabad Bench of the National Company Law Tribunal (NCLT Order).

**j. Share Transfer System**

Activities relating to Share Transfers are carried out by M/s. Karvy Fintech Private Limited who are the Registrar and Transfer Agents of the Corporation and who have

arrangements with the Depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited.

**k. Dematerialization of shares and liquidity**

The total number of shares dematerialized as on 31<sup>st</sup> March 2019 is 1,75,43,98,828 representing 99.99% of Issued and Subscribed share capital including shares held by the Government of India. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, w.e.f. 1st April, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository (except in case of transmission or transposition of securities).



## I. Investor correspondence:

- i. Smt. Suchita Gupta  
Company Secretary & Compliance Officer  
E-mail id: investors.gic@gicofindia.com  
'Suraksha', 170, J.T. Road,  
Churchgate, Mumbai - 400020  
Telephone (Board): +91 22 2286 7000
- ii. Shri Hitesh Joshi  
Investor Relations Manager  
Email: investorrelations@gicofindia.com  
'Suraksha', 170 J.T. Road,  
Churchgate, Mumbai - 400020

## m. Credit Ratings:

The Corporation has obtained credit ratings from A.M. Best and CARE for the year ended 31<sup>st</sup> March 2019. The agencies have reaffirmed the Financial strength rating and Claims paying ability rating respectively. Hence, there has been no change in credit ratings from both the rating agencies during the year. The following table provides the ratings obtained during the year.

Rating Agency	Rating	Outlook
A.M. Best	A-	Excellent
CARE	AAA(In)	Stable

## n. Certification from Company Secretary in practice:

Smt. Malati Kumar from S. N. Ananthasubramanian & Co. , Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Corporation has been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed with this report as Annexure "A".

## o. Details of total fees paid to statutory auditors:

The details of total fees for all services payable by the Corporation and its subsidiaries, on a consolidated basis to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

(in ₹)

Payment to Statutory Auditors	2018-19
Audit Fees*	60,00,000
Tax Audit Fees	5,00,000
Other Services	5,17,500
<b>Total</b>	<b>70,17,500</b>

**\*Audit Fees to Statutory Auditors for the Financial Year 2018-19 include ₹ 21,80,000 being increase in Audit fee which is subject to the approval of the Shareholders at the 47<sup>th</sup> AGM to be held on 27<sup>th</sup> August 2019.**

## p. Disclosures pertaining to Sexual Harassment at workplace (Prevention, Prohibition and Redressal) Act, 2013 have been made in the Directors' Report.

## q. Discretionary Requirements:

The status of adoption of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 are as follows:

- a. The Board: The Chairperson of the Corporation is an Executive Chairperson.
- b. Shareholder Rights: Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Corporation's website [www.gicofindia.com](http://www.gicofindia.com).
- c. Modified opinion(s) in audit report: The Corporation has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.
- d. Reporting of Internal Auditor: The Internal Auditors of the Corporation reports directly to the Audit Committee of the Board.

## OTHER DISCLOSURES

- a. During the year 2018-19, there were no material transactions with Directors or their relatives having potential conflict with the interests of the Corporation at large. Being a Government Company, all the Directors of the Corporation are appointed by the Government of

India. There is no relationship inter se between these Directors.

- b. As required under the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, the Corporation has formulated a Related Party Transaction Policy and the same is hosted on the website of the Corporation and can be accessed with the following link <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>. All the related party transactions entered during the year were at arm's length price.
- c. There have been no instances of non-compliance by the Corporation or penalties or strictures imposed on the Corporation by any Stock Exchange or SEBI or any Statutory Authority, on any matter relating to capital markets during the last 3 years.
- d. The Corporation has a Whistle-Blower Policy in place and no personnel have been denied access to the Audit Committee. This policy is hosted on the website of the Corporation [www.gicofindia.com](http://www.gicofindia.com).
- e. The Corporation is complying with the various mandatory and non-mandatory Corporate Governance requirements envisaged under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- f. Web link for accessing policy for determining material subsidiaries <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>.
- g. Web link for accessing policy on dealing with related party transactions <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>.
- h. The Corporation has framed a "Policy on Code of Conduct for Insider Trading" and the same is hosted on the website of our Corporation. The link for accessing this code is <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>.
- i. The Corporation has complied with the applicable conditions of Corporate Governance requirements as specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The link for accessing the details as prescribed under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is [www.gicofindia.com](http://www.gicofindia.com).

#### DECLARATION OF THE CHAIRMAN-CUM-MANAGING DIRECTOR

This is to certify that the Corporation has laid down Code of Conduct for all Board Members and Senior Management of the Corporation and the same are uploaded on the website of the Corporation – <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>.

Further certified that the Members of the Board of Directors and Senior Management Personnel have affirmed and having complied with code as applicable to them during the year ended 31<sup>st</sup> March 2019.

#### CERTIFICATE OF COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Suchita Gupta, hereby certify that the Corporation has complied with the Corporate Governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Sd/-

**(Suchita Gupta)**  
**General Manager &**  
**Company Secretary**

### CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members,**

**General Insurance Corporation of India,**

**CIN L67200MH1972GOI016133**

Suraksha 170,

Jamshedji Tata Road,

Churchgate, Mumbai- 400 020.

We have examined the following documents:

- Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of **General Insurance Corporation of India** ('the Company') bearing CIN: **L67200MH1972GOI016133** and having its registered office at Suraksha 170, Jamshedji Tata Road, Churchgate, Mumbai-400 020, to the Board of Directors of the Company ('the Board') for the Financial Year 2019-20 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed

hereunder for the Financial Year ended 31<sup>st</sup> March, 2019, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment
01	Ms. Alice Geevarghese Vaidyan	07394437	23/01/2016
02	Mr. Govind Ballabh Pande	01174568	29/09/2017
03	Mr. Amarendra Pratap Singh	01725925	29/09/2017
04	Mr. Ravi Mital	06507252	06/07/2017
05	Mr. Ramasamy Venkataraman	00490988	29/09/2017
06	Mr. Atanu Kumar Das	07758968	14/08/2017
07	Ms. Sashikala Muralidharan	08036523	27/12/2017
08	Ms. Usha Ramaswamy	08190310	01/08/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the Financial Year ended 31<sup>st</sup> March, 2019.

**For S. N. ANANTHASUBRAMANIAN & CO.**

**Company Secretaries**

**Firm Registration No. P1991MH040400**

**Malati Kumar**

**Partner**

**ACS : 15508**

**COP No. : 10980**

**Date : 17<sup>th</sup> May 2019**

**Place : Thane**

## Corporate Social Responsibility Report

### CSR ACTIVITIES

Our **Corporate Social Responsibility (CSR)** policy strives to transform India into a risk-aware society from being a risk-averse society. We aim to integrate social, environmental and health concerns of the Indian society into our CSR policy and programs.

Our CSR activities have focused on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions and uplifting the marginalized and under-privileged sections of the society. Nowadays CSR goes beyond charity and requires the company to act beyond its legal obligations. It rests on the ideology of give and take. Companies take resources in the form of raw materials, human resources etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society.

**In the changing business environment, doing well (profit) and doing good (caring) are not mutually exclusive but mutually reinforcing. There has been a paradigm shift from the way business was done earlier to how it should be done today.** It's no longer a question if companies should engage in CSR, it's now a question of to what extent will they do so, and how they will create and communicate real and meaningful impact.

#### REPORT ON CSR ACTIVITIES IN FY 2018-19

1. **Aravind Eye Hospitals** - The Govel Trust a non-profit organization is running **Aravind Eye Hospitals** at Madurai, Theni, Tirunelveli, Coimbatore, Coimbatore City centre, Pondicherry, Tuticorin, Tirupur, Udumalpet, Dindigul, Salem, Chennai and Tirupati. It was founded in 1976 by Dr. G. Venkataswamy as an eleven bedded hospital in a rented facility, with a mission to eliminate needless blindness by providing appropriate, compassionate and high-quality eye care to all. GIC Re have contributed approx. ₹ 2.73 Crore towards their project wherein the main aim is to reduce vision impairment. The project spans over 2 years.
2. **Artificial Limbs Manufacturing Corporation of India (ALIMCO)** - is a Section 8 company functioning under the Administrative Control of Ministry of Social Justice & Empowerment, Department of Empowerment of Persons with Disabilities for providing aid & appliance to the disabled at totally free of cost. The objective of this project is the upliftment of poor and needy disabled beneficiaries by bringing them into main stream of society to lead a normal life through their need assessment and provision of requisite appliances. GIC Re has agreed to conduct 10 camps across PAN India at following places Firozpur, Haridwar, Amravati, Indore, Kozhikode, Aurangabad, Adilabad, Darjeeling, Mysore, Vishakhapatnam. The project cost is ₹ 5 Crore.
3. **Amar Seva Sangam**- It is a premier organization in the field of disability management. GIC Re stands by its commitment to construct Stage 3 and 4 in their school which would have 1 Lab, 3 classrooms, corridors, one toilet each for girls, boys and staff and ramp. The approx. cost of the project is ₹ 1.27 Crore.
4. **Ashray Social Welfare Foundation** - They work in the sectors of Women Empowerment, Community Health and Nutrition, Water and Sanitation, Education, Skill and Community Development. GIC Re has contributed ₹ 19.75 Lakh for a pre-fabricated van which will be used as a medical mobile unit to provide primary health care services. The medical services would be provided in 12 villages of Santalpur Taluka, Gujarat.
5. **Annamrita Foundation** - formerly known as ISKCON Food Relief Foundation, implements the Midday Meal program in municipal, government aided and non-aided schools for the benefit of underprivileged children. We have contributed ₹ 15.20 Lakh for two food delivery vehicles to supply their mid-day meals to the various schools in Mumbai and Jaipur.
6. **Bhagwan Mahavir Viklang Sahyata Samiti**- The main objective of BMVSS is providing mobility and dignity to the amputees especially to those who are below poverty line. They provide amputees and polio patients artificial limbs and other aids and appliances totally free of charge. GIC Re has been associated with them since the last 4 years. This year we have contributed funds for about 3 projects.
  - ₹ 25 Lakh for their Jaipur centre which covers their running expenses for about 3 months.
  - We have committed ₹ 4.04 Crore through BMVSS. The funds have been spent on patients availing their services across the eight centres in Rajasthan viz. Jaipur, Ajmer,

### CSR ACTIVITIES

Bikaner, Jodhpur, Kota, Pali, Udaipur and Bharatpur. This would also include camps conducted in Rajasthan and camps conducted outside Rajasthan through these centres.

- ₹ 6.20 Lakh were spent on a camp conducted through their Ahmedabad centre.
- 7. **Bosco Net** - is a secular organization working towards the goal of empowering the young. It believes in empowering change, especially for the young people who are citizens of tomorrow's world. Their vision is to attain a just and harmonious nation where the youth and marginalized communities are the protagonists of social development through the services rendered by Don Bosco all over South Asia. GIC Re has contributed approx. ₹ 99 Lakh for 5 school buses. They'll be used in Don Bosco schools at Punganur, Ravulapalem in AP and Mariapuram, Wyra in Telangana.
- 8. **Ciigma Health Foundation: CHF** is a healthcare support organization representing the voice of deprived, excluded and vulnerable population especially the Marathwada region in Maharashtra, regardless of their race, creed and gender. It strives to offer effective interventions in health. We have contributed ₹ 24 Lakh for 60 cancer screening camps.
- 9. **Dhan Foundation** - Their mission is to build people and institutions for development innovations and scaling up to enable the poor communities for poverty reduction and self-reliance. GIC Re has been associated with Dhan Foundation since the last financial year.
  - We have already completed a project for construction of compound wall for the girl's orphanage for ₹ 8.99 Lakh.
  - We have also contributed funds for construction of boy's hostel, compound wall and a workshop building for approx. ₹ 2 Crore.
- 10. **Deep Vidya Mandir Samiti** - is an NGO for the empowerment of the people in the underserved rural areas for the past 25 years. They work in the field of Rural and Urban Development, Health, Education and Hunger Dedication Plan of child or eradication of Social Evils. GIC Re has contributed funds for a van and an ambulance. The ambulance will be used to ferry the needy patients in the area and the accident victims to the government

run hospitals. The van will be used to ferry disabled children to and fro to school. GIC Re's contribution stands at ₹ 23 Lakh approx.

- 11. **Impact India Foundation** - Their aim is to act in partnership with the Govt of India as a catalyst to bring together NGOs, Corporate Sectors, Professionals and the Community in mass health projects of national priority using the existing systems and infrastructure. GIC Re sponsored the 195<sup>th</sup> The Lifeline Express (LLE) at Varanasi, UP. The aim was to provide free and modern medical care to the rural and tribal people. GIC Re contributed approx. ₹ 57 Lakh for this health care programme wherein 5419 persons treated / screened.
- 12. **Chief Minister's Disaster Relief Fund (Kerala flood)** - The state of Kerala was hit by flood in the first week of August 2018. The state was in the midst of an unprecedented flood havoc which caused immeasurable misery and devastation and loss of human lives, infrastructure and crop damages have been reported. GIC Re contributed ₹ 3 Crore for this national disaster.
- 13. **Kendriya Sainik Board** - is the apex body of the Central Govt. which looks after the welfare of War-Widows, Armed Forces Veterans (AFVs) and their dependents across the country. The mission of KSB is to provide welfare to the Ex-Servicemen (ESM), Widows, Disabled and Dependents of Armed Forces Veterans and undertake rehabilitation, resettlement and create re-employment opportunities near his / her place of residence. GIC Re will be contributing ₹ 9.60 Crore against penury for 2000 beneficiaries for one year.
- 14. **Language & Learning Foundation** - is an education centered NGO where the focus is to upgrade the skills, talents and positive attitude of the teachers working in Government Schools in rural areas through Capacity Building Programmes. We have contributed funds for capacity building and resource package for the Government School Teachers in Chhattisgarh and Haryana. The total project cost was ₹ 49.25 Lakh.
- 15. **Masoom** - strives to improve the learning environment and the future prospects amongst the less privileged students of the night schools who work during the day and attend the school at night. Masoom functions in 174-



## CSR ACTIVITIES

night schools across Mumbai, Pune, Ahmednagar. Night Schools run in the evening from 6.30 pm to 9.30 pm, to serve the migrant/ working class population of the city who have either dropped out of school in earlier grades or have never gone to school. These students cannot go to day school as they are working during the day or age barriers. GIC Re has contributed ₹ 46 Lakh approx. to bear the partial cost of the 12 night schools. The project will be effective in the next academic year (FY 19-20).

**16. NARMADA Nimar Abhyudaya Rural Management and Development Association-** was started by Ms. Bharati Thakur in 1995 in Mandaleshwar in Madhya Pradesh. Their focus is on education basically formal and informal education to help and motivate children for schooling. GIC Re has helped them construct a ground +2 structure for a school and provided 2 vehicles. The approx. cost of the project is pegged at ₹ 1.45 Crore.

**17. NIA Scholarships** - GIC Re used to support 50% of the fee structure for meritorious students of the PGDM course in NIA (National Insurance Academy). This financial year 3 students were supported. We contributed approx. ₹ 5.61 Lakh.

**18. Contribution to Nagaland Floods** - The North-Eastern state of Nagaland was reeling under the effects of severe flooding and landslides. At least 359 locations across the state were completely cut off, with Kiphre, Tuensang and Phek, bordering Myanmar, isolated for more than 15 days. GIC Re contributed ₹ 3 Crore for this national disaster.

**19. Parivaar Education Society** - is a humanitarian organization inspired by the spiritual and humanistic ideals of Sri Ramakrishna and Swami Vivekananda, with its chief institutions based in West Bengal, and a recent second branch in Madhya Pradesh. Parivaar has worked towards the total care and overall development of children who are highly vulnerable to exploitation, victimization and trafficking, including orphans, street children, abandoned children and extremely impoverished children from tribal areas. We have funded informal education for 2497 tribal children in Devas district of MP which approx. comes to ₹ 2.95 Crore.

**20. Ramakrishna Sarada Mission Matri Bhavan** - is a woman centered and women empowered institution. It

is run fully by women and it seeks to serve poor women and children. Last year it served 45,000 women & children patients through its multi-specialty 100 Bed hospital in Kolkata. It is a charitable hospital which provides high quality medical care either free or at concessional rates or at rates much below the market rates. We have given them funds to purchase 5 vehicles amounting to ₹ 59 Lakh.

**21. Ramakrishna Mission Sevashrama, Vrindavan** - The major focus is on health care services for the poor - they have a 240-bedded charitable hospital in Vrindavan. GIC Re has 2 projects with them:

- Sponsorship of 87 students (of first, second and third year) for the academic year 2018 -19 starting on 1<sup>st</sup> October 2018. The programme would aid in skill development (nursing); GIC Re has contributed ₹ 24.75 Lakh.
- Installation of Solar Photovoltaic (SPV) Power Plant at Ramakrishna Mission Sevashrama (Charitable Hospital), Vrindavan (UP) cost approx. ₹ 1.26 Crore. This plant will be used to harness renewable energy and the generation would be utilized for self-consumption by the hospital in service of poor and unprivileged people of the region.

**22. Rural Development Trust** - has been implementing program activities across various sectors in 3268 villages spread across 102 Revenue Mandals in 4 districts of Andhra Pradesh. The construction of the micro bacterial lab was completed in June 2018. The project in totality costed around ₹ 68 Lakh.

**23. RAIL Sahyog** -The Corporation has gone out of the way to associate with Indian Railways and to try and upgrade their infrastructure, technology and hygiene. Indian Railways had requested for possible collaboration with them for the various initiatives which would impact a large number of people not just the passengers but the entire community living around approx. 8700 stations across the country. 10,000 ten seater benches will be installed across various stations on PAN India locations. The total cost of the project is approx. ₹ 52.25 Crore.

**24. Swachhata Pakhwada**- was started in April 2016 with the objective of bringing a fortnight of intense focus on the issues and practices of Swachhata by engaging GOI



### CSR ACTIVITIES

Ministries/Departments in their jurisdictions. We also come in the same bracket and observe the fortnight diligently. CSR department had organised a lecture on Swachhata Pakhwada by Adv. Afroz Shah, Champion of the Earth, United Nations (UNEP) & a noted expert in the field of Clean India movement on 24<sup>th</sup> January 2019. He has requested GIC employees to volunteer some time for generating awareness among the youth who reside in the slums there to fight the plastic menace.

**25. Sri Sankaradeva Nethralaya** - was established in Guwahati in the year 1994 with a mission to provide quality eye care services through state-of-the-art facilities to the people of the region at affordable cost and equal quality treatment at free of cost to economically unprivileged patients who cannot afford cost of treatment. GIC Re has contributed ₹ 1.15 Crore for purchase of ophthalmic equipments.

**26. Smile Foundation** - GIC Re has initiated a mutli scale project through Smile Foundation to address health issues through their proposal 'Mobile Medical Unit – Smile on Wheels (SoW)'. The project cost is ₹ 4,95,77,004/- and it will be implemented in four locations i.e. 1. Kullu (Himachal Pradesh), 2. West Singhbhum (Jharkhand), 3. Bilaspur (Chhattisgarh) and 4. Mumbai (Maharashtra). The project spans over 3 years.

**27. Shraddha Rehabilitation Foundation** - focusses only on the wandering mentally ill destitute roaming on the streets of India since 1988. The mentally ill destitute picked up from the Mumbai-Pune belt off the streets, and other organisations. The beneficiaries are rehabilitated with various psychosocial interventions depending on their condition. GIC Re has contributed for the sponsorship of 1200 destitute (and mentally ill) which amounts to ₹ 2.84 Crore approx..

**28. Samaritan Help Mission** - is a NGO that has been working in densely-populated, impoverished slums in the Howrah District of West Bengal for 17 years. Its main operations began in Tikiapara in 2001. GIC Re has been associated with SHM since the last few years. This year, the Corporation has funded for two projects:

- Contribution of funds for the construction of a new school building (Ground Floor + 2 Floors) for Samaritan Public

School, Bankra along with full infrastructure for Nursery to Class XII standards. The approx. cost of the project is ₹ 3.36 Crore.

- Upgradation of the existing Rebecca Belilious Charitable Dispensary into Rebecca Belilious Charitable Day Care Hospital with Training and Paramedics. The cost of the project is approx. ₹ 1.51 Crore.

**29. Satya Special School** - The school basically caters to special children in the urban and rural areas of Pondicherry. Their aim is to provide good quality, affordable education and therapy through their well-equipped specialty center. The school caters to approx 929 special children. They have 9 centres in Pondicherry - 6 urban and 3 rural centres. GIC Re has contributed funds for purchase of 2 vans which costed approx. ₹ 24.86 Lakh.

**30. Samarthanum Trust for the Disabled** - It caters to people in need by providing numerous services including quality education, accommodation, nutritious food, vocational training, sports and placement-based rehabilitation. We have collaborated with them for renewable energy. Installation of solar panels were sanctioned for them for approx. ₹ 24.50 Lakh.

**31. S.P. Medical college and P.B. M. Associated Group of Hospitals** - a government run hospital in Bikaner, Rajasthan. We have agreed to contribute funds for installation of their solar system which would eventually help them in reducing their electricity bills. The approx. cost of the project is ₹ 3.67 Crore.

**32. Sainik School Kazhakootam** -The concept of the Sainik School originated in the visionary mind of late V K Krishna Menon, who was our Defence Minister in the early sixties. They aim to establish Sainik Schools originated in order to serve as an ideal residential educational institution for the deserving intelligent sections of the boys, hailing especially from the rural areas of our country. Preparing boys academically, physically and mentally for entry into the National Defence Academy. We have contributed ₹ 20 Lakh for digitalisation of their classrooms.

**33. Shree Pragnachakshu Mahila Seva Kunj** - is one of the organisations which work in the field of visual impairment. SPMSK has 4 branches - one each in

## CSR ACTIVITIES

Umargaon, Surendra Nagar, Morvi and Ahmedabad, basically catering to girls, boys and women with visual disabilities. We have contributed funds for one 33-seater bus to ferry the blind girls going to the college as well as when they need to be dropped off for various programmes or hospital and one Premium Solar Water Heating System at Umargaon Branch. The total cost of both the projects is ₹ 31 Lakh approx.

**34. Seva Mandir:** is running 151 Shiksha Kendras providing education to 6000 children in the tribal areas of Udaipur and Rajsamand district. The program includes stipend of teachers, study material, capacity building of teachers, evaluations, research, program expertise, monitoring etc. which is managed by Seva Mandir. We have contributed approx. ₹ 7.57 Lakh for providing school bags to 4,500 children in 115 Shiksha Kendra.

**35. Stree Mukti Sanghatana** - has been working towards women empowerment for over four decades now. It strives to eliminate all kinds of gender discrimination and to achieve equality, social justice and equal status and further endeavours to translate the rights conferred by the constitution of India into reality by conducting various programmes and activities. With the basic aim for waste segregation, they supplied waste bins at J. J. Hospital situated at Byculla, Mumbai. The approx. cost of the project is ₹ 3.74 Lakh.

**36. SankalpTaru Foundation** - is a NGO that initiates, develops and manages reforestation and environmental conservation projects across India. We had initiated 2 projects on plantation with them - at Barmer, Rajasthan and Leh Ladakh, JK. The objectives of these programmes were 1) To develop a plantation based rural livelihood program, 2) To foster existing plant species, and 3) Promotion of biodiversity in the area. The projects were commenced in FY 15-16 and reached completion this year. GIC Re has contributed ₹ 15 Lakh approx. for these 2 projects in FY 18-19.

**37. The Akshaya Patra Foundation-** meals meet the nutritional requirements of children, complying with the government norms as per the recommendations of qualified nutritionists. Their kitchens are technology-intensive, and can cook a minimum of 100,000 meals in less than four and a half hours with minimum human

intervention and sustained quality. The cooked food is distributed through heat-insulated, dust-free special purpose vehicles.

- GIC Re has contributed funds for three projects- midday meal support for 19800 students at Rourkela and Puri for the FY 18-19 amounting to ₹ 1.82 Crore.

- ₹ 4.85 Crore for feeding 45500 students across Bhilai, Chhattisgarh; Nathdwara, Rajasthan; Nayagarh and Rourkela, Odisha; Lucknow and Vrindavan, UP; Hubli, Karnataka; Guwahati, Assam. The project is for the current academic year.

- TAPF in co-operation with the Pondicherry Government, will be constructing a new rice based Centralized Kitchen which will serve approx. 50,000 government school children every day once it reaches its highest capacity. GIC Re has committed to 50% of the project cost which amounts to ₹ 5.92 Crore. The co-sponsor for this project is New India Assurance Co. Ltd.

**38. TATA Memorial Centre** - TMC is a premier cancer care facility in India which has been at the forefront in the fight against cancer since the past 75 years. They aim to provide comprehensive care in the field of cancer. GIC Re has contributed for 3 projects

- ₹6.30 Crore over a period of 5 years. The project basically aims at women suffering from breast cancer. Approx. 200 women per year will benefit from this programme.

- We have also contributed funds for DDPCR which in layman terms is machine for liquid biopsy. Invasive surgery will be avoided as a result of this machine costing approx. ₹ 49 Lakh, and

- endoscopic machine which is used for treatment of head and neck cancer which costs around ₹ 48 Lakh.

**39. Vanarai** - The major activity involves transforming wasteland into productive, fertile land. GIC Re contributed approx. ₹ 58,000/- for plantation drive conducted at Valhe village, Pune, Maharashtra.

**40. Yerawada Jail Plantation-** The first direct activity for the current year was conducted in the Yerawada Open Jail, Pune, Maharashtra on 28<sup>th</sup> July 2018. 500 mango saplings were planted. ₹ 3 Lakh approx. were spent on this activity.

### ECONOMIC ENVIRONMENT

The global economy is reported to have grown at 3.6% in 2018 and started slowing during the second half of the last year reflecting a confluence of factors affecting major economies. According to IMF estimates global growth is projected to decelerate to 3.3% in 2019 before returning to 3.6% in 2020. The US economy continued its longest expansion in the recorded history while growth in Euro area decelerated in second half of 2018 due to combination of slowing external demand and domestic factors. After slowdown in 2018, economic growth in China stabilized in early 2019 and is expected to moderate amid rising trade tensions. Prolonged trade tensions, uncertainty relating to Brexit, rising geo-political uncertainties, tightening of financial conditions etc. might weigh on the global growth prospects.

India continued to be the fastest growing large economy, however the domestic economic growth decelerated to 6.8% in 2018-19. Economy is expected to grow at 7.2% during 2019-20 with growth picking up towards the second half of the fiscal year. During 2018-19, Agriculture and Service sectors underperformed while Private Capital Expenditure remained subdued and Private Consumption weakened.

Inflation remained at lower levels leading to easing of monetary policies, while normalisation in crude prices and pick up in capital inflows improved external account balances. Tax revenues continued to witness robust growth and the structural reforms like Goods and Services Tax, Direct Benefit Transfers, Insolvency Bankruptcy Code etc. stabilised during the year. Increased government focus on Agriculture is expected to provide fillip to growth prospects of related sectors. Though the medium term growth prospects of domestic economy continue to be robust, in the near term volatility in crude prices, tight financial conditions prevailing in the Non-Banking Financial Sector, progress of monsoon and slowdown in global demand could pause challenges to the growth momentum.

### INDIAN INSURANCE INDUSTRY 2018-19

#### General Insurance industry

General insurance companies reported gross direct premium collection of ₹ 1.70 Lakh Crore in the Financial Year 2018-19 as against ₹ 1.50 Lakh Crore in the previous year, an increase of 12.86% year-on-year. Growth in the non-life insurance sector was largely due to a surge in health insurance and crop insurance.

GIC Re has recently revised premium rates for eight lines under property class. These included thermal power plants, textiles, pharma and steel, in line with the claims history of these sectors across the domestic market. The revised rates are expected to correct the imbalance between the premium rating and claims history over a number of years.

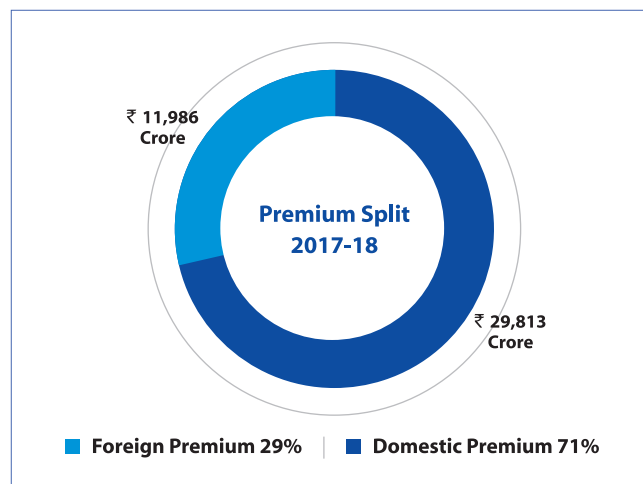
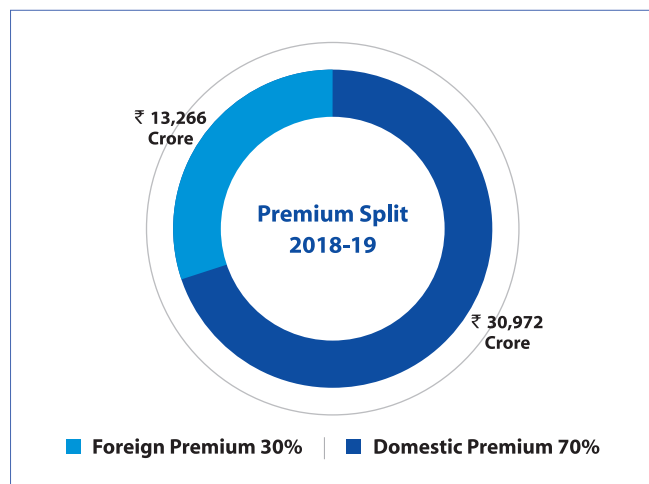
#### Life Insurance Industry

The domestic life insurance industry reported new business premium of ₹ 2.15 Lakh Crore in the Financial Year 2018-19 as against ₹ 1.94 Lakh Crore in the previous year, an increase of 10.73% year-on-year. Growth in the non-life insurance sector was largely due to a surge in health insurance and crop insurance. The growth was driven by increase in group non-single premium.

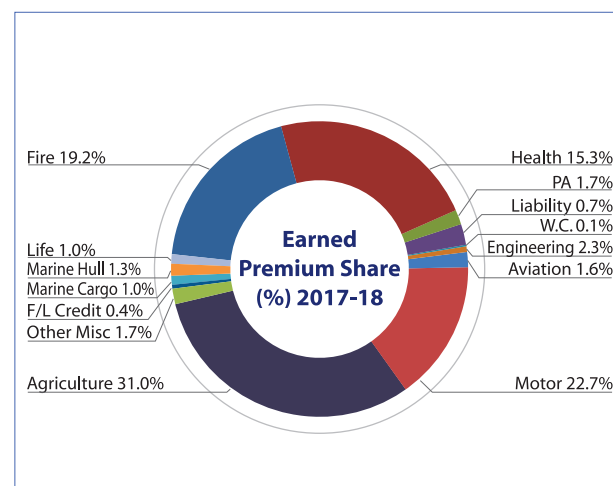
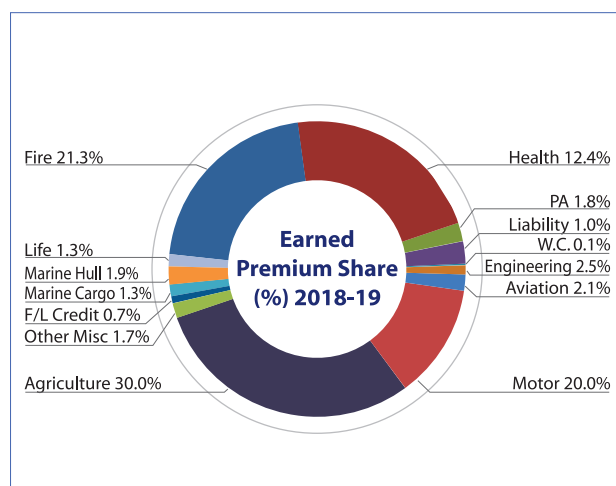
### GLOBAL REINSURANCE OUTLOOK 2019

According to S&P Global Ratings, reinsurers have seen some green shoots during the April and June renewals of 2019, with 15%-25% rate increase in the property catastrophe rates on loss affected accounts. At the current stage, the current market is characterized as a hardening market rather than a hard one. S&P Global Ratings has maintained a stable outlook on the global reinsurance sector and on the majority of the reinsurers it rates, reflecting reinsurers' still-robust capital adequacy although below historical levels due to active catastrophe years in 2017-2018, unrealized losses on fixed-income securities because of higher interest rates in the U.S., and fourth-quarter 2018 stock market volatility. Thus far, strong enterprise risk management has helped reinsurers maintain relatively disciplined underwriting, S&P added.

## INTERNATIONAL AND DOMESTIC BUSINESS COMPOSITION



## EARNED PREMIUM BREAK UP



## GIC'S BUSINESS PERFORMANCE

The Corporation's gross premium income during the year 2018-19 is ₹ 44,238 Crore and the income from investments was ₹ 6,401.34 Crore. Underwriting results show an overall loss of ₹ 2,211.46 Crore in 2018-19 compared to an underwriting loss of ₹ 1497 Crore in the previous year. The ratio of total business expenses to the earned premium i.e. Combined Ratio stood at 105.86 %. The Solvency Margin of the Corporation as on 31<sup>st</sup> March 2019 was 2.06.

## CLASS WISE PERFORMANCE

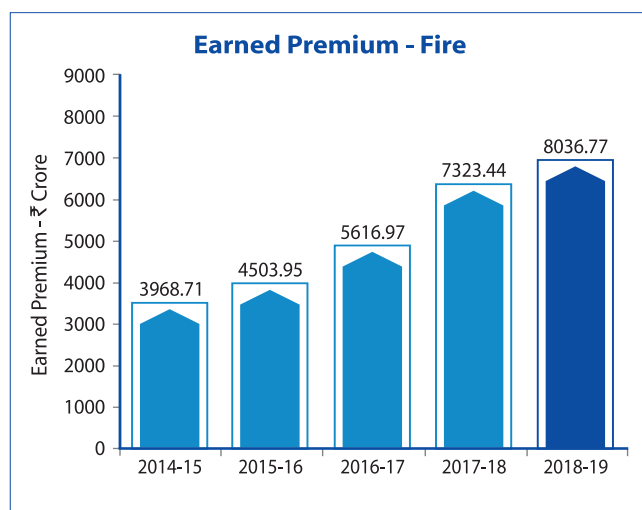
### FIRE:

GIC Re's Earned premium for Fire Business for the year 2018-19 is ₹ 8,036.77 Crore as compared to ₹ 7,323.44 Crore in the previous year.

The Domestic Earned premium has increased by 35.62% to ₹ 2,214.89 Crore from ₹ 1,633.15 Crore in the previous year. The Foreign Earned premium grew by 2.31% to ₹ 5821.88 Crore from ₹ 5,690.29 Crore in the previous year.

The overall incurred claims stood at ₹ 8,294.28 Crore compared to ₹ 6,390.32 Crore last year, which is an increase of almost 29.79%. This was mainly due to Foreign Cat Losses like Hurricanes - Michael and Florence in USA; Typhoons - Jebi and Trami in Japan and wildfires -in California and Domestic Catastrophic loss - Kerala floods.

The fire portfolio made an underwriting loss of ₹ 2,439.31 Crore as compared to the loss of ₹ 897.33 Crore in the previous year. The combined ratio for fire stood at 130.4% as against 112.3% for last year.



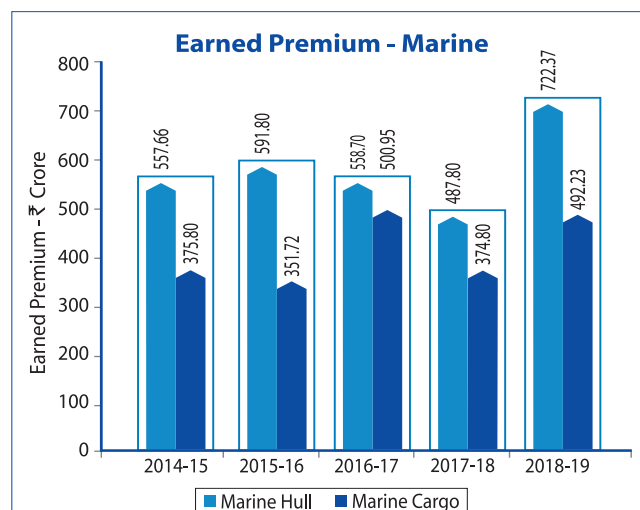
### MARINE HULL

The performance of the sub-class is outstanding this year on both the fronts i.e., top line as well as bottom line. The premium income this financial year has shown a growth of over 16.6 percent over the expiry year with handsome underwriting profit of ₹ 58.85 Crore which is 8.1% of earned premium. The growth can be attributed to the quoting & participation in all most all port package risks in India and foreign energy reinsurance markets. The gross premium income this year stood at ₹ 1,027.87 Crore as compared to ₹ 881.86 Crore last year. Despite competitive pricing and soft market conditions in the domestic as well as international market, we have managed to attain growth in premium volume.

All the three Branch Offices of GIC have shown small increase in hull premium. GIC Re has made sustained efforts

to maintain the underwriting discipline in the domestic market.

GIC Re continues to administer the Marine Hull Pool and Hull War Risk Scheme, monitoring the rates & terms. Port and coastal P&I segment have been our new area of focus where the results have also been encouraging. In the international market, we continue to focus on markets like China, South East Asia and Europe/USA to improve the performance and spread of the portfolio.



### MARINE CARGO

We have achieved gross premium income of ₹ 744.95 Crore this year as against ₹ 446.31 Crore last year with tremendous growth of 66.90%. Despite cargo performance was affected by the decision to scale down our exposure in Russia, Iran and to come out of the sanctioned countries, the stellar performance was possible because of our focus on new territories like USA, Europe and South America. In the domestic market, we have either increased our participation or maintained our renewal line. We have maintained underwriting discipline in domestic market by introduction of new terms, conditions & clauses, even though soft market conditions continue to prevail.

The portfolio has maintained its improvement both in premium and claim performances in domestic as well as foreign portfolios. We have therefore made underwriting

profit of ₹ 63.21 Crore i.e. 12.8% of earned premium. All our branches have also shown positive trend in their performances compared to last year except London branch. Our Dubai branch has witnessed significant turn-around in their underwriting performance, showing underwriting profit in marine cargo section. The focus on new markets and positive trends in Indian economy would continue to drive growth in marine cargo business.

### UPSTREAM OIL AND ENERGY

GIC Re has adopted prudent as well as positive underwriting approach which has worked well in the Upstream Oil & Energy business segment, as the portfolio continues to grow at the rate of 10% over the previous year. Foreign inward business predominates with 80% of total upstream energy premium reflecting our position as global underwriter.

The global O&E capacities remain almost same and is further driving down premium volume. In spite of these challenges, we have increased our premium volume with improvement in underwriting results. Our combined ratio for 2018-19 stands at 91.90% and underwriting profit of ₹ 58.85 Crore, which confirms the best underwriting practice adopted by us.

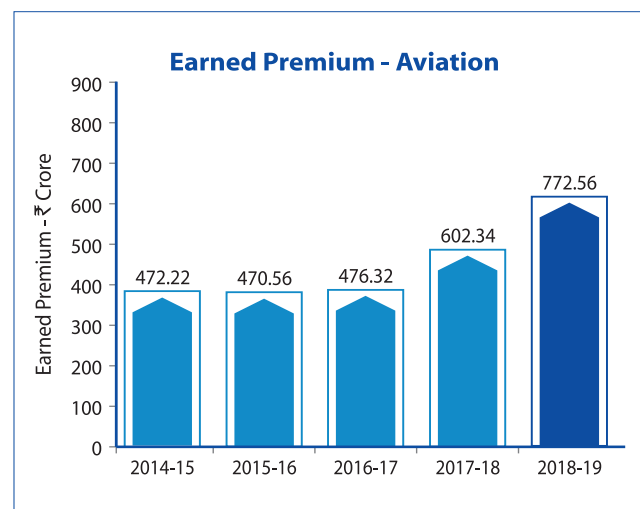
GIC Re would continue to explore more opportunities in the areas like Mexico, USA, Brazil, and GCC to improve our premium volume and to get better spread. The recent upward cycle in crude oil prices is expected to show revival and improvements of this sector.

### AVIATION

The previous year witnessed contraction in capacity in the Aviation market resulting from total withdrawals, selective withdrawals and mergers. This has resulted in significant reduction in the level of competition and increase in rates. The market now appears resolute in addressing profitability and re/insurers are under strong pressure to improve or cut back underperforming business lines, which for many include aviation. The demand for aviation insurance is growing with growth in the aviation sector especially in the Asia Pacific region. However, last year was marred by significant loss activity the details of which are being provided hereunder. The concern regarding the volume of attritional claims arising out of ever-increasing repair cost for modern aircraft

equipment remains. GIC Re expects that the hardening trend would continue and is taking measures to keep its exposures in check by aligning the line-sizes. GIC Re continues its endeavor of having a well spread and diversified portfolio by taking a cautious and selective underwriting approach while critically evaluating the pricing of each risk.

The earned premium for 2018-19 is ₹ 772.56 Crore as against ₹ 602.34 Crore for 2017-18. The main contributor in the increase being the strategic alliance partners, rate increases, selective spread of the portfolio.



In 2018-2019, Incurred loss for the year is ₹ 907.80 Crore. The major claims during the year were Sukhoi/HAL, PT Lion Air, Air Niugini and Ethiopian Airlines.

### LIABILITY

The Liability portfolio is a growing sector both at international and domestic market.

Despite soft market, the market continued to experience a growth in Liability business, mainly due to increase in awareness of the corporate sector and various new covers available in the market. GIC Re has shown a growth of 56.90% as compared to 2017-18. Obligatory cessions continue to remain at 5% with no capping limits of cession.

No major losses have been reported for the financial year 2018-19.



(₹ in Crore)

Particulars	2018-19	2017-18	Growth%
Gross Written Premium	639.10	407.24	56.90
Earned Premium	374.81	249.32	50.33
Incurred claims	265.70	97.59	172.26

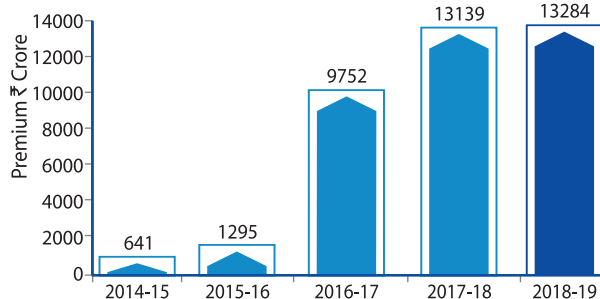
### AGRICULTURE REINSURANCE

GIC Re's Agriculture portfolio has maintained the growth, with a good balance & diversification, both in domestic and foreign business. GIC Re receives Agriculture foreign business from various countries predominantly Asia. In 2018-19, the Agriculture portfolio continued to write business from developed markets like USA, among other countries.

In the domestic front, since 2016, GIC Re's Agriculture portfolio has been providing support to the Indian Agriculture insurance industry for implementation of the Pradhan Mantri Fasal Bima Yojana Scheme (PMFBY), which comprises of both yield index based product and Restructured Weather Based Crop Insurance product.

The total reinsurance premium for Agriculture portfolio has increased from ₹ 9,693 Crore in 2017-18 to ₹ 13,293 Crore in 2018-19. Out of GIC Re's total Agriculture RI premium in 2018-19, Indian market premium is ₹ 12,915 Crore while ₹ 368 Crore is written from rest of the world.

### Agriculture Reinsurance



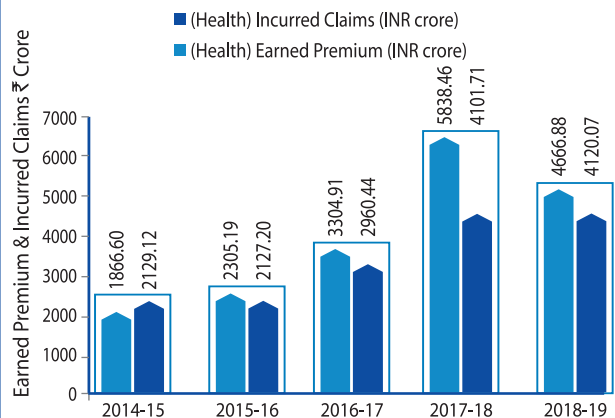
### HEALTH

GIC Re Health portfolio comprises mostly of Obligatory cessations, some selective domestic treaties and selective Pradhan Mantri Jan Arogya Yojana Abhiyan Schemes besides business written by the Foreign branches.

(₹ in Crore)

Particulars	2018-19	2017-18	Growth%
Gross Written Premium	5,147.24	5,294.60	(2.80)
Earned Premium	4,666.88	5,838.46	(20.07)
Incurred claims	4,120.07	4,101.71	0.45

### Health



### MOTOR

GIC Re's motor portfolio comprises of both domestic and foreign business with current composition at 77.1 % and 22.9 % respectively. The Gross motor premium during the fiscal year was ₹ 8,349.68 Crore as against ₹ 8,045.55 Crore in the corresponding previous year, registering a growth rate of 3.8 %.

(₹ in Crore)

Particulars	2018-19	2017-18	Growth %
Gross Written Premium	8,349.68	8,045.55	3.8
Earned Premium	8,305.52	8,638.82	(3.9)
Incurred Claims	7,066.39	6,321.83	11.8



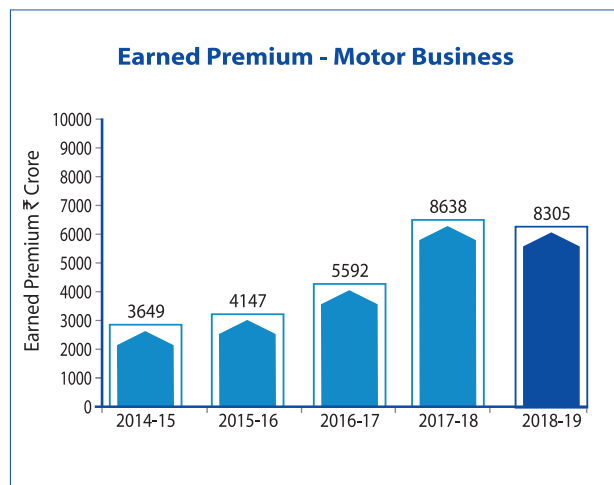
GIC Re has been successful in retaining major accounts in both domestic and foreign markets. The domestic business grew at 7% YOY while foreign business volume contracted by 5.8% YOY attributed mainly to corrective measures.

The increase in incurred claims is on account of catastrophic losses largely on domestic front and certain attritional losses.

The premium and growth split for domestic and foreign markets is outlined below: -

(₹ in Crore)

Gross Premium Split - Domestic vs Foreign				(GWP - GICRe)	
Particulars	Total	Domestic	% of Total	Foreign	% of Total
2018-19	8,349.68	6,439.06	77.1	1,910.62	22.9
2017-18	8,045.55	6,018.10	74.8	2,027.45	25.2



## OTHER MISCELLANEOUS

The Other Miscellaneous portfolio is a growing sector both at international and domestic market. The department has been constantly endeavouring to provide sufficient capacity to cedants through treaty and facultative arrangements and also supporting new types of approved insurance covers.

Agriculture Insurance is now re-classified and is no longer forming part of Other Miscellaneous class.

(₹ in Crore)

Particulars	2018-19	2017-18	Growth%
Gross Written Premium	920.36	515.92	78.40
Earned Premium	649.52	648.84	0.11
Incurred claims	99.05	731.73	(86.46)

## LIFE REINSURANCE

In Life Insurance Business, India is ranked 10<sup>th</sup> among 88 countries. At present, there are 24 Life Insurance Companies operating in India. (Source: IRDAI Annual Report 2017-18)

Indian Life Insurance business has registered a growth rate of 10.73% for new premium during 2018-19. (Source: IRDAI First Year Premium of Life Insurers as at 31<sup>st</sup> March 2019).

GIC Re's Life reinsurance gross premium during 2018-19 has increased to ₹ 544.10 Crore from ₹ 437.71 Crore in the previous year, a growth of 24.3 %. Earned premium for 2018-19 has increased to ₹ 486 Crore from ₹ 378.94 Crore in the previous year.

GIC Re currently provides support to 23 Indian life insurance companies through both Treaty & Facultative reinsurance. GIC Re's market share in life reinsurance business in India has grown to 21% from 12% a few years ago. The department is focusing on new areas for premium growth such as micro finance and financial reinsurance and previously untapped overseas markets.

## THE INDIAN MARKET TERRORISM RISK INSURANCE POOL

The Indian Market Terrorism Risk Insurance Pool was formed as an initiative by all the non-life insurance companies in India in April 2002, after terrorism cover was withdrawn by international reinsurer's post 9/11. The Pool has thus completed 17 years of successful operations. All Indian non-life insurance companies (excluding monoline insurers) and GIC Re are members of the Pool. The Pool is applicable to insurance of terrorism risk covered under property insurance policies. Capacity offered by the Pool is currently

at ₹ 2,000 Crore per location for terrorism risk. Premium rates were revised downward under the Terrorism Pool arrangement w.e.f 1<sup>st</sup> April 2014.

In order to improve the market penetration for Terrorism Risk Insurance with better marketing by Brokers/Agents, Brokerage of up to 5% was allowed w.e.f. 1<sup>st</sup> January 2014 for Terrorism Insurance business procured through Brokers.

GIC Re continues to successfully administer the Pool. Apart from its role as Pool Manager, GIC Re also contributes capacity to the Pool and participates as a reinsurer on the Pool's excess of loss reinsurance protection. The Pool's premium income for 2018-19 was ₹ 531.20 Crore and Claims paid by the Pool during 2018-19 were ₹ 24.81 Crore. No major losses were reported to the Pool during 2018-19.

### SEGMENTWISE CLAIMS EXPERIENCE

(₹ in Crore)

Particulars	Financial Year	INDIAN			FOREIGN		
		Earned Premium	Incurred Claims	Incurred Claims Ratio	Earned Premium	Incurred Claims	Incurred Claims Ratio
Fire	2018-19	2214.89	2087.09	94.2%	5821.88	6207.18	106.6%
Fire	2017-18	1633.15	1237.47	75.8%	5690.29	5152.85	90.6%
Engineering	2018-19	434.38	217.40	50.0%	490.05	352.00	71.8%
Engineering	2017-18	441.40	163.11	37.0%	453.78	289.81	63.9%
Marine	2018-19	445.50	335.23	75.2%	769.10	484.48	63.0%
Marine	2017-18	328.11	-97.13	-29.6%	534.50	363.50	68.0%
Misc. Other	2018-19	16082.17	14326.71	89.1%	1857.04	1161.50	62.5%
Misc. Other	2017-18	17795.03	17071.31	95.9%	1599.70	1382.96	86.5%
Life	2018-19	463.17	565.82	122.2%	22.83	28.30	124.0%
Life	2017-18	361.56	424.55	117.4%	17.38	-12.18	-70.1%
Aviation	2018-19	49.15	43.30	88.1%	723.41	864.53	119.5%
Aviation	2017-18	53.08	94.72	178.4%	549.25	560.74	102.1%
Motor	2018-19	6308.41	5442.35	86.3%	1997.11	1624.03	81.3%
Motor	2017-18	6930.39	4705.46	67.9%	1708.44	1616.38	94.6%
Total	2018-19	25997.67	23017.91	88.5%	11681.42	10722.03	91.8%
Total	2017-18	27542.71	23599.50	85.7%	10553.34	9354.05	88.6%

### INVESTMENT

Indian Economy 2018-19

The journey of economic reforms during the past few years has been consistent and rewarding. As a result of the reforms undertaken by the Government, foreign direct investment

has gone up. Measures taken by the Government have made it much easier to do business in India. In Ease of Doing Business ranking 2019, India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77<sup>th</sup> rank among 190 countries assessed by the World Bank.

The indirect tax system, with introduction of Goods and Services Tax, has been made simpler. Benefits to the poor have been targeted more effectively with use of Direct Benefit Transfer (DBT) and digital technology. The Insolvency and Bankruptcy Code (IBC) has changed the lender-debtor relationship. The recapitalized banks will now have a greater ability to support growth. All these structural reforms in the medium and long run will help Indian economy achieve stronger growth for a long time.

Under Saubhagya Yojna 4 Crore household are being provided with electricity connections. More than 800 medicines are being sold at lower price through more than 3 thousand Jan Aushadhi Centres. Under Pradhan Mantri Ujjwala Yojana (PMUY), nearly 69,000 connections are being released per day. There has been huge jump in the LPG coverage in the country, having gone up from 55 per cent in 2014 to 93 per cent in 2019.

After successful implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY), in September 2018, Government of India launched a new Health Care scheme, Ayushman Bharat. Ayushman Bharat will open a huge market for the health care insurance sector in India. This scheme will help grow health premiums and provide opportunity to insurers to sell their other products to new customers. In 2017, only 440 million people covered under any health insurance schemes, and this is likely to increase to 500 million because of Ayushman Bharat, says Moody's.

As per International Monetary Fund (IMF), India's GDP is expected to expand to 7.5% in FY 2020 and 7.7% in FY 2021. India will remain the world's fastest growing major economy. India's growth will pick up with increased productivity post Goods and Services Tax (GST) and investment revival due to banking reform and corporate deleveraging take hold to reverse downtrend in investment.

As per AMFI data, The Asset Under Management (AUM) of the Indian MF Industry has grown from ₹ 5.94 trillion as on 30<sup>th</sup> April 2009 to ₹ 24.79 trillion as on 30<sup>th</sup> April 2019, more than 4 fold increase in a span of 10 years.

In April 2019, Reserve Bank of India cut its benchmark repo rate by 25 basis points (bps) to 6% to keep prices under check and to support growth. The RBI projected CPI inflation 2.9-3.0 per cent in the first half of 2019-20. It also projected the CPI inflation rates at being between 3.5-3.8 per cent in

the second half of 2019-20. Yield on the benchmark 10-year government bond fell to 7.16 per cent, the lowest level since April 2018.

Foreign direct investment (FDI) into India stood at USD 33.49 billion during April-December in FY 2018-19, according to commerce and industry ministry data. The key sectors that received the maximum foreign investment are services (USD 5.91 billion), computer software and hardware (USD 4.75 billion), telecommunications (USD 2.29 billion), trading (USD 2.33 billion), chemicals (USD 6.05 billion), and the automobile industry (USD 1.81 billion).

Based on IRDAI guidelines, the Corporation invests 45 per cent in Directed Sector comprising Central/ State Government Securities, Government Guaranteed Bonds, Housing and Infrastructure Sector. Balance 55 per cent is invested in Market Sector and these investments are subject to prudential and exposure norms.

The book value of investment of the Corporation stood at ₹ 52,923.35 Crore from ₹ 47,816.52 Crore showing an increase of ₹ 5,106.83 Crore representing a growth of 10.68% over the previous year. The realizable value of investments is at ₹ 83,353.98 Crore as on 31<sup>st</sup> March 2019 showing an appreciation of 57.50% over book value. Income from investments stood at ₹ 6,130.31 Crore with a mean yield on funds at 12.17%. The net non-performing assets percentage was at 1.78%.

### GIC Re's Reinsurance Program

The Corporation has arranged both Risk and Catastrophe Excess of Loss Reinsurance, in respect of various classes of business, for protecting its net retained portfolios under domestic business. On large sized risk, wherever necessary, the Corporation arranges for facultative retro. CAT protection has also been arranged for selected business and territories in respect of Foreign Inward business. Placements have been made with securities meeting the stipulations laid down by the Regulator.

### FUTURE OUTLOOK

Insurance industry in large measure would follow the trajectory of the Indian economy in terms of growth achievement. The outlook for the Indian economy remains positive with India continuing to be one of the fastest-growing economies. The financial year 2018-19 began with a healthy Gross Domestic Product (GDP) growth rate of above

8% in the first quarter but then tapered off during subsequent quarters. This was on account of slowdown in both private and public sector expenditure, household consumption as also manufacturing and agriculture. With reforms, commercial decision-making and investments being put on the hold in view of impending general elections, one would expect that post new government in office, the economic activities and decision making will take off. The growth path will be influenced in large measure by private investment and elbow room in management of public finances for capital expenditure. While slowdown could be a source of concern, to the extent the growth is driven by domestic economy, there is inbuilt resilience and less connectedness with global economy. This provides a degree of insulation from global volatility, changes in policy stance of monetary authorities world over and recovery in developed economies, externalities of trade disputes, and investment flows. However, the vulnerability due to changes in crude prices and absence of desired level of resilience of exports remain. This exacerbates the investment outflows creating more volatility.

While leveraging the demographic dividend remains a challenging goal, the fact remains that the Indian economy remains and would remain one of the fastest growing and possibly the lesser influenced economy by global turmoil owing to its resilience coming from domestic consumption. Some of the important reform measures taken by the government during last few years such as amendments to the policy related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment and formalisation of economy would all in the medium term would contribute to the robust economic growth.

By some estimates, the Indian healthcare sector is expected to grow to USD 280 billion by 2020. Rising income level and greater awareness are converting into greater demand for health sector services and consequent pick up in demand for health insurance. The growth during last 10 years in health insurance premium has been at about 20% on compounded basis. Factoring in the larger economic segments being informal, the potential for maintaining this level of compounded growth remains realistic.

With rising income levels, growing middle class and rising young population with higher aspirations, the prospects for

automobile sector are bright. Mirroring the growth rate of health sector during last five years, motor third party segment is contributing to robust growth of the non-life insurance market in India. Own Damage segment has seen relatively muted growth in high single digits.

An important driver of the growth in the non-life market during last 3 years has been the Pradhan Mantri Fasal Bima Yojana. This together with health and motor segments have contributed massively to the sectoral growth. While agricultural segment growth can be expected to stabilise, the motor and health can be expected to continue to drive the sectoral growth. Sector in general has grown at a rate almost 50-80% higher than that of the GDP in nominal terms.

Going forward with the government constrained by fiscal prudence and The Fiscal Responsibility and Budget Management Act, 2003 (FRBMA) can be expected to cede space to the private sector in terms of investment in the economy.

The International Monetary Fund (IMF) in its April World Economic Outlook painted a rather gloomy economic outlook including disappointing trade outlook, downgrading its 2019 global growth forecast to 3.3% from earlier January estimate of 3.5% and estimate of 3.6% in 2018. This is attributed to rising trade tensions and financial tightening. With monetary stance changing gears more gradually, the growth is expected to recover in later part of 2019. IMF estimates the growth for 2020 at 3.6%. Continued global slow down makes Indian growth story more attractive.

From industry perspective, the climate change will continue to present challenges in its various dimensions and insurance and reinsurance will have to play a major role. 2018 turned out to be another year with record catastrophe losses globally. As governments globally try to weave sustainability into the policy framework as also recognise the core competence of the industry in managing and assessing risks, the reliance on in the risk transfer market will become more prominent.

As insurers would seek to transfer risk based on geographical diversification, the role of reinsurers will become increasingly important. With growing focus on productivity and efficiency of capital, any solutions for effective capital management will involve sound reinsurance solutions backed by strong credit rating.

## Management Report

In accordance with Part IV of Schedule A of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the management of the Corporation hereby:

1. Confirms that the Registration No. 112 granted by the Authority continues to be valid.
2. Certifies that all the dues payable to the statutory authorities have been duly paid.
3. Confirms that the shareholding pattern as well as transfer of shares during the year is in accordance with the statutory or regulatory requirements.
4. Declares that the funds of the holders of policies in India are not directly or indirectly invested outside India.
5. Confirms that the required solvency margins have been maintained.
6. Certifies that the values of all the assets of the Corporation including that of Terrorism Insurance Pool business for which GIC Re is acting as Manager, have been reviewed on the date of the Balance Sheet and that 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 several headings- "Loans", "Investments", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Cash" and the several items specified under "Other Accounts".
7. Confirms that the Corporation's risk exposure consists of (a) Obligatory and Additional Quota Share Cessions (b) Facultative support given to Indian Insurance companies (c) The Corporation's share in Indian Insurance Companies through First / Second Surplus Treaties and Excess of Loss programme (d) The Corporation's share in Market Surplus Treaties and (e) Foreign Inward business accepted. The exposures are adequately protected by the Corporation's reinsurance programme for 2018-19.
8. The Corporation's overall top ten exposures in other countries are as follows:

United Arab Emirates, Israel, Taiwan, Indonesia, Vietnam, Turkey, Philippines, Kuwait, Russian Federation, Saudi Arabia.

Exposures written for worldwide territories have been covered for a limit of USD 200 million and upto USD 250 million for selected countries in Asia by purchase of catastrophe protection beyond the Corporation's authorized retentions.

The Corporation has a Reinsurance Protection Policy in place, duly approved by the Board.

9. Certifies that the Corporation does not operate directly in any other country. It has its representative office at Moscow and Branch Offices at Kuala Lumpur, Dubai and London.
10. The portion of the claims recoverable under the reinsurance obligation of the corporation are settled with the reinsured as per agreed arrangements; i.e. through cash calls and periodical account statements. Additionally, claims in respect of run-off aviation policies issued prior to being designated as an Indian reinsurer are settled to the insured. The position of outstanding claims under the categories of Indian, Foreign Inward and Aviation Business are as disclosed in Note No. 22 of the disclosure forming part of the Financial statements.
11. This is to certify that the values as shown in the balance sheet, of the investments and stocks and shares have been arrived at as stated in Significant Accounting Policies No. 9.
12. Declares that the review of asset quality and performance is as mentioned below for Loans and Investments:

### INVESTMENTS

The book value of the investment as on 31<sup>st</sup> March 2019 has increased to ₹ 52,923.35 Crore from ₹ 47,816.52 Crore. The realizable value of investments is at ₹ 83,353.98 Crore as on 31<sup>st</sup> March 2019 showing an appreciation of 57.50% over book cost. Income from investment including Profit on Sale amounted to ₹ 6,130.31 Crore as against ₹ 5,215.26 Crore in the previous year. Out of the total investment of ₹ 52,923.35 Crore, ₹ 23,238.71 Crore are invested in Government Securities and State guaranteed Bonds. Book Value of equity

shares is at ₹ 10,142.07 Crore and market value stood at ₹ 40,533.15 Crore showing an appreciation of ₹ 30,391.08 Crore (299.65%).

Out of the Investment, loan as on 31<sup>st</sup> March 2019 stood at ₹ 255.04 Crore compared to ₹ 279.79 Crore in the previous year. Out of the total loan amount of ₹ 255.04 Crore, ₹ 251.08 Crore are either secured or guaranteed by the Government bodies representing 97.35% and the balance ₹ 6.84 Crore are unsecured. Interest income from loans amounted to ₹ 20.97 Crore. Standard performing assets account for ₹ 19,740 Crore and an amount ₹ 60.51 Crore has been provided for the non-performing assets.

The corporation holds in Tata Sons Ltd. Bonds of ₹ 45 Crore as on 31<sup>st</sup> March 2019. Tata Sons Ltd. was converted into Private limited company by way of Shareholders and Regulatory approval on 21<sup>st</sup> September 2017, and approval of Registrar of Companies for the conversion into private firm was accorded on 6<sup>th</sup> August 2018. Consequently, as this investment is not in compliance of Section 27(A)(4) of Insurance Act as well as Regulation 3 (d) of IRDAI (Investment) Regulation 2016, the corporation will duly exit the investment at the earliest possible opportunity.

The Corporation has complied with the regulation of investments prescribed by IRDAI for investment limits in housing and infrastructure and social sector. The compliance has been made on aggregate basis.

13. Confirms that:

- In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures.

- The management has adopted accounting policies and applied them consistently (including those specifically required by various IRDAI regulations) 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 Corporation at the end of the financial year and of the operating profit and net profit of the Corporation for the year.
  - 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, Insurance Law (Amendment) Act, 2015 (to the extent notified), Companies Act, 2013, for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities have been taken.
  - The financial statements are prepared on a going concern basis.
  - The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
14. Certifies that no payment has been made to individuals, firms, companies and organisations in which the Directors of the Corporation are interested.

**For and on behalf of the Board of Directors**

**Sd/-**

**(Alice G. Vaidyan)**

Date : 23<sup>rd</sup> May 2019 **Chairman-cum-Managing Director**



## Business Responsibility Report

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**  
L67200MH1972GOI016133
- Name of the Company:**  
General Insurance Corporation of India
- Registered address:** 'Suraksha', 170, J. T. Road, Churchgate, Mumbai - 400 020
- Website:** www.gicofindia.com
- E-mail id:** info@gicofindia.com
- Financial Year reported:** 2018-19
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub-Class	Description
652	6520	65020	<b>Reinsurance</b> This class includes the activities of assuming all or part of the risk associated with existing insurance policies originally underwritten by other insurance carriers.

- List three key products/services that the Company manufactures/provides (as in balance sheet):** Reinsurance
- Total number of locations where business activity is undertaken by the Company:**
  - Number of International Locations (Provide details of major 5)  
The Corporation has 4 overseas offices viz; a Representative Office in Moscow and Branch Offices in London, Dubai and Malaysia.
  - Number of National Locations  
Head Office of the Corporation is located in Mumbai and has two liaison offices located in Delhi & Chennai and presence in GIFT CITY, Gujarat.
- Markets served by the Company – Local/State/ National/International**  
We serve national as well as international markets

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR):** ₹ 877,20,00,000.00
- Total Turnover (INR):** ₹ 442,37,99,50,641.98  
(Gross Premium)
- Total profit after taxes (INR):** ₹ 2224,30,57,678.53
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 2.94%
- List of activities in which expenditure in 4 above has been incurred:**

The list of activities is available on the website of the Corporation at the link – <https://www.gicofindia.com/en/csr-corner>.

### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?**  
Yes, the Corporation have two Wholly Owned subsidiaries and the details are as under:
  - GIC Re South Africa Ltd.
  - GIC RE, India, Corporate Member Ltd.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
No.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**  
No.

### SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR**
  - Details of the Director/Director responsible for implementation of the BR policy/policies**

DIN	Name	Designation
07394437	Smt. Alice G. Vaidyan	Chairman cum Managing Director



### (b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN	08036523
2	Name	Smt. Sashikala Muralidharan
3	Designation	Director, General Manager & CFO
4	Telephone number	022 2286 7531
5	E-mail id	msashikala@gicofindia.com

### 2. Principle-wise (as per NVGs) BR Policy/policies

The 9 principles of the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### (a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	The Corporation has all the policies mandated by Companies Act, 2013, IRDAI and SEBI (LODR) Regulations, 2015.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	The policies have been framed in adherence to the guidelines issued by Ministry of Corporate Affairs, IRDAI and SEBI.								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies relating to all the Principles conform to National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by Ministry of Corporate Affairs, Government of India in the year 2011.								

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Yes. The Policies are approved by Board/Competent Authorities.								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	<a href="http://www.gicofindia.com">www.gicofindia.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies are communicated to relevant stakeholders and periodically reviewed after taking inputs, wherever necessary.								
8	Does the company have in-house structure to implement the policy/policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The policies are not audited/evaluated by external agencies. However, the policies are formulated within the ambit of the statutory guidelines and business requirement, which are amended from time to time as per business/environmental/ Government requirements.								

**(b) If answer to the question at serial number 1 against any principle is 'No', please explain why: (Tick up to 2 options)**

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	N.A.								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	N.A.								
3	The company does not have financial or manpower resources available for the task	N.A.								
4	It is planned to be done within next 6 months	N.A.								
5	It is planned to be done within the next 1 year	N.A.								
6	Any other reason (please specify)	N.A.								

### 3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Corporation's CSR Committee reviews and assess various CSR initiatives periodically.

Various principles of BR performance are reviewed by the Board/Committees of the Board as and when required.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Corporation has published the BR Report in its Annual Report for F.Y. 2018-19 and is available at Corporation's website [www.gicofindia.com](http://www.gicofindia.com).

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Yes, the Code of conduct for Directors and Senior Management Personnel is applicable to the Directors and Senior Management Personnel of the Corporation. The General Insurance (Conduct, Discipline and Appeal) Rules, 2014 and Whistle Blower Policy are applicable to all employees of the Corporation.

Every year, the Corporation celebrates Vigilance Awareness Week and all the employees of the Corporation take Integrity Pledge to be vigilant and commit to highest standards of honesty and integrity at all times and support the fight against corruption.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The number of complaints received from shareholders in F.Y. 2018-19 was 689 and all the complaints were satisfactorily resolved by the Corporation.

#### Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Corporation provides various types of reinsurance support for the sustainable and successful implementation of the following Government initiatives targeted for rural and social sectors:

- (a) RSBY (Rashtriya Swastha Bima Yojana)
- (b) PMFBY (Pradhan Mantri Fasal Bima Yojana)
- (c) PMJJY (Pradhan Mantri Jeevan Jyoti Yojana)

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Not applicable considering the nature of business of the Corporation.

- (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Not applicable considering the nature of business of the Corporation.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

- (a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Not applicable considering the nature of business of the Corporation.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

- (a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Not applicable considering the nature of business of the Corporation.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Not applicable as it is not a manufacturing company.

### Principle 3

1. **Please indicate the Total number of employees -580**
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis - 33 (Employees on contract basis)**

3. **Please indicate the Number of permanent women employees - 199**

4. **Please indicate the Number of permanent employees with disabilities - 16**

5. **Do you have an employee association that is recognized by management - Yes**

6. **What percentage of your permanent employees is members of this recognized employee association?**

99% employees are members (other than Management Category)

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

- (a) **Permanent Employees:** 100%
- (b) **Permanent Women Employees:** 100%
- (c) **Casual / Temporary / Contractual Employees:** NIL
- (d) **Employees with Disabilities:** 100%

### Principle 4

1. **Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Corporation has mapped its internal and external stakeholders and engages with them in order to have synergetic relationship.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes, the Corporation in its CSR policy has identified and included the following for implementation of various CSR projects/activities/initiatives:

- Development of Backward regions.
- Upliftment of marginalized and under privileged sections of the society.
- Promotion of Green and energy efficient technologies.
- Providing healthcare services to the poor.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes, the Corporation undertook various CSR projects including the following:

Sr. No.	Project Name	Beneficiaries
1.	The Akshaya Patra Foundation	Providing mid-day meal to children
2.	Parivaar Education Society	Nutrition and informal education to tribal children
3.	Smile Foundation	Primary health care services to the poor
4.	Tata Memorial Centre	Critical health care services to patients
5.	Shraddha Rehabilitation Foundation	Providing health care for the mentally sick
6.	Kendriya Sainik Board	Penury grant
7.	Ramakrishna Seva Mission	Installation of Solar panels
8.	S. P. Medical College & P. B. M. Associated	Installation of Solar panels

### Principle 5

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Corporation is committed to ensure fair practices, equal opportunities, gender neutrality and freedom of association at all spheres of operation.

The policies of the Corporation including Code of conduct for Directors and Senior Management Personnel, Whistle Blower Policy and The General Insurance (Conduct, Discipline and Appeal) Rules, 2014 are intended to ensure fairness in operations as per all applicable legislations.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Corporation has not received any complaints from stakeholders in the reporting year.

### Principle 6

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The CSR Policy covers only the Corporation.

**2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Reduction of carbon emission and renewable sources of energy has been one of the major thrust areas of CSR activities which is incorporated in the CSR policy of the Corporation. Hence, the CSR department tries to address and initiate CSR projects focusing renewable sources of energy on various locations. Link – <https://www.gicofindia.com/en/csr-corner>.

**3. Does the company identify and assess potential environmental risks? Y/N**

The CSR department tries to focus on CSR projects which would help to reduce environmental risks and carbon emission footsteps.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No.

**5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc. Y/N. If yes, please give hyperlink for web page etc.**

The Corporation stresses on cleanliness initiatives. Swachhata Pakhwada Week was organized under which cleanliness drives were initiated at/near office and the employees also volunteered for Versova Beach Cleaning Project. The Corporation has done installation of Solar Power Plant Project with three different NGOs/Implementing Agencies. Link – <https://www.gicofindia.com/en/csr-corner>.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Not applicable considering the nature of business of the Corporation.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Not applicable considering the nature of business of the Corporation.

**Principle 7**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- (a) Association of Insurers & Reinsurers of Developing Countries INC.
- (b) Singapore Reinsurers Association
- (c) International Underwriting Association
- (d) General Insurance Council
- (e) International Insurance Society
- (f) Risk & Insurance Management Society
- (g) Indian Register of Shipping
- (h) Federation of Afro-Asian Insurers & Reinsurers (FAIR)
- (i) The Associated Chambers of Commerce Industry of India (ASSOCHAM)
- (j) Federation of Indian Chamber of Commerce & Industry (FICCI)
- (k) Indian Merchants Chamber
- (l) FAIR Oil & Energy Syndicate

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Corporation uses various associations, forums etc. to put forward its opinion from industry point of view. The Corporation also provides technical inputs / statistics and take part in Committees for framing policies by Government / regulatory bodies / associations.

**Principle 8**

**1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

GIC Re as a company supports approximately 45% of the Indian agriculture insurance market who in turn insure individual farmers across the country thereby supporting large group of farmers who are otherwise subjected to vagaries of nature.

The Corporation believes that human talent is an asset for equitable development and inclusive growth. We have a robust recruitment policy which selects great talent from across the country. We also have a robust training policy which helps the officers to achieve a competitive edge as the business needs, skills requirements, and the complexity of the external environments are rapidly evolving and to acquire new skills, sharpen existing ones, perform better, increase productivity and be better leaders.

**2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

Most of the CSR programmes are implemented through NGOs and through Government run projects.

**3. Have you done any impact assessment of your initiative?**

As per our guidelines, impact assessment of the CSR projects is done by the NGOs who carry out the activities and are then shared with us. We have initiated the administrative procedures for empaneling agencies which conduct impact study.

**4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

The CSR department of GIC Re undertakes Community Development Projects through NGOs. The projects seek to strengthen the community which improves their quality of life. Further details of the projects mentioned below are available on the website:

Sr. No.	Name of NGO	Item	Location	Amount Sanctioned (₹)
1	ALIMCO	Disability camps	Firozpur, Haridwar, Amravati and Indore	5,00,00,000.00
2	BMVSS Ahmedabad	Livelihood generation	Bengaluru, Karnataka	9,20,000.00
3	BMVSS Jaipur	Livelihood generation	Jaipur, Rajasthan	24,99,000.00
4	BMVSS Jaipur	Livelihood generation	8 centers, Rajasthan	4,04,98,750.00
5	DHAN Foundation	Infrastructure	Madurai, Tamil Nadu	2,00,80,500.00
6	Kendriya Sainik Board	Penury	Pan India	9,60,00,000.00
7	Language and Learning Foundation	Education	Chhattisgarh, Haryana	49,25,500.00
8	Parivar Education Society	Education	Devas, Madhya Pradesh	2,95,89,450.00
9	NARMADA	Infrastructure/Vans	Purnalepa, Madhya Pradesh	1,39,77,154.00
10	Ramakrishna Seva Mission	Renewable Energy	Vrindavan, Uttar Pradesh	1,26,00,000.00
11	Samarthanum Trust for the Blind	Renewable Energy	Bengaluru, Karnataka	24,50,000.00
12	Smile Foundation	Health care	4 centers, PAN India	4,95,77,004.00
13	Shraddha Rehabilitation Foundation	Health care	Karjat, Maharashtra	2,84,94,000.00
14	Samaritan Help Mission	School infrastructure	Howrah, West Bengal	3,36,85,000.00
15	Samaritan Help Mission	Hospital	Howrah, West Bengal	1,51,57,500.00
16	The Akshaya Patra Foundation	Mid-day meal	Rourkela, Puri, Odisha	1,82,45,700.00
17	The Akshaya Patra Foundation	Mid-day meal	Bhillai, Nathdwara, Nayagarh, Rourkela, Lucknow, Vrindavan, Hubli and Guwahati	4,85,48,500.00
18	Amar Seva Sangam	Infrastructure	Ayikudy, Tamil Nadu	1,27,48,731.00
19	The Akshaya Patra Foundation	Kitchen	Puducherry	5,92,15,864.00
20	Ashray Social Welfare Foundation	Health Care	Patan, Gujarat	19,75,000.00
21	Bosco Net	Infrastructure	Telangana & Tamil Nadu	98,98,565.00
22	Sri Sankaradeva Nethralaya	Health Care	Guwahati, Assam	1,10,98,895.00



**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

GIC Re collaborates with NGOs for CSR projects. The NGOs monitor the project starting from need assessment exercises to the analysis of the impact of the projects. Most of the projects conducted in the FY 2018-19 as mentioned above have aided in community development.

- a) TAPF Midday meal - The Akshaya Patra Foundation (TAPF) is a registered trust working nationwide to end classroom hunger amidst government school children and facilitate education. They work in partnership with the Central and 12 State governments of India. We have been associated with them in a large way in last 4 financial years. Trying a pan India reach, GIC Re has contributed for feeding 45,500 students. The programme will reach out to the children in Bhilai, Chattisgarh; Nathdwara, Rajasthan; Nayagarh and Rourkela, Odisha; Lucknow and Vrindavan, UP; Hubli, Karnataka; Guwahati, Assam.
- b) Shraddha Rehabilitation Foundation (SRF) focusses only on the wandering mentally ill destitute roaming on the streets of India since 1988. It must be noted that no private patient brought by the family members, or whose family ascendants are entertained/or accepted by SRF. They have been working in this field for the last 30 years. SRF has also been bestowed with the prestigious Ramon Magsaysay Award. The mentally ill destitute picked up from the Mumbai-Pune belt off the streets, picked up by other NGOs from all over India, and picked up by Government Mental Hospitals. They are admitted their rehabilitation center or to other appropriate institutions for favor of appropriate psychiatric pharmacological treatment. The treatment includes their lodging and boarding. The beneficiaries are rehabilitated with various psychosocial

interventions depending on their condition. Time line of the project – One year is effective from 15<sup>th</sup> November 2018. GIC Re has contributed for sponsorship of 1200 destitute (and mentally ill).

Details of the other projects is given at the Link – <https://www.gicofindia.com/en/csr-corner>.

**Principle 9**

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

The Corporation is engaged in B2B transactions, providing reinsurance services to its customers.

The Corporation always try to improve quality of service to all its customers and there are no pending complaints for the period ended 31<sup>st</sup> March 2019.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

Not applicable considering the nature of business of the Corporation.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There are no complaints relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior pending against the Corporation at the end of the Financial year.

**4. Did your company carry out any consumer survey/consumer satisfaction trends?**

The Corporation has not carried out any consumer survey/consumer satisfaction trends.

**To:**

**The Members of**

**General Insurance Corporation of India**

**Report on the Audit of the Financial Statements**

## I. Opinion

We have audited the accompanying standalone Financial Statements of General Insurance Corporation of India ("the Corporation"), which comprise the Balance Sheet as at 31st March, 2019, the Revenue Accounts of Fire, Miscellaneous, Marine and Life Insurance (collectively known as 'Revenue Accounts'), Profit and Loss Account and the Cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, in which are incorporated the returns of three Foreign Branches and one Domestic Branch audited by branch auditors appointed by Comptroller and Auditor General of India, New Delhi and one Foreign Representative Office certified by the local Auditor appointed by the Corporation.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required in accordance with the requirements of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 ('the Insurance Act'), the Insurance Regulatory and Development Authority Act, 1999 ('the IRDAI Act'), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDAI Financial Statements Regulations'), orders/ directions issued by the Insurance Regulatory and Development Authority of India ('the IRDAI'), the Companies Act ('the Act') including the accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards'), to the extent applicable and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies of state of affairs of the Corporation as at 31st March, 2019 and of surplus of revenue accounts

of Fire, Miscellaneous, Marine and Life business and its profit and its cash flows for the year ended on that date.

## II. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Corporation in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

## III. Emphasis of Matter

Without qualifying our report we draw attention to Note No 16 regarding exposure of the Corporation to Infrastructure Leasing & Finance Company and their Group Companies where the Corporation has made a provision of 50% of Secured portion amounting to ₹ 35,18,948 thousands and 100% of Unsecured portion amounting to ₹ 8,50,165 thousands, aggregating to ₹ 43,69,113 thousands which in opinion of the management is considered appropriate and is higher than the provision required to be made as per Prudential Norms for Income Recognition, Asset Classification and Provisioning issued by RBI and IRDAI applicable to Insurance Companies.

## IV. Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the 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 below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's response
1	<p><b>Revenue Recognition:</b></p> <p>The Corporation recognises reinsurance premium income based on the statement of accounts or closing statements received from the ceding companies. At the year end, estimates are made for the accounts not received based on the Estimated Premium Income (EPI) agreed upon by both the Corporation and the Ceding Companies at the time of inception of the treaty or policy slip.</p> <p>Premium estimation is the differential of EPI and the booked premium for the year by the Corporation.</p> <p>Estimation of Income can be right only if the factors involved are incorporated in the system and extracted correctly from the system.</p>	<p>Our audit procedures on revenue recognised included:</p> <p>Tested the design, implementation and operating effectiveness of key controls over Revenue Recognition.</p> <p>Verified Premium Estimation with the guidelines of the Corporation and have performed test of controls, test of details and analytical review procedures on estimation of income.</p> <p>Verified EPI from the treaty or policy slip as the case may be and verified Actual Premium booked from Statement of Accounts or Closing statements received from the Cedants of the sample cases.</p>
2	<p><b>Claim Provisioning:</b></p> <p>Insurance Claim is the major area of expense for the insurance company. Total claims incurred include paid claims, Outstanding Loss Reserve (OSLR) and Claims Incurred But Not (Enough) Reported (IBN(E)R).</p> <p>The Provision and payment of claims was considered to be one of the areas which required significant auditor attention and was one of the matter of most significance in the standalone financial statements as the quantum involved is significant.</p>	<p>Verified operational guidelines of the Corporation relating to claim processing, have performed test of controls, test of details and analytical review procedures on the outstanding claims. Verified the claim paid and provision on sample basis with payment proof and Preliminary Loss advice received from the Cedant Company and the same is further verified from the surveyor's report.</p> <p>For the claim cases which has been incurred but not reported and cases in which claim has been reported but not enough reported these cases has been captured by the actuary appointed by the Corporation. The actuarial valuation of liability in respect of Claims Incurred but Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) as at 31st March 2019, is as certified by the Corporation's Appointed Actuary and we had verified the amounts and the related liability, based on such report.</p>

Sr. No.	Key Audit Matters	Auditor's response
3.	<p><b>Investments:</b></p> <p>The Corporation's investments represent a substantial portion of the assets as at March 31, 2019 which are valued in accordance with accounting policy framed as per the extent of the regulatory guidelines.</p> <p>Valuation of actively traded equity shares and ETFs is made on the closing price of NSE. If such security is not listed/ not traded on NSE on closing day, the closing price of BSE is considered.</p> <p>Valuation of thinly traded equity shares and unlisted shares as per policy adopted by the Corporation.</p> <p>All debt securities including Government securities and Redeemable Preference shares have been measured at historical cost subject to amortization of premium paid over residual period. The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the standalone financial statements due to the materiality of the total value of investments to the financial statements.</p>	<p>Our audit procedures on Investment included the following:</p> <p>Tested the design, implementation and operating effectiveness of key controls over valuation process of investments.</p> <p>Assessed appropriateness of the valuation methodologies with reference to prudential norms of the Reserve Bank of India and IRDAI along with Corporation's own valuation policy.</p> <p>Sample checks for actively traded equity shares, ETF's, debt securities, Redeemable Preference shares, ETF's etc., are performed by us to determine the correctness of the valuation of these investments.</p> <p>For other investments, tested whether the Corporation has strictly complied with the policy.</p>

#### V. Information other than the financial statements and Auditor's report thereon

The Corporation's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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 audit or otherwise appears to be materially misstated.

When we read the other information included in the

above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations. We have nothing to report in this regard.

#### VI. Management Responsibility for the Financial Statements

The Corporation's Board of Directors is responsible for the matters stated in section 134(5) of 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 cash flows of the Corporation in accordance with the Insurance Act, 1938, the accounting principles as prescribed in Insurance Regulatory and Development Authority of India (IRDAI) (Preparation of Financial Statements and Auditor's Report on Insurance Companies) Regulations, 2002 and orders or direction issued by the IRDAI including Accounting Standards specified under Section 133 of the Act, read

with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Corporation's financial reporting process.

## VII. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 financial statements.

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

- i. 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.

- ii. Obtain an understanding of internal financial controls 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 Corporation has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

#### VIII. Other Matters

We did not audit the financial statements / information of three foreign branches and one foreign representative office and one domestic branch included in the standalone financial statements of the Corporation whose financial statements / financial information reflect total assets of Rs. 7,30,20,259 thousands as at March 31, 2019 and total revenues of Rs. 4,18,26,200 thousands for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of these branches and representative office have been audited by the other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and office, is based solely on the report of such other auditors.

The actuarial valuation of liability in respect of Claims Incurred but Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) as at 31st March, 2019, is as certified by the Corporation's Appointed Actuaries and our opinion in so far as it relates to the amounts and disclosures related to such liability, is based solely on such report.

Our opinion is not qualified in respect of this matter.

#### IX. Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Companies Act, 2013 and Insurance Regulatory and Development Authority (Preparation of financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books and proper returns (audited) have been received from the three branches, not visited by us.
  - c. The reports of the three foreign branches and one Domestic Branch on the accounts of the branch offices of the Corporation audited by branch auditors and one representative office certified by the other auditor under section 143(8) of the Act have been sent to us and have been properly dealt with by us in preparing this report.
  - d. The Balance Sheet, Revenue Accounts, Profit and Loss Account and Cash Flow Statement dealt with this report are in agreement with the books of account and with the returns received from branches and representative office not visited by us.
  - e. The Balance Sheet, the Revenue Account, and the Profit and Loss Account have been drawn in accordance with the Insurance Act, 1938, the IRDAI Act, 1999 and the Act except for the Cash Flow Statement, (Refer Note 50) which is prepared under Indirect Method, whereas IRDAI regulations require Cash Flow Statement to be prepared under direct method.
  - f. The actuarial valuation of liabilities is duly certified by the appointed actuary including to the effect that the assumptions for such valuation



are in accordance with the guidelines issued by the Institute of Actuaries of India to its members and has been forwarded to IRDAI.

- g. On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of section 164 (2) of the Act.
- h. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, and are also in conformity with the accounting principles as prescribed in the IRDAI Regulations.
- i. Investments have been valued in accordance with the provisions of the Insurance Act, 1938 (4 of 1938) and IRDAI (Auditor's Report) Regulations, 2002.
- j. The accounting policies selected by the Corporation are appropriate and are in accordance with the applicable accounting standards and with the accounting principles, as prescribed in the IRDAI (Auditor's Report) Regulations, 2002 or any order or direction issued by the IRDAI in this behalf.
- k. The Corporation being the Insurance Company, the Companies (Auditor's Report) Order, 2016 ("the order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable.

- l. With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- m. As required under section 143(5) of the Companies Act, 2013 based on our audit as aforesaid, we enclose herewith, as per "Annexure B", the directions, including additional directions issued by Comptroller and Auditor General of India, action taken thereon and the financial impact on the accounts and financial statements of the Corporation.
- n. 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 Corporation has disclosed the impact of pending litigations on its financial position in its financial statements. [Refer Note 44(g)];
  - (ii) The Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. [Refer Schedule 13 & 14];
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund of the Corporation.

**For J SINGH & ASSOCIATES**

**Chartered Accountants**

**FRN: 110266W**

**J SINGH**

**PARTNER**

**(Membership No: 042023)**

**For SAMRIA & CO**

**Chartered Accountants**

**FRN: 109043W**

**ADHAR SAMRIA**

**PARTNER**

**(Membership No: 049174)**

Place : Mumbai

Date : 23<sup>rd</sup> May, 2019



### **Annexure A to the Independent Auditors' Report of even date on the Financial Statements of General Insurance Corporation of India**

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

We have audited the internal financial controls over financial reporting of General Insurance Corporation of India ("the Corporation") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Corporation for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Corporation's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation 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 ('ICAI'). 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 Corporation'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 Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Commensurate to the size and nature of the business, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Corporation'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 Corporation'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 Corporation; (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 Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation'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, commensurate with the size & nature of business, the Corporation 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 Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J SINGH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN. NO.110266W**  
  
**J SINGH**  
**PARTNER**  
**MEMBERSHIP No. 042023**

**For SAMRIA & CO.,**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN. NO. 109043W**  
  
**ADHAR SAMRIA**  
**PARTNER**  
**MEMBERSHIP NO.049174**

Place : Mumbai  
 Date : May 23, 2019

### Annexure B to the Independent Auditors' Report of even date on the Financial Statements of General Insurance Corporation of India

With respect to the directions issued by Comptroller and Auditor General of India as per Section 143 (5) of the Act, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Corporation has disclosed the impact in its financial statement due to difference between title of ownership in respect of CGS / SGS / bonds / Debentures / Shares available in physical / demat format vis a vis amount shown in the books. [Refer note no.1(a) & 6].
- ii. The Annual Investment Policy, 2018-19 of the Corporation, as approved by the Board, has not prescribed any stop-loss limits in respect of the investment activity. Stop-loss

limits have been prescribed, under the said policy, in respect of scrips forming part of the equity trading portfolio. However, the Corporation has not carried out any trading activity in equity during the year under consideration. There is no impact on the financial statements.

- iii. During the year under audit the Corporation has entered/ renewed/signed 10 Capital Gearing Reinsurance Treaties. In the absence of any specific IRDAI Guidelines on accounting of such treaties, the accounting is done by the Corporation on the basis of the accounting policy adopted by the Corporation for other treaties except that no Unexpired Risk Reserve is created on such treaties in view of the fact that the loss, to the extent of loss-ratio specified in each treaty, is already provided for during the year. There is no impact on the financial statements.

**For J SINGH & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 110266W**

**J SINGH**  
**PARTNER**  
**(Membership No: 042023)**

**For SAMRIA & CO**  
**Chartered Accountants**  
**FRN: 109043W**

**ADHAR SAMRIA**  
**PARTNER**  
**(Membership No: 049174)**

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2019

## Addendum to Audit Report on Standalone Financial Statements

### ADDENDUM TO OUR AUDIT REPORT OF GENERAL INSURANCE CORPORATION OF INDIA DATED 23<sup>RD</sup> MAY, 2019

With regards to the Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013, based on our audit, we report hereunder on the action taken and the financial impact on the accounts of the financial statements of the Corporation:

Sr. No.	Directions under Section 143(5) of Companies Act 2013	Action taken and Financial Impact
1	Whether the Corporation has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>The Corporation has system in place to process all the accounting transactions through IT systems except for –</p> <ol style="list-style-type: none"> <li>1. Unexpired Risk Reserve (URR): The provision of URR is calculated manually based on the data extracted from the system and then the same is entered in the system. It is understood that the calculation of URR provision through system is under way.</li> <li>2. Retro Recovery Claims: It is understood that claims recovery is processed manually and the data is maintained offline. After verification it gets entered in the system.</li> </ol>
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Corporation due to the Corporation's inability to repay the loan? If yes, the financial impact may be stated.	Not Applicable, as the Corporation does not have any outstanding borrowed money.
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Not Applicable. The Corporation is a re-insurance Company and it does not receive any funds directly from State / Central Agencies for specific schemes.

**For, J SINGH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**ICAI FIRM REGN. NO.110266W**

**J SINGH**  
**PARTNER**  
**MEMBERSHIP NO: 042023**

**For, SAMRIA & CO.**  
**CHARTERED ACCOUNTANTS**  
**ICAI FIRM REGN. NO. 109043W**

**ADHAR SAMRIA**  
**PARTNER**  
**MEMBERSHIP NO: 049174**

Place : Mumbai  
 Date : May 23, 2019

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GENERAL INSURANCE CORPORATION OF INDIA FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of General Insurance Corporation of India for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of the Insurance Companies) Regulations, 2002 and Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23<sup>rd</sup> May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the financial statements of General Insurance Corporation of India for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

### 1. **Comment on Financial Position**

#### **Balance Sheet – Application of Funds**

**Investments – (Sch.8 & 8A) - ₹ 79612.94 crore**

**Current Assets – (d) Provisions (Sch.-14) ₹ 14289.49 crore – Others – Reserves for doubtful Loans,**

**Investment and Debts ₹ 844.96 crore**

The Company has invested ₹ 788.81 crore in Non-Convertible Debentures (NCDs) (₹ 703.79 crore secured and ₹ 85.02 crore unsecured) of Infrastructure Leasing and Financial Services Limited (IL & FS) entities<sup>1</sup>. There were principal and interest defaults on the investment during the year and the Company has created a provision of ₹ 436.91 crore (100 per cent for unsecured NCDs and 50 per cent for secured NCDs) towards diminution in value of investments. Further, disclosure has been made in the Notes on accounts (Note 16) that the provision made is higher than the provision required to be made as per Prudential Norms for Income Recognition, Asset Classification and Provisioning issued by RBI and IRDAI applicable to Insurance Companies.

However, as per proceedings (11 February 2019) before National Company Law Appellate Tribunal available in the public domain, the two IL & FS entities have been placed under the 'Red' category by the new Board of Directors appointed by the Union Government to manage the affairs of the IL & FS group of companies, which means that such entities cannot meet their payment obligations towards even senior secured financial creditors. Considering these developments, the Company should

<sup>1</sup> **IL&FS ₹ 209.77 crore and IL&FS Financial Services - ₹ 494.03 crore**

have made full provision against diminution in the value of the above investment.

The short provision has resulted in understatement of provision for diminution in value of investments and overstatement of profit by ₹ 351.89 crore.

## **2. Comment on Independent Auditors' Report**

As per IRDA Regulation (Schedule C, Para 4), the report of the auditors on the financial statement of every insurer shall contain certifications stipulated therein, including a certificate that no part of the assets of the policyholders' funds has been directly or indirectly applied in the contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds. Independent Auditors' Report does not include this certificate.

The Company held investments in private limited companies as on 31.3.2019 though such investments are prohibited under Section 27A (4) of the Insurance Laws (Amendment) Act 2015. These are ₹ 45.56 crore (₹ 45.00 crores in Fixed Interest Bonds in Tata Sons Private Limited, ₹ 0.11 crore in NCDs of Chhatar Chemicals, ₹ 0.33 crore in NCDs of ATASH Industries Ltd. and ₹ 0.12 crore in NCDs of Electra (India) Ltd).

This has not been mentioned in the certification part of the Auditor's Report (Para IX) and hence the Auditors' Report is inadequate to that extent.

**For and on behalf of the  
Comptroller & Auditor General of India**

**(TANUJA MITTAL)**

**Principal Director of Commercial Audit  
and Ex-Officio Member, Audit Board-I, Mumbai**

**Place: Mumbai**

**Date : 26 JUL 2019**



**REPLY TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GENERAL INSURANCE CORPORATION OF INDIA FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

**1. Comment on Financial Position**

The NPA provisioning has been made by GIC Re in accordance with IRDA/RBI guidelines and GIC Re is not in violation of the laid down guidelines.

However, provisioning is more than what have been recommended by the Regulator.

Referring the recent RBI's directives (RBI/2018-19/203 DBR.No. BP.BC. 45/21.04.048/2018-19) dated 7<sup>th</sup> June 2019 for Prudential Framework for Resolution Stressed Assets, the additional provision to be made as 35% of total outstanding, if Resolution Plan not implemented within the timeline up to 365 days from the commencement of Review Period. Hence, the normal 15% provision will attract additional 35% i.e. 50% provision of outstanding. Our provisioning is more than what has been recommended by the Regulator.

Considering the prevailing provisioning norms, GIC Re Management has taken a decision of providing 50% and 100% provisioning of secured and unsecured Debenture respectively as a matter of abundant caution and prudence.

The provisioning made by majority of Financial Institutions having exposure to the IL&FS and its group entities are at par with the provisioning made by the GIC Re.

**2. Comment on Independent Auditors' Report**

Appropriate disclosure about investments in Tata Sons is made in Investment Section of Management Report for the year ended 31<sup>st</sup> March 2019 and the same is included in our Annual Report.

Disclosure is as given below:

The Corporation holds investment in Tata Sons Bonds' ₹ 45 Crore as on 31<sup>st</sup> March 2019. Tata Sons Ltd. was converted into Private Ltd. Company by way of shareholders and regulatory approvals on 21<sup>st</sup> September 2017, and approval of Registrar of Companies for the conversion into private form was accorded on 6<sup>th</sup> August 2018.

Consequently, as this investment is not in compliance of Section – 27(A) (4) of Insurance Act as well as Regulation 3 (d) of IRDAI Investment Regulation 2016, the Corporation will duly exit the investment in the earliest possible opportunity.

The investments in Chhatar Chemicals (₹ 0.11 crore - Non-Convertible Debentures), ATASH Industries Ltd. (₹ 0.33 crore - Non-Convertible Debentures) and Electra (India) Ltd (₹ 0.12 crore - Non-Convertible Debentures) were investments of the period before 1995 approximately 25 to 30 years earlier. These companies are non-performing assets in our books since 1994 for nearly 25 years. These debentures are categorized under the "Other Investment" category in GIC Books. These investments are treated as loss assets and provided for 100% in GICs books.

Auditors Report on the matter is consequential to the Management Report.

**Alice G. Vaidyan**  
**Chairman-cum-Managing Director**

# Financial Information



Registration No. 112

Date of Registration with IRDAI : 2<sup>nd</sup> April 2001

**AUDITED STANDALONE REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019  
IN RESPECT OF FIRE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	80367 690	73234 449
2. Profit on sale of Investments (Net)		5109 136	3756 146
3. Forex Gain/( Loss)		557 235	(114 566)
4. Interest, Dividend & Rent - Gross		7575 660	6344 661
<b>Total (A)</b>		<b>93609 721</b>	<b>83220 690</b>
1. Claims Incurred (Net)	2	82942 803	63903 197
2. Commission (Net)	3	21763 124	17629 858
3. Operating Expenses related to Insurance Business	4	611 949	560 170
4 Premium Deficiency		0	0
<b>Total (B)</b>		<b>105317 876</b>	<b>82093 225</b>
<b>Operating Profit /( Loss) from Fire Business C = (A-B)</b>		<b>(11708 155)</b>	<b>1127 465</b>
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		(11708 155)	1127 465
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
<b>Total (C)</b>		<b>(11708 155)</b>	<b>1127 465</b>

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Fire Insurance Business have been fully debited in the Fire Insurance Revenue Accounts as expenses.

The schedules referred to above form integral part of the Revenue Account

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**  
Director

**G B Pande**  
Director

**Usha Ramaswamy**  
Director & GM

**A P Singh**  
Director

**Sashikala Muralidharan**  
Director, GM & CFO

**Suchita Gupta**  
Company Secretary

Registration No. 112  
Date of Registration with IRDAI : 2<sup>nd</sup> April 2001

**AUDITED STANDALONE REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019  
IN RESPECT OF MISCELLANEOUS INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	279417 110	295310 723
2. Profit on sale of Investments (Net)		12456 051	9692 500
3. Forex Gain/( Loss)		1478 486	(387 157)
4. Interest, Dividend & Rent - Gross		18469 426	16372 003
<b>Total (A)</b>		<b>311821 073</b>	320988 069
1. Claims Incurred (Net)	2	240318 292	258844 922
2. Commission (Net)	3	36460 623	43910 588
3. Operating Expenses related to Insurance Business	4	1836 221	1528 033
4 Premium Deficiency		0	0
<b>Total (B)</b>		<b>278615 136</b>	304283 543
<b>Operating Profit/(Loss) from Miscellaneous Business C = (A-B)</b>		<b>33205 937</b>	16704 526
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		33205 937	16704 526
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
<b>Total (C)</b>		<b>33205 937</b>	16704 526

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Miscellaneous Insurance Business have been fully debited in the Miscellaneous Insurance Revenue Accounts as expenses.

The schedules referred to above form integral part of the Revenue Account

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary

Registration No. 112  
Date of Registration with IRDAI : 2<sup>nd</sup> April 2001

**AUDITED STANDALONE REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019  
IN RESPECT OF MARINE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	12145 987	8626 008
2. Profit on sale of Investments (Net)		921 974	687 707
3. Forex Gain/( Loss)		109 503	(27 241)
4. Interest, Dividend & Rent - Gross		1367 072	1161 633
<b>Total (A)</b>		<b>14544 536</b>	10448 107
1. Claims Incurred (Net)	2	8197 073	2663 724
2. Commission (Net)	3	2754 350	2132 485
3. Operating Expenses related to Insurance Business	4	83 479	56 222
4 Premium Deficiency		0	0
<b>Total (B)</b>		<b>11034 902</b>	4852 431
<b>Operating Profit/(Loss) from Marine Business C = (A-B)</b>		<b>3509 634</b>	5595 676
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		3509 634	5595 676
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
<b>Total (C)</b>		<b>3509 634</b>	5595 676

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Marine Insurance Business have been fully debited in the Marine Insurance Revenue Accounts as expenses.

The schedules referred to above form integral part of the Revenue Account

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary

Registration No. 112  
Date of Registration with IRDAI : 2<sup>nd</sup> April 2001

**AUDITED STANDALONE REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019  
IN RESPECT OF LIFE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	4860 050	3789 365
2. Profit on sale of Investments (Net)		172 152	109 361
3. Forex Gain/( Loss)		16 546	(4 347)
4. Interest, Dividend & Rent - Gross		255 262	184 725
<b>Total (A)</b>		<b>5304 010</b>	<b>4079 104</b>
1. Claims Incurred (Net)	2	5941 287	4123 656
2. Commission (Net)	3	76 197	28 593
3. Operating Expenses related to Insurance Business	4	28 904	19 963
4 Premium Deficiency		52 944	0
<b>Total (B)</b>		<b>6099 332</b>	<b>4172 212</b>
<b>Operating Profit/(Loss) from Life Business C = (A-B)</b>		<b>(795 322)</b>	<b>(93 108)</b>
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		(795 322)	(93 108)
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
<b>Total (C)</b>		<b>(795 322)</b>	<b>(93 108)</b>

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Life Insurance Business have been fully debited in the Life Insurance Revenue Accounts as expenses.

The schedules referred to above form integral part of the Revenue Account

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

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**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary



Registration No. 112  
Date of Registration with IRDAI : 2<sup>nd</sup> April, 2001

## AUDITED STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Operating Profit/(Loss)			
(a) Fire Insurance		(11708 155)	1127 465
(b) Marine Insurance		3509 634	5595 676
(c) Miscellaneous Insurance		33205 937	16704 526
(d) Life Insurance		(795 322)	(93 108)
2. Income from Investments			
(a) Interest, Dividend & Rent - Gross		10562 913	9806 143
(b) Profit on sale of Investments		7123 783	5805 401
Less: Loss on sale of Investment		0	0
3. Other Income:			
Forex Gain/( Loss)		845 697	0
Profit on sale of Assets (Net)		0	0
Sundry Balances Written Back (Net)		0	0
Interest on Income-tax Refund		0	73 008
(Provision) / Doubtful Loans & Investment		0	0
Motor Pool Service Charges		0	0
Miscellaneous Receipts		68 589	35 451
<b>Total (A)</b>		<b>42813 076</b>	<b>39054 562</b>
4. Provision for Doubtful Loans & Investment		4797 004	402 002
5 Provision/(written off) for Doubtful Debts		1017 935	874 993
6 Amortisation of premium on Investments		304 671	260 835
7 Diminution in the value of investments written off		1618 482	203 200
8 Other Expenses :			
Expenses relating to Investments		0	0
Forex Loss/(Gain)		0	230 262
(Profit)/Loss on sale of Assets (Net)		199	27
Sundry Balances Written off (Net)		0	0
Interest & Others		83 652	93 662
Corporate Social Responsibility Expenses		652 899	177 779
IPO Expenses		0	129 246
<b>Total (B)</b>		<b>8474 842</b>	<b>2372 006</b>

Registration No. 112  
Date of Registration with IRDAI : 2<sup>nd</sup> April, 2001

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
Profit Before Tax		34338 234	36682 556
Provision for Taxation :			
Current Tax		12025 900	6852 000
Wealth Tax		0	0
MAT Credit		0	(2494 776)
Deferred Tax		118 471	(9 758)
Fringe Benefit Tax		0	0
Provision for Tax in respect of earlier years		0	0
MAT Credit of earlier year		(49 196)	(755)
<b>Profit After Tax</b>		<b>22243 059</b>	<b>32335 845</b>
<b>Appropriations</b>			
(a) Balance brought forward from last year		32336 730	31277 556
(b) Interim dividend		0	0
(c) Final dividend		11842 200	10020 000
(d) Dividend distribution tax		2434 283	2039 872
(e) Transfer to General Reserve		0	19216 800
Balance carried forward to Balance Sheet		40303 305	32336 730
Basic and Diluted EPS		12.68	18.64

Significant Accounting Policies & Notes to Accounts form integral part of the Balance Sheet-Note no 16

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

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Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary

**Registration No. 112**  
**Date of Registration with IRDAI : 2nd April, 2001**  
**AUDITED STANDALONE BALANCE SHEET AS ON 31 MARCH 2019**

Particulars	Schedule		Current Year (₹ '000)	Previous Year (₹ '000)
<b>SOURCES OF FUNDS</b>				
Share Capital	5		8772 000	4386 000
Reserves and Surplus	6		224838 561	220359 393
Borrowings	7		0	0
Deferred Tax Liability			0	0
Fair Value Change Account				
Shareholders Fund			84079 838	86379 186
Policyholders Fund			220226 487	211963 492
<b>Total</b>			<b>537916 886</b>	523088 071
<b>APPLICATION OF FUNDS</b>				
Investments- Shareholders	8		225377 444	212461 676
Investments- Policyholders	8A		570751 970	506754 010
Loans	9		2579 189	2820 852
Fixed Assets	10		1966 904	1711 824
Deferred Tax Asset			25 562	144 024
Current Assets:				
Cash and Bank Balances	11	128479 085		141716 159
Advances and Other Assets	12	259655 507		231115 411
<b>Sub-Total (A)</b>		<b>388134 592</b>		372831 570
Current Liabilities	13	508023 836		449901 603
Provisions	14	142894 939		123734 282
<b>Sub-Total (B)</b>		<b>650918 775</b>		573635 885
<b>Net Current Assets (C)=(A-B)</b>			<b>(262784 183)</b>	(200804 315)
Miscellaneous Expenditure	15		0	0
<b>Total</b>			<b>5379,6 886</b>	523088 071
<b>CONTINGENT LIABILITIES</b>			<b>57307 059</b>	36775 137

Significant Accounting Policies & Notes to Accounts form integral part of the Balance Sheet-Schedule 16

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

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**G B Pande**  
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**Usha Ramaswamy**  
Director & GM

**A P Singh**  
Director

**Sashikala Muralidharan**  
Director, GM & CFO

**Suchita Gupta**  
Company Secretary

# Schedules Forming Part of Audited Standalone Financial Statements

For the Year Ended 31<sup>st</sup> March 2019

## SCHEDULE 1 PREMIUM EARNED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>A FIRE INSURANCE</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	103125 456	99981 821
Less: Premium on Reinsurance ceded	22654 049	21622 172
Net Premium	80471 407	78359 649
Adjustment for change in reserve for unexpired risks	(103 716)	(5125 200)
<b>Total Premium Earned (Net)</b>	<b>80367 691</b>	<b>73234 449</b>
<b>B MISCELLANEOUS INSURANCE</b>		
<b>(1) MOTOR</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	83496 777	80455 474
Less: Premium on Reinsurance ceded	62	0
Net Premium	83496 715	80455 474
Adjustment for change in reserve for unexpired risks	(441 562)	5932 743
<b>Total Premium Earned (Net)</b>	<b>83055 153</b>	<b>86388 217</b>
<b>(2) AVIATION</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	11366 515	7496 011
Less: Premium on Reinsurance ceded	2334 477	1159 665
Net Premium	9032 038	6336 346
Adjustment for change in reserve for unexpired risks	(1306 436)	(312 991)
<b>Total Premium Earned (Net)</b>	<b>7725 602</b>	<b>6023 355</b>
<b>(3) ENGINEERING</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	10272 072	9903 978
Less: Premium on Reinsurance ceded	1531 723	235 668

**SCHEDULE 1**  
**PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Net Premium	8740 349	9668 310
Adjustment for change in reserve for unexpired risks	503 962	(716 448)
<b>Total Premium Earned (Net)</b>	<b>9244 311</b>	<b>8951 862</b>
<b>(4) WORKMENS' COMPENSATION</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	489 191	369 271
Less: Premium on Reinsurance ceded	73	0
Net Premium	489 118	369 271
Adjustment for change in reserve for unexpired risks	(58 136)	(8 721)
<b>Total Premium Earned (Net)</b>	<b>430 982</b>	<b>360 550</b>
<b>(5) LIABILITY</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	6390 975	4072 439
Less: Premium on Reinsurance ceded	1751 502	1216 597
Net Premium	4639 473	2855 842
Adjustment for change in reserve for unexpired risks	(891 395)	(362 644)
<b>Total Premium Earned (Net)</b>	<b>3748 078</b>	<b>2493 198</b>
<b>(6) PERSONAL ACCIDENT</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	7239 068	6147 859
Less: Premium on Reinsurance ceded	4 630	0
Net Premium	7234 438	6147 859
Adjustment for change in reserve for unexpired risks	(580 126)	128 325
<b>Total Premium Earned (Net)</b>	<b>6654 312</b>	<b>6276 184</b>
<b>(7) HEALTH</b>		
Premium from Direct Business written	0	0

**SCHEDULE 1**  
**PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Add: Premium on Reinsurance accepted	51472 447	52946 032
Less: Premium on Reinsurance ceded	309 028	1152 763
Net Premium	51163 419	51793 269
Adjustment for change in reserve for unexpired risks	(4494 605)	6591 304
<b>Total Premium Earned (Net)</b>	<b>46668 814</b>	<b>58384 573</b>
<b>(8) AGRI</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	132891 187	131393 537
Less: Premium on Reinsurance ceded	18711 893	12280 865
Net Premium	114179 294	119112 672
Adjustment for change in reserve for unexpired risks	(1296 327)	(856 867)
<b>Total Premium Earned (Net)</b>	<b>112882 967</b>	<b>118255 805</b>
<b>(9) OTHER MISCELLANEOUS</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	9203 631	5159 242
Less: Premium on Reinsurance ceded	1145 618	285 543
Net Premium	8058 013	4873 699
Adjustment for change in reserve for unexpired risks	(1562 829)	1614 741
<b>Total Premium Earned (Net)</b>	<b>6495 184</b>	<b>6488 440</b>
<b>(10) FINANCIAL LIABILITY/CREDIT</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	3263 446	2409 340
Less: Premium on Reinsurance ceded	58 497	593 482
Net Premium	3204 949	1815 858
Adjustment for change in reserve for unexpired risks	(693 242)	(127 319)
<b>Total Premium Earned (Net)</b>	<b>2511 707</b>	<b>1688 539</b>

**SCHEDULE 1**  
**PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>TOTAL MISCELLANEOUS</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	316085 311	300353 185
Less: Premium on Reinsurance ceded	25847 504	16924 584
Net Premium	290237 807	283428 601
Adjustment for change in reserve for unexpired risks	(10820 697)	11882 122
<b>Total Premium Earned (Net)</b>	<b>279417 110</b>	<b>295310 723</b>
<b>C MARINE INSURANCE</b>		
<b>(1) MARINE CARGO</b>		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	7449 466	4463 055
Less: Premium on Reinsurance ceded	1267 666	845 365
Net Premium	6181 800	3617 690
Adjustment for change in reserve for unexpired risks	(1259 504)	130 346
<b>Total Premium Earned (Net)</b>	<b>4922 296</b>	<b>3748 036</b>
<b>(2) MARINE HULL</b>		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	10278 704	8818 562
Less: Premium on Reinsurance ceded	2262 538	1657 327
Net Premium	8016 166	7161 235
Adjustment for change in reserve for unexpired risks	(792 474)	(2283 263)
<b>Total Premium Earned (Net)</b>	<b>7223 692</b>	<b>4877 972</b>
<b>TOTAL MARINE</b>		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	17728 170	13281 617
Less: Premium on Reinsurance ceded	3530 204	2502 692



**SCHEDULE 1**  
**PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Net Premium	14197 966	10778 925
Adjustment for change in reserve for unexpired risks	(2051 978)	(2152 917)
<b>Total Premium Earned (Net)</b>	<b>12145 988</b>	<b>8626 008</b>
<b>D LIFE INSURANCE</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	5441 016	4377 063
Less: Premium on Reinsurance ceded	388 487	599 658
Net Premium	5052 529	3777 405
Adjustment for change in reserve for unexpired risks	(192479)	11 960
<b>Total Premium Earned (Net)</b>	<b>4860050</b>	<b>3789 365</b>
<b>E TOTAL ALL CLASSES</b>		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	442379953	417993 686
Less: Premium on Reinsurance ceded	52420244	41649 106
Net Premium	389959709	376344 580
Adjustment for change in reserve for unexpired risks	(13168870)	4615 965
<b>Total Premium Earned (Net)</b>	<b>376790839</b>	<b>380960 545</b>

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>A FIRE INSURANCE</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	69276 402	51766987
Less: Reinsurance ceded	7136 439	4591 552
Net Claims Paid	62139 963	47175 435
Add : Claims Outstanding at the end of the year	124265 299	103462 459
Less: Claims Outstanding at the beginning of the year	103462 459	86734 697
<b>Total Claims Incurred</b>	<b>82942 803</b>	<b>63903 197</b>
<b>B MISCELLANEOUS INSURANCE</b>		
<b>(1) MOTOR</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	46789 755	46868 017
Less: Reinsurance ceded	0	0
Net Claims Paid	46789 755	46868 017
Add : Claims Outstanding at the end of the year	119087 988	95213 892
Less: Claims Outstanding at the beginning of the year	95213 892	78863 595
<b>Total Claims Incurred</b>	<b>70663 851</b>	<b>63218 314</b>
<b>(2) AVIATION</b>		
Claims Paid		
Direct	2 800	11 281
Add : Reinsurance accepted	11111 788	5372 159
Less: Reinsurance ceded	3213 329	591 459
Net Claims Paid	7901259	4791 981

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Add : Claims Outstanding at the end of the year	11137 632	9960 585
Less: Claims Outstanding at the beginning of the year	9960 585	8197 969
<b>Total Claims Incurred</b>	<b>9078 306</b>	<b>6554 597</b>
<b>(3) ENGINEERING</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	4971 318	4138 530
Less: Reinsurance ceded	75 897	175 875
Net Claims Paid	4895 421	3962 655
Add : Claims Outstanding at the end of the year	17733 208	16934 540
Less: Claims Outstanding at the beginning of the year	16934 540	16367 961
<b>Total Claims Incurred</b>	<b>5694 089</b>	<b>4529 234</b>
<b>(4) WORKMENS' COMPENSATION</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	175 019	80 832
Less: Reinsurance ceded	0	0
Net Claims Paid	175 019	80 832
Add : Claims Outstanding at the end of the year	655 257	548 011
Less: Claims Outstanding at the beginning of the year	548 011	358 439
<b>Total Claims Incurred</b>	<b>282 265</b>	<b>270 404</b>
<b>(5) LIABILITY</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	482 534	366 920
Less: Reinsurance ceded	3 003	445

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Net Claims Paid	479 531	366 475
Add : Claims Outstanding at the end of the year	4769 475	2592 049
Less: Claims Outstanding at the beginning of the year	2592 049	1982 656
<b>Total Claims Incurred</b>	<b>2656 957</b>	<b>975 868</b>
<b>(6) PERSONAL ACCIDENT</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	2783 430	3132 476
Less: Reinsurance ceded	0	0
Net Claims Paid	2783 430	3132 476
Add : Claims Outstanding at the end of the year	5945 650	3780 066
Less: Claims Outstanding at the beginning of the year	3780 066	2772 646
<b>Total Claims Incurred</b>	<b>4949 014</b>	<b>4139 896</b>
<b>(7) HEALTH</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	37741 225	37120 109
Less: Reinsurance ceded	96 064	1361 973
Net Claims Paid	37645 161	35758 136
Add : Claims Outstanding at the end of the year	20178 545	16622 962
Less: Claims Outstanding at the beginning of the year	16622 962	11364 043
<b>Total Claims Incurred</b>	<b>41200 744</b>	<b>41017 055</b>
<b>(8) AGRI</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	115567 561	62351 316

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Less: Reinsurance ceded	38 964	2097 528
Net Claims Paid	115528 597	60253 788
Add : Claims Outstanding at the end of the year	112451 396	125329 521
Less: Claims Outstanding at the beginning of the year	125329 521	59122 246
<b>Total Claims Incurred</b>	<b>102650 472</b>	<b>126461 063</b>
<b>(9) OTHER MISCELLANEOUS</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	3381 456	3288 174
Less: Reinsurance ceded	234 605	520 754
Net Claims Paid	3146 851	2767 420
Add : Claims Outstanding at the end of the year	8811 750	10968 057
Less: Claims Outstanding at the beginning of the year	10968 057	6418 213
<b>Total Claims Incurred</b>	<b>990 544</b>	<b>7317 264</b>
<b>(10) FINANCIAL LIABILITY/CREDIT</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	799 708	1553 944
Less: Reinsurance ceded	135 243	114 992
Net Claims Paid	664 465	1438 952
Add : Claims Outstanding at the end of the year	8183 734	6696 150
Less: Claims Outstanding at the beginning of the year	6696 150	3773 875
<b>Total Claims Incurred</b>	<b>2152 049</b>	<b>4361 227</b>
<b>TOTAL MISCELLANEOUS</b>		
Claims Paid		
Direct	2 800	11 281

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Add : Reinsurance accepted	223803 794	164272 477
Less: Reinsurance ceded	3797 105	4863 026
Net Claims Paid	220009 489	159420 732
Add : Claims Outstanding at the end of the year	308954 635	288645 833
Less: Claims Outstanding at the beginning of the year	288645 833	189221 643
<b>Total Claims Incurred</b>	<b>240318 291</b>	<b>258844 922</b>
<b>C MARINE INSURANCE</b>		
<b>(1) MARINE CARGO</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	3095 162	1847 375
Less: Reinsurance ceded	233 774	38 083
Net Claims Paid	2861 388	1809 292
Add : Claims Outstanding at the end of the year	6124 214	5899 312
Less: Claims Outstanding at the beginning of the year	5899 312	5997 054
<b>Total Claims Incurred</b>	<b>3086 290</b>	<b>1711 550</b>
<b>(2) MARINE HULL</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	5965 921	3519 617
Less: Reinsurance ceded	1984 325	1228 848
Net Claims Paid	3981 596	2290 769
Add : Claims Outstanding at the end of the year	11730 451	10601 263
Less: Claims Outstanding at the beginning of the year	10601 263	11939 858
<b>Total Claims Incurred</b>	<b>5110 784</b>	<b>952 174</b>

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>TOTAL MARINE</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	9061 083	5366 992
Less: Reinsurance ceded	2218 099	1266 931
Net Claims Paid	6842 984	4100 061
Add : Claims Outstanding at the end of the year	17854 665	16500 575
Less: Claims Outstanding at the beginning of the year	16500 575	17936 912
<b>Total Claims Incurred</b>	<b>8197 074</b>	<b>2663 724</b>
<b>D LIFE INSURANCE</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	5158 337	3159 519
Less: Reinsurance ceded	313 939	336 139
Net Claims Paid	4844 398	2823 380
Add : Claims Outstanding at the end of the year	4242 699	3145 809
Less: Claims Outstanding at the beginning of the year	3145 809	1845 533
<b>Total Claims Incurred</b>	<b>5941 288</b>	<b>4123 656</b>
<b>E TOTAL ALL CLASSES</b>		
Claims Paid		
Direct	2 800	11 281
Add : Reinsurance accepted	307299 616	224565 975
Less: Reinsurance ceded	13465 582	11057 648
Net Claims Paid	293836 834	213519 608
Add : Claims Outstanding at the end of the year	455317 297	411754 675
Less: Claims Outstanding at the beginning of the year	411754 675	295738 785
<b>Total Claims Incurred</b>	<b>337399 456</b>	<b>329535 498</b>



**SCHEDULE 3  
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>A FIRE INSURANCE</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	22099 269	23062 180
Less: Commission on Reinsurance Ceded	336 145	5432 322
Net Commission	21763 124	17629 858
Break-up of Commission		
Brokerage	2933 803	3631 381
Commision Paid	18829 321	13998 477
<b>Total Commission</b>	<b>21763 124</b>	<b>17629 858</b>
<b>B MISCELLANEOUS INSURANCE</b>		
<b>(1) MOTOR</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	12147 567	14549 957
Less: Commission on Reinsurance Ceded	9	0
Net Commission	12147 558	14549 957
Break-up of Commission		
Brokerage	547 966	530 443
Commision Paid	11599 592	14019 514
<b>Total Commission</b>	<b>12147 558</b>	<b>14549 957</b>
<b>(2) AVIATION</b>		
Commission Paid		
Direct	69	0
Add : Reinsurance Accepted	2077 306	1280 876

### SCHEDULE 3 COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Less: Commission on Reinsurance Ceded	97 076	135 890
Net Commission	1980 299	1144 986
Break-up of Commission		
Brokerage	527 587	538 165
Commision Paid	1452 712	606 821
<b>Total Commission</b>	<b>1980 299</b>	<b>1144 986</b>
<b>(3) ENGINEERING</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	2446 482	2208 449
Less: Commission on Reinsurance Ceded	45 019	2274 279
Net Commission	2401 463	(65 830)
Break-up of Commission		
Brokerage	150 772	182 849
Commision Paid	2250 691	(248 679)
<b>Total Commission</b>	<b>2401 463</b>	<b>(65 830)</b>
<b>(4) WORKMENS' COMPENSATION</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	127 915	51 191
Less: Commission on Reinsurance Ceded	0	0
Net Commission	127 915	51 191
Break-up of Commission		
Brokerage	6 094	4 026
Commision Paid	121 821	47 165
<b>Total Commission</b>	<b>127 915</b>	<b>51 191</b>

**SCHEDULE 3  
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>(5) LIABILITY</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1101 221	518 574
Less: Commission on Reinsurance Ceded	190 780	172 873
Net Commission	910 441	345 701
Break-up of Commission		
Brokerage	68 015	43 256
Commision Paid	842 426	302 445
<b>Total Commission</b>	<b>910 441</b>	<b>345 701</b>
<b>(6) PERSONAL ACCIDENT</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1587 267	1886 434
Less: Commission on Reinsurance Ceded	3 461	63 754
Net Commission	1583 806	1822 680
Break-up of Commission		
Brokerage	106 321	73 918
Commision Paid	1477 485	1748 762
<b>Total Commission</b>	<b>1583 806</b>	<b>1822 680</b>
<b>(7) HEALTH</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	8141 336	10933 729
Less: Commission on Reinsurance Ceded	36 513	40 347
Net Commission	8104 823	10893 382

**SCHEDULE 3**  
**COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Break-up of Commission		
Brokerage	91949	75523
Commission Paid	8012874	10817859
<b>Total Commission</b>	<b>8104823</b>	<b>10893382</b>
<b>(8) AGRI</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	7606013	14613960
Less: Commission on Reinsurance Ceded	873551	187080
Net Commission	6732462	14426880
Break-up of Commission		
Brokerage	246663	237441
Commission Paid	6485799	14189439
<b>Total Commission</b>	<b>6732462</b>	<b>14426880</b>
<b>(9) OTHER MISCELLANEOUS</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1791075	1281739
Less: Commission on Reinsurance Ceded	48534	970776
Net Commission	1742541	310963
Break-up of Commission		
Brokerage	84819	110507
Commission Paid	1657722	200456
<b>Total Commission</b>	<b>1742541</b>	<b>310963</b>

**SCHEDULE 3  
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>(10) FINANCIAL LIABILITY/CREDIT</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	733 622	432 318
Less: Commission on Reinsurance Ceded	4 310	1 640
Net Commission	729 312	430 678
Break-up of Commission		
Brokerage	28 410	10 360
Commision Paid	700 902	420 318
<b>Total Commission</b>	<b>729312</b>	<b>430 678</b>
<b>TOTAL MISCELLANEOUS</b>		
Commission Paid		
Direct	69	0
Add : Reinsurance Accepted	37759 804	47757 227
Less: Commission on Reinsurance Ceded	1299 253	3846 639
Net Commission	36460 620	43910 588
Break-up of Commission		
Brokerage	1858 596	1806 488
Commision Paid	34602 024	42104 100
<b>Total Commission</b>	<b>36460 620</b>	<b>43910 588</b>
<b>C MARINE INSURANCE</b>		
<b>(1) MARINE CARGO</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1332 516	862 868

**SCHEDULE 3**  
**COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Less: Commission on Reinsurance Ceded	130 635	319 982
Net Commission	1201 881	542 886
Break-up of Commission		
Brokerage	146 251	77976
Commision Paid	1055 630	464 910
<b>Total Commission</b>	<b>1201 881</b>	<b>542 886</b>
<b>(2) MARINE HULL</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1765 740	2062 970
Less: Commission on Reinsurance Ceded	213 272	473 371
Net Commission	1552 468	1589 599
Break-up of Commission		
Brokerage	488 724	490 988
Commision Paid	1063 744	1098 611
<b>Total Commission</b>	<b>1552 468</b>	<b>1589 599</b>
<b>TOTAL MARINE</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	3098 256	2925 838
Less: Commission on Reinsurance Ceded	343 907	793 353
Net Commission	2754 349	2132 485
Break-up of Commission		
Brokerage	634 975	568 964
Commision Paid	2119 374	1563 521
<b>Total Commission</b>	<b>2754 349</b>	<b>2132 485</b>

**SCHEDULE 3  
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>D LIFE INSURANCE</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	76 197	28 593
Less: Commission on Reinsurance Ceded	0	0
Net Commission	76 197	28 593
Break-up of Commission		
Brokerage	16 476	8 406
Commission Paid	59 721	20 187
<b>Total Commission</b>	<b>76 197</b>	<b>28 593</b>
<b>E TOTAL ALL CLASSES</b>		
Commission Paid		
Direct	69	0
Add : Reinsurance Accepted	63033 529	73773 838
Less: Commission on Reinsurance Ceded	1979 306	10072 314
Net Commission	61054292	63701 524
Break-up of Commission		
Brokerage	5443 850	6015 239
Commission Paid	55610 442	57686 285
<b>Total Commission</b>	<b>61054 292</b>	<b>63701 524</b>



## Schedules Forming Part of Audited Standalone Financial Statements

For the Year Ended 31<sup>st</sup> March 2019

### SCHEDULE 4 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Employees' remuneration & welfare benefits	1173 936	1025 734
2 Travel conveyance and vehicle running expenses	69 239	79 269
3 Training expenses	16 727	12 955
4 Rents rates and taxes	65 198	61 814
5 Repairs	216 033	179 726
6 Printing & stationery	6 599	3 575
7 Communication	16 284	16 294
8 Legal & professional charges	86 912	77 443
9 Auditors' fees expenses etc.		
(a) as auditor	10 812	7 139
(b) as advisor or in any other capacity in respect of		
(i) Taxation matters	500	300
(ii) Others	529	14
10 Advertisement and publicity	108 273	84 980
11 Interest & Bank Charges	43 197	21 619
12 IT Expenses	190 339	119 545
13 Depreciation	139 899	74 035
14 Service Tax Expenses A/c	0	16 975
15 Swatchh Bharat Cess	0	691
16 Others	416 076	382 279
<b>Total</b>	<b>2560 553</b>	<b>2164 387</b>

**SCHEDULE 5**  
**SHARE CAPITAL**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Authorised Capital 2000,000,000 Equity Shares of ₹ 5/- Each	10000 000	10000 000
2 Issued & Subscribed Capital 1754,400,000 (PY 877,200,000) Equity Shares of ₹ 5/- Each	8772 000	4386 000
3 Called-up & Paid up Capital 175,44,00,000 (PY 877,200,000) Equity Shares of ₹ 5/- Each (Includes 1689,200,000 shares of ₹ 5/- issued by capitalisation of Capital Redemption Reserve and General Reserve, 10,00,00,000 partly paid shares (₹ 2.50 per share paid) made fully paid-up shares by capitalisation of General Reserve)	8772 000	4386 000
<b>Total</b>	<b>8772 000</b>	<b>4386 000</b>

**SCHEDULE 5A**  
**SHARE CAPITAL PATTERN OF SHAREHOLDING**  
**[As certified by the Management]**

Shareholders	Current Year		Previous Year	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Promoters</b>				
Indian	1505000 000	85.78 %	752500 000	85.78%
Foreign	-			
Others	249400 000	14.22 %	124700 000	14.22 %
<b>Total</b>	<b>1754400 000</b>	<b>100%</b>	<b>877200 000</b>	<b>100%</b>

During the F.Y. 2018-19, the Corporation issued bonus equity shares in the ratio of 1:1 i.e. 1 (one) equity share of ₹ 5/- each (fully paid up) for every 1 (one) existing equity share of ₹ 5/- each (fully paid up) to the Shareholders of the Corporation, in the month of July, 2018.

**SCHEDULE 6**  
**RESERVES AND SURPLUS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 General Reserve		
Opening Balance	158853 800	144023 000
Less : Transfer from Reserve for Pension Gratuity & Leave Encashment	0	0
Add : Transfer from Profit & Loss A/c	0	19216 800
	158853 800	163239 800
2 Share Premium Account	15440 663	15440 664
3 Catastrophe Reserve	0	0
4 Foreign Currency Translation Reserve	10240 793	9342 199
5 Balance of Profit in Profit & Loss Account	40303 305	32336 730
<b>Total</b>	<b>224838 561</b>	<b>220359 393</b>

**SCHEDULE 7**  
**BORROWINGS**

N I L

**SCHEDULE 8**  
**INVESTMENTS - SHAREHOLDERS' FUND**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>Long Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	60626 421	48598 039
2 Other Approved Securities	590 708	775 821
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	107189 749	107704 248
Equity - Foreign	569 499	569 499
(bb) Preference	360	755
(b) Mutual Funds	0	0
(c) Derivative Instruments	0	0
(d) Debentures /Bonds Indian	5656 832	7497 394
Debentures /Bonds Foreign	0	0

**SCHEDULE 8**  
**INVESTMENTS - SHAREHOLDERS' FUND**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(e) Other Securities		
Guaranteed Equity	138	145
(f) Subsidiaries	6042 195	4520 726
(g) Associates - Indian	0	0
Associates - Foreign	159 479	159 479
4 Investments in Infrastructure and Social Sector		
(a) Equity	3010 331	4329 660
(b) Debentures/Bonds	19132 410	21357 402
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	1599 463	1970 205
(b) Preference	4 947	9 072
(c) Debentures /Bond	3771 213	1450 687
(d) Venture Funds	407 253	439 397
(e) Associate Indian	700 000	700 000
<b>Short Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	2886 972	1952 180
2 Other Approved Securities	104 442	153 524
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	0	5 356
(b) Mutual Funds	5683 945	5086 190
(c) Derivative Instruments	0	0
(d) Debentures /Bond Indian	1382 061	1481 757
Debentures /Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	0	190 070
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures /Bond	4623 322	2730 679
5 Other than Approved Investments		
(a) Preference Shares	7 330	3 815
(b) Debentures /Bond	1228 374	775 576
(c) Mutual Funds	0	0
<b>Total</b>	<b>225377 444</b>	<b>212461 676</b>

## Schedules Forming Part of Audited Standalone Financial Statements

For the Year Ended 31<sup>st</sup> March 2019

### SCHEDULE 8 A INVESTMENTS - POLICYHOLDERS' FUND

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>Long Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	158796 026	119253 384
2 Other Approved Securities	1547 216	1903 766
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	280757 224	264292 471
Equity - Foreign	0	0
(bb) Preference	943	1 852
(b) Mutual Funds	0	0
(c) Derivative Instruments	0	0
(d) Debentures /Bonds Indian	14816 684	18397 648
Debentures /Bonds Foreign	0	0
(e) Other Securities		
Guaranteed Equity	362	355
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Equity	7884 822	10624 434
(b) Debentures/Bonds	50112 649	52408 338
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	4189 400	4834 631
(b) Preference	12 957	22 262
(c) Debentures /Bond	9877 765	3559 801
(d) Venture Funds	1066 700	1078 224
(e) Associate Indian	0	0

**SCHEDULE 8 A**  
**INVESTMENTS - POLICYHOLDERS' FUND**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>Short Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	7561 717	4790 402
2 Other Approved Securities	273 561	376 728
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	0	13 142
(b) Mutual Funds	14887 699	12480 860
(c) Derivative Instruments	0	0
(d) Debentures /Bond Indian	3619 968	3636 041
Debentures /Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	0	466 408
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures /Bond	12109 655	6700 737
5 Other Investments		
(a) Preference Shares	19 198	9 362
(b) Debentures /Bond	3217 424	1903 164
(c) Mutual Funds	0	0
<b>Total</b>	<b>570751 970</b>	<b>506754 010</b>

**SCHEDULE 9**  
**LOANS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>1 Security-wise Classification</b>		
Secured		
(a) On mortgage of property		
(aa) In India	404 311	401 895
(bb) Outside India	0	0
(b) On Shares Bonds Government Securities	0	0
(c) Investments In State Govt. Loans for Housing and Fire fighting	2106 490	2350 570
Unsecured	68 388	68 387
<b>Total</b>	<b>2579 189</b>	<b>2820 852</b>
<b>2 Borrower-Wise Classification</b>		
(a) Central and State Governments	2106 490	2350 570
(b) Banks and Financial Institutions	0	0
(c) Subsidiaries	0	0
(d) Industrial Undertakings	443 916	447 343
(e) Others	28 783	22 939
<b>Total</b>	<b>2579 189</b>	<b>2820 852</b>
<b>3 Performance-Wise Classification</b>		
(a) Loans classified as standard		
(aa) In India	1974 047	2183 940
(bb) Outside India	0	0
(b) Non-performing loans less provisions		
(aa) In India	0	0
(bb) Outside India	0	0
Provisions *	605 142	636 912
<b>Total</b>	<b>2579 189</b>	<b>2820 852</b>
<b>4 Maturity-Wise Classification</b>		
(a) Short - Term	248 472	262 256
(b) Long - Term	2330 717	2558 596
<b>Total</b>	<b>2579 189</b>	<b>2820 852</b>

\* Includes Provision for Bad and Doubtful Loans



## Schedules Forming Part of Audited Standalone Financial Statements

For the Year Ended 31<sup>st</sup> March 2019

### SCHEDULE 10 FIXED ASSETS

(₹ '000)

Particulars	Cost/Gross Block				Depreciation				Net Block	
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	Upto 31.03.2018	Twelve months ended 31.03.2019	On Sales/ Adjust ment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Leasehold Land	247 253	-	-	247 253	96 153	3 434	-	99 587	147 665	151 100
Freehold Land	560 132	-	-	560 132	-	-	-	-	560 132	560 132
Buildings	1133 823	40 179	-	1174 002	278 224	16 071	-	294 295	879 706	855 599
Furniture & Fittings	34 821	1 523	64	36 280	22 244	1 751	38	23 957	12 325	12 577
I.T. Equipments	139 173	222 993	3 656	358 510	126 605	62 126	3 621	185 110	173 399	12 568
I.T. Software	355 756	108 582	-	464 338	278 859	46 568	-	325 427	138 911	76 897
Vehicles	62 471	20 595	5 453	77 613	25 518	8 114	2 309	31 323	46 290	36 954
Office Equipments	19 184	1 969	952	20 201	16 085	1 215	835	16 465	3 736	3 099
AC & Water Coolers	13 344	2 456	-	15 800	12 059	280	-	12 339	3 461	1 285
Elevators	2 073	-	-	2 073	2 073	-	-	2 073	-	0
Canteen Appliances	476	-	-	476	443	18	-	461	15	33
Electrical Installation	11 649	6	-	11 655	10 069	322	-	10 391	1 264	1 580
Fire Alarm Systems	3 408	-	-	3 408	3 408	-	-	3 408	-	0
Total	2583 563	398 303	10 125	2971 741	871 740	139 899	6 803	1004 836	1966 904	1711 824
Previous years	2435 018	151 544	2 998	2583 564	798 856	74 037	1 153	871 740	1711 824	

The figures are inclusive of Appreciation/Depreciation due to foreign currency fluctuation

### SCHEDULE 11 CASH AND BANK BALANCES

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Cash & stamps *	2 257	2 737
2 Bank Balances		
(a) Deposit Accounts - Short term (due within 12 months)	106295 649	102882 473
(b) Current Accounts	7207 362	8908 498
(c) Remittances in Transit	0	0
3 Money at Call and Short Notice		
(a) With Bank	197 664	347 672
(b) With other Institutions	14776 153	29574 779
<b>Total</b>	<b>128479 085</b>	<b>141716 159</b>

\* Includes Cheques on hand ₹ 2,118/- thousand (PY ₹ 2,504/- thousand )

Balances with non-scheduled banks

**SCHEDULE 12**  
**ADVANCES AND OTHER ASSETS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>Advances</b>		
1 Reserve Deposits with Ceding Companies	70729 161	52017 544
2 Application Money for Investments	0	261 831
3 Prepayments	121 208	63 740
4 Advances to Directors/Officers	5 913	5 448
5 Advance Tax Paid and TDS	34283 141	20463 668
Less: Provision for Taxation	31082 346	19820 965
	3200 795	642 703
6 Others	55 578	115 105
7 Deferred Commission	0	0
<b>Total (A)</b>	<b>74112 655</b>	<b>53106 371</b>
<b>Other Assets</b>		
1 Income accrued on investments	10425 282	9423 910
2 Due from other entities carrying on insurance business (including reinsurers)	152178 041	144306 320
Less: Provision for Doubtful Loans Investment and Debts	6563 788	5545 853
	145614 253	138760 467
3 Deposit U/S-7 of Insurance Act	0	0
4 Sundry Debtors	2449 072	828 140
5 Sundry Deposits	10745 234	8727 632
6 LPA Assets	0	0
7 MAT Credit Entitlement	14438 189	18864 156
8 Service Tax Unutilised Credit	0	0
9 GST Asset	1842 935	1404 735
10 VAT Asset Dubai	27 887	0
<b>Total (B)</b>	<b>185542 852</b>	<b>178009 040</b>
<b>Total (A+B)</b>	<b>259655 507</b>	<b>231115 411</b>

**SCHEDULE 13**  
**CURRENT LIABILITIES**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Balances Due to other insurance companies	37665 457	25379 398
2 Deposits held on re-insurance ceded	8822 217	9319 913
3 Sundry Creditors	1181 976	1060 817
4 Claims Outstanding	455317 296	411754 676
5 Service Tax Liability	0	278 679
6 GST Liability	5036 890	2093 278
7 VAT Liability Dubai	0	14 842
<b>Total</b>	<b>508023 836</b>	<b>449901 603</b>

**SCHEDULE 14**  
**PROVISIONS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Reserve for Unexpired Risk	129632 819	116463 949
2 Reserve for Premium Deficiency	52 944	0
3 For Doubtful Loans Investment and Debts	8449 572	3652 568
4 For Leave Encashment	361 112	356 839
5 Provision for Pension	20 227	99 384
6 Provision for Gratuity	27 483	10 181
7 Provision for Settlement	18 007	16 422
8 Provision for Provident fund	14 295	0
9 For Salary Arrears	0	0
10 For PLLI Arrears	22 119	32 000
11 Provision for Taxation	12290 569	16194 610
Less: Advance Tax Paid and TDS	7994 208	13091 671
	4296 361	3102 939
<b>Total</b>	<b>142894 939</b>	<b>123734 282</b>

**SCHEDULE 15**  
**MISCELLANEOUS EXPENDITURE**

N I L

# Significant Accounting Policies

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

### I. SIGNIFICANT ACCOUNTING POLICIES:

#### 1. ACCOUNTING CONVENTION

The Balance Sheet, the Profit and Loss Account and the Revenue Accounts are drawn up in accordance with the provisions of Section 11(1) of the Insurance Act, 1938 and to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements also conform to the stipulation specified under the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002. The said statements are prepared on historical cost convention and on accrual basis except as otherwise stated and conform to the statutory provisions and practices prevailing in the General Insurance Industry in India.

#### 2. REINSURANCE BUSINESS

##### 2.1 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, revenue and expenses for the year ended and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### 2.2 Reinsurance Revenues

Premium is accounted based on accounts rendered by ceding companies upon receipt of accounts. At the year end, estimates are made for accounts not yet received, based on available information and current trends. In respect of Insurance pool business, where GIC Re is one of the members of the Pool, only the Corporation's share of revenue is recorded in the books of accounts.

##### 2.3 Outstanding Claims

**2.3.1** Estimated liability for outstanding claims in respect of Reinsurance business carried out in India is based on advices received as of different dates up to the date of finalization of claim figures in the books for submission of the data to the "Appointed Actuary" and wherever such advices are not received, on estimates based on available information, current trends, past underwriting experience of the management and actuarial estimation bases.

**2.3.2** Provision for claims incurred but not reported (IBNR) is made as certified by the appointed actuary based on accepted actuarial methods.

##### 2.4 Receivables

Provisions for doubtful debts for receivables are provided as under

- (i) Companies in liquidation.
- (ii) Companies having non-moving balances over a period of three years.
- (iii) Non-realizable balances of companies having moving balances and outstanding for more than four years.

#### 3. FOREIGN CURRENCY TRANSACTIONS

Revenue transactions in foreign currencies are converted at the daily rate of exchange on the day accounts are received and transactions are booked. The rates have been taken from Thomson Reuters India Pvt. Ltd.

- 3.1 Non-Monetary items including fixed assets and investments abroad are reported using the exchange rate applicable on the date of acquisition.
- 3.2 Monetary items such as receivables, payables and balances in bank accounts held in foreign currencies are converted using the closing rates of exchange at the balance sheet date.
- 3.3 The exchange gain/ loss relating to revenue transaction, due to conversion of foreign currencies, is accounted for as revenue in respective revenue accounts. The common exchange gain/loss due to conversion are apportioned between Revenue Account and Profit and Loss Account in same proportion as stated in Significant Accounting Policy No. 5.
- 3.4 Foreign branch operations are considered as "non-integral business" as prescribed in AS11 "The effects of changes in foreign exchange rates" (revised 2003) and translated accordingly.

#### 4. RESERVE FOR UNEXPIRED RISKS (URR)

The URR provisions are made as under:

##### 4.1 Non-Life Business:

- (i) For HO:

Reserve for Unexpired Risk in respect of Marine Insurance (Hull) and Terrorism Risk Business (included in Fire and Engineering) is made at 100% of Net Premium, while for all other classes of insurance is made at 50% of Net Premium of the period for which accounts are prepared.

- (ii) London, Dubai and Malaysia Branch:

Reserve for Unexpired Risk is provided as per local practice. Adjustment for excess or short provision in URR, as per IRDAI requirement, is accounted at Head Office. Till previous year Malaysia branch was calculating Unexpired Risk Reserve as per IRDAI requirement. This year Malaysia branch has changed the method of calculation and provided as per Local practice.

##### 4.2 Life Business:

Reserve for Unexpired Risk is provided as determined by **Appointed Actuary** based on accepted Actuarial methods.

#### 5. APPORTIONMENT OF INTEREST, DIVIDENDS AND RENTS

As per the requirement of IRDAI, the income from interest, dividends and rent is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the end of the year. The same is further apportioned amongst the revenue accounts on the basis of the respective Policyholder's fund at the end of the year. Shareholder's fund consists of share capital and free reserves. Policyholder's fund consists of provision for outstanding claims and reserves for unexpired risks.

#### 6. FIXED ASSETS

Fixed assets are stated at cost less depreciation. Cost of shares in Co-operative Societies/Companies for property rights acquired is included under the head 'Buildings' under Fixed Assets.

Tangible Fixed Assets are stated at cost (including incidental expenses relating to acquisition and installation) less accumulated depreciation.

Intangible Assets:

Intangible Fixed Assets representing software are recorded at its acquisition price and are amortized over their estimated useful life on a straight-line basis, commencing from the date the assets are available for use. The management has estimated the useful life for such software as five years. The useful life of the asset is reviewed by the management at each Balance Sheet date.

##### 6.1 Depreciation

Depreciation is provided on straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 and residual value of the assets shall be ₹ 1/-.

Depreciation is provided on pro-rata basis on additions to fixed assets and on assets sold / discarded / demolished / destroyed during the year.

## 6.2 Impairment of Assets

Fixed assets are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset.

## 7. RETIREMENT BENEFITS TO EMPLOYEES

Liabilities on account of retirement benefits to the employees such as pension, gratuity and leave encashment are provided for on accrual basis, based on actuarial valuation and in compliance with Accounting Standard 15.

## 8. APPORTIONMENT OF EXPENSES

### (i) Head office business:

Operating expenses relating to insurance business are apportioned to the Revenue Accounts on the basis of Reinsurance Premium accepted during the period for which accounts are prepared, giving weightage of 75% for Marine business & 100 % for Fire, Miscellaneous & Life Reinsurance business.

### (ii) Foreign business:

Operating expenses relating to insurance business are also apportioned to the revenue accounts of branches on the same basis as mentioned in 8 (i) above.

### (iii) Investment Expenses:

Expenses relating to investment are apportioned between Revenue and Profit & Loss Account in the same proportion as stated in Significant Accounting Policy No.5. Interest, Dividend and Rent income is net of Investment expenses. Refer Note No 15

## 9. INVESTMENTS

9.1 Prudential norms prescribed by Reserve Bank of India and the IRDAI are followed in regard to:

- (i) Revenue recognition
- (ii) Classification of assets into performing and non-performing and
- (iii) Provisioning against performing and non-performing assets.

9.2 Purchases and Sales of shares are accounted for on the date of contracts whereas bonds, debentures and Government securities are accounted for on the date of settlement.

9.3 The cost of investments includes premium on acquisition, Securities Transaction Tax, Goods & Service tax and their related expenses.

9.4 Short term money market instruments such as Triparty Repo (TREPS), Commercial Paper and Treasury bill, which are discounted at the time of contract at the agreed rate are accounted at their discounted value.

9.5 Investment portfolio in respect of equity shares are segregated into actively traded and thinly traded as prescribed by the IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

9.6 (a) Investment in actively traded equity shares are required to be valued as per the guidelines of IRDA issued vide circular ref. no. IRDA/F&I/INV/CIR/213/10/2013 dated October 30, 2013. The corporation has chosen NSE as primary stock exchange and BSE as secondary exchange. Accordingly, the valuation of equity shares is made on the closing price of NSE. If such security is not listed / not traded on NSE on closing day, the closing price of BSE is considered.

(b) Investment in units of mutual funds are valued at Fair value as per IRDAI guidelines 2003-04. Fair value for this purpose is the last quoted NAV in the month of March.

(c) In case of Equity Exchange Traded Funds (ETF) the investment is valued on the same basis as traded equity

shares, in compliance with Para 3.1 of the IRDAI (Investment) Regulations, 2016 of August 2016.

Whereas Passive ETFs shall be valued at NAV as on the reporting date (IRDAI, Investment Regulations, 2016, Version – 02, 3.1)

**9.7** a) Unrealized gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken under the head "Fair Value Change Account" and on realization reported in Profit and Loss Account.

b) Pending realization, the credit balance in the "Fair Value Change Account" is not available for distribution.

c) Provision is made for diminution in value of investments relating to thinly traded and unlisted shares equivalent to the amount of difference in average book cost and breakup value of the shares except in companies where demerger has taken place during the Financial Year and latest audited accounts are not available.

Breakup value is computed from the annual reports of companies not beyond 21 months irrespective of date of closure of annual accounts of the companies.

d) Provision is made for diminution in value of investment relating to units of venture capital funds equivalent to the amount of difference in book cost and the latest Net Asset Value (NAV).

**9.8** Investments in Equity and Preference shares of companies whose latest available audited accounts are beyond 21 months irrespective of date of closure of annual accounts of the companies as on the date of balance sheet or whose net worth has been fully impaired (negative net worth) are valued as under:

a) Where shares are : Fair Value Change  
Actively Traded Account at  
and Book Value is Market Value  
less than  
Market Value

Diminution in value of investments is recognized in the following cases:

b) Where shares are : Written down to  
Actively Traded Market Value  
and Book Value is  
greater than  
Market Value

c) Thinly traded : Written down to  
Equity Shares nominal value of ₹ 1/-  
per company

d) Preference Shares : At a value proportionate  
to the face value of the  
equity shares that bears  
to its market value and  
carrying cost is reduced  
by the diminution value.

**9.9** Investments in Subsidiary and Associate Companies are valued at cost as these are strategic investments. Provision for diminution in the value of these investments is made only if the decline is other than temporary.

**9.10** Final Dividend is accounted for as income in the year of declaration and Interim dividend is accounted as income when the amount is received or credited up to 31st March.

**9.11** Dividends/Interest on shares/debentures under objection/pending deliveries is accounted for on realization/payment.

**9.12** Profit or Loss on sale of investments is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the end of the year. The same are further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the end of the year. Shareholders' fund consists of Share Capital and Free Reserves. Policyholders' fund consists of provisions for outstanding claims and reserves for unexpired risks.

Profit/Loss on sale of investments is computed at average book value of investments on the date of sale.

**9.13** Expenses relating to safe custody, straight through processing and bank charges etc. on investments are



## Notes Forming Part of the Accounts

charged to Profit and Loss Account and Revenue Accounts as stated in Significant Accounting Policy No.8.

**9.14** Debt securities including Government securities and Redeemable Preference shares have been considered as 'held to maturity' securities and have been measured at historical cost subject to amortization of premium paid over residual period. The call date has been considered as maturity date for amortization of Perpetual Bonds.

**9.15** In case of repos transaction, difference between the selling and buying value is treated as interest income.

**9.16** Income received from the Fixed Maturity Mutual fund (Dividend Option) is booked as dividend.

**9.17** Investments are apportioned between Shareholders' Fund & Policyholders' Fund in the ratio of balance available in the respective funds at the end of the year.

### 10. AMORTIZATION OF PREMIUM AND PROVISION FOR DOUBTFUL LOANS, INVESTMENTS & DEBTS

Amortization of premium, provision for doubtful loans, doubtful debts and diminution in the value of investments written off, are recognized in the profit & loss account. Securities purchased at a discount are booked at the discounted price.

### 11. COMPLIANCE WITH ACCOUNTING STANDARDS

The Corporation has complied with relevant accounting standards prescribed by ICAI to the extent applicable and IRDAI guidelines in preparation of its financial statements.

### 12. PREMIUM DEFICIENCY RESERVE (PDR)

**Non-Life Business:** Premium deficiency is worked out separately for each segmental revenue level basis viz. fire, marine and miscellaneous. As per IRDAI circular no. IRDAI /Reg/7/119/2016 dated 07 April 2016, PDR is calculated by Non-Life Appointed Actuary.

**Life Re business:** As per IRDAI circular no. IRDAI /Reg/7/121/2016 dated 13 April 2016, PDR is calculated by Life Re Appointed Actuary.

### 13. DEFERRED COMMISSION

London BO has accounted for deferred commission as per the local laws. The same is accounted as Commission at Head Office, in compliance to IRDAI requirements.

## II. NOTES FORMING PART OF THE ACCOUNTS:

The Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 have been adopted for presentation of the accounts.

### ➤ Investments

1. (a) Out of Investment held in shares and debentures of the value of ₹ 545,686,632 thousand (Previous Year ₹ 526,398,152 thousand) no confirmations regarding actual custody or other documentary evidence for investments in debenture of the value of ₹ 682 thousand (Previous year ₹ 682 thousand) were available.
- (b) The number of equities shares actually held by the Corporation / Custodian of the Corporation is in excess of number held as per the books of the Corporation. The face value of such excess is ₹ 1,124 thousand (Previous year ₹ 785 thousand) and book value of such excess is ₹ 130 thousand (Previous Year ₹ 130 thousand). The Market Value of these excess shares is ₹ 81,609 thousand (Previous year ₹ 77,938 thousand).
- (c) The dividend received on the excess shares, for FY 2018-19, amounts to ₹ 8,726 thousand (Previous Year ₹ 7,828 thousand)
2. The Fixed Maturity Mutual Fund Schemes are close ended mutual fund schemes with definite maturity date and with indicative returns.
3. (a) Provision includes provision for standard assets @ 0.40% as per IRDAI-Prudential norms for Income recognition, Asset Classification and provisioning and other related methods in respect of debt portfolio amounting to ₹ 494,577 thousand (Previous Year ₹ 498,935 thousand).

- (b) During the year, the Corporation has not undertaken under CDR (Corporate Debt Restructuring) System, any case of restructuring of corporate debt/loan. (Previous Year NIL)
- (c) Pending clarification from IRDAI in respect of applicability of prudential norms, as prescribed by RBI, for provisions on investment in State Government Securities, the Corporation has followed the prudential norms of provisions for loans and advances as prescribed by IRDAI for the said investments.
- (d) The Corporation has considered latest available NAV for the provisioning of units of venture capital. The details of latest available NAV considered are as follows:

NAV as on	No. of Venture Capital Funds
31st March, 2019	16
31 <sup>st</sup> December, 2018	3
30 <sup>th</sup> September, 2018	2
31st March 2018	8
NAV taken at par value	2
Nil NAV	2
<b>Total</b>	<b>33</b>

4. For valuation of actively traded equity shares, March 31, 2019 has been considered as closing day.
5. During the year, the corporation has waived / written off debts, loans and interest as follows:

Waiver during the year:

(₹ in thousand)

Particulars	No. of cases	Write off	Waiver
Compound Interest	10	-	56.19
Interest on Delayed payment of Principal	3		18.47
<b>Total</b>			<b>74.66</b>

Debts written off during year:

(₹ in thousand)

No of Companies	Amount written down/written off
-	Nil

Diminution in the value of Investments written off during the year:

(₹ in thousand)

No of Companies	Amount written down/written off
30	16,18,481

6. There is no difference between title of ownership in respect of CGS/SGS/ bonds/debentures etc. available in physical/demat format vis-à-vis shown in books of accounts.
7. As at 31<sup>st</sup> March, 2019 all the assets of the Corporation in and outside India are free from encumbrances except for:
- (a) The Government of India Stock, 7.95% 2032 for ₹ 40,000 thousand and 8.20% 2022 for ₹ 30,000 thousand, 8.24% 2027 for ₹ 1,71,000 thousand, 8.28% 2027 for ₹ 17,500 thousand and 8.33% 2026 for ₹ 20,000 thousand, 8.60% 2028 for ₹ 2,000 thousand and 7.61 % 2030 ₹ 1,00,000 thousand for total amounting to ₹ 3,80,500 thousand (Previous year total amounting to ₹ 3,58,500 thousand) and cash deposit of ₹ 6,600 thousand (Previous year ₹ 5,300 thousand) with Clearing Corporation of India Limited as deposit towards Settlement Guarantee Fund.
- (b) In view of margin requirements as recommended by SEBI vide Circular dated 19/03/2008, Corporation has provided Fixed Deposits amounting to ₹ 200,000 thousand (Previous year ₹ 200,000 thousand) as margins in cash segments viz. FDR of ₹ 130,000 thousand (Previous year ₹ 130,000 thousand) as collateral is held with NSCCL and FDR of ₹ 70,000 thousand (Previous year ₹ 70,000 thousand) as collateral is held with BSE.

## Notes Forming Part of the Accounts

(c) Margin FDR held by Bank for issue as LC/BG of ₹ 27,239,160 thousand (Previous year ₹ 19,501,805 thousand).

8. The Commitments made and outstanding for Loans, Investments and Fixed Assets (if any) as at 31<sup>st</sup> March 2019 are ₹ 634,865 thousand (Previous year ₹ 704,600 thousand).

**9. Value of contracts in relation to investments, for**

a) Purchases, where deliveries are pending NIL (Previous year NIL).

b) Sales, where payments are overdue NIL (Previous year NIL).

10. The Book Value of investments valued on Fair Value basis is ₹ 99,351,174 thousand (Previous year ₹ 95,130,527 thousand).

11. The basis of amortization of debt securities is as stated in Significant Accounting Policy No. 9.14.

12. The Corporation does not hold any properties for investment purposes.

13. Provisions regarding unrealized gains/losses have been stated in the Significant Accounting Policy No. 9.7.

14. ₹ 1087,881 is placed in a Liquidation fund for GIC AMC. This is to be retained till 31.12.2020

15. Interest, Dividend and rent income is net of Investment expenses of ₹ 49,741 thousand (previous year ₹ 42,673 thousand)

**16. IL&FS provision:**

The Company has total exposure by way of investments in Debentures of IL&FS group companies to the tune of ₹ 7,888,061 thousand as on 31<sup>st</sup> March 2019, consisting of Secured debentures of ₹ 7,037,896 thousand and remaining ₹ 850,165 thousand as Unsecured. During the year, the Company has made a provision of 50% of Secured portion amounting to ₹ 3,518,948 thousand and 100% of Unsecured portion amounting to ₹ 850,165 thousand, aggregating to ₹ 4,369,113 thousand which in opinion of the management is considered appropriate and is higher than the provision required to be made as per Prudential Norms for Income

Recognition, Asset Classification and Provisioning issued by RBI and IRDAI applicable to Insurance Companies.

➤ **Reinsurance**

17. Underwriting of Direct business stopped from 1<sup>st</sup> April 2001. Figures included in Revenue Accounts Pertaining to direct business are on account of run-off business. Run-off liabilities are sufficiently provided for based on advices received.

**18. Structured solution cover:**

In 2014-15, GIC Re entered into a new three year agreement i.e. Structured Solution incepting on 01.06.2014.

The Structured Solution Contract though not utilized following the Board resolution in February 2017, is live with some run-off cessions still being serviced under the contract. IRDAI, vide letter dated 25<sup>th</sup> February 2019 has approved the existing Structured Solutions Contract. GIC Re and the reinsurers will maintain all contractual rights and obligations arising out of the contract and toward statutory dues, till the final closure at a mutually agreed date after both parties agree to the net balance quantum.

The Funds Withheld Experience Account (FWEA) has a positive balance of ₹ 34,07,057 thousand as at 31<sup>st</sup> March 2019 which is subject to change due to movements in premium and claim recoveries between 1<sup>st</sup> April 2019 to 31<sup>st</sup> May 2019.

19. Premiums, less reinsurance, written from business during the financial year 2018-19 in India are:

₹ 269,037,004 thousand (Previous year ₹ 265,072,549 thousand) and outside India are ₹ 120,922,703 thousand (Previous year ₹ 111,272,029 thousand).

20. Claims less reinsurance during the financial year 2018-19 paid in India are:

₹ 207,177,023 thousand (Previous year ₹ 141,286,566 thousand) and outside India are ₹ 86,659,812 thousand (Previous year ₹ 72,233,042 thousand).

21. Segment Reporting as per Accounting Standard-17 "Segment Reporting" of ICAI, has been complied with as required by IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

Line of Business wise Segment Revenue Reporting for the year ended 31.03.2019

### INDIAN BUSINESS

(₹ in 000)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Profit/(Loss) on Exchange		Premium Deficiency		Underwriting Profit/(Loss)	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Fire	22148 921	16331 501	20870 947	12374 715	5419 306	3030 052	193 480	174 040	-	-	-	-	(4334 812)	752 693
Motor	63084 083	69303 866	54423 516	47054 554	7689 911	9338 381	342 056	274 679	-	-	-	-	628 600	12636 252
Aviation	491 505	530 804	433 044	947 230	59 352	64 263	4 904	3 028	-	-	-	-	(5 795)	(483 716)
Engineering	4343 783	4414 019	2174 045	1631 143	868 398	(1550 575)	29 692	22 215	-	-	-	-	12 71 648	4311 236
W.C.	182 299	161 866	180 373	83 361	37 909	21 932	1 158	668	-	-	-	-	(7 141)	55 905
Liability	1979 994	1628 446	1334 446	632 290	286 965	117 159	20 689	13 836	-	(369)	-	-	337 894	864 791
PA	5334 906	5279 656	4202 888	3816 889	1011 131	1495 995	29 995	23 493	-	-	-	-	90 892	(56 721)
Health	38254 422	49420 619	33942 153	34084 971	6805 467	9298 731	230 520	202 408	-	-	-	-	(272 3 718)	5834 510
Agriculture	109064 921	115853 569	98693 091	124160 680	5713 724	13394 832	685 382	581 611	-	-	-	-	3972 725	(2283 553)
Other Misc.	4153 387	4139 945	3185 437	3879 161	1153 667	(578 433)	39 375	10 574	-	-	-	-	(225 092)	828 643
FL/Credit	1851 742	1466 184	1728 666	4055 776	353 557	339 781	11 660	9 674	-	-	-	-	(242 141)	(2939 048)
Marine Cargo	2841 712	2385 577	2106 498	938 189	427 211	139 519	14 711	10 638	-	-	-	-	293 292	1297 230
Marine Hull	1613 251	895 475	1245 818	(1909 471)	238 414	(29 329)	7 827	7 785	-	-	-	-	121 191	2826 490
Life	4631 728	3615 588	5658 254	4245 489	35 563	13 440	26 345	19 148	-	-	52 944	-	(1141 377)	(662 490)
TOTAL	259976 656	275427 114	230179 177	235994 978	30100 575	35095 748	1637 796	1353 797	-	(369)	52 944	-	(1993 835)	2982 223

### FOREIGN BUSINESS

(₹ in 000)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Profit/(Loss) on Exchange		Premium Deficiency		Underwriting Profit/(Loss)	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Fire	58218 769	56902 948	62071 856	51528 482	16343 818	14599 805	418 469	386 130	557 235	(114 566)	-	-	(20058 138)	(9726 035)
Motor	19971 069	17084 351	16240 334	16163 760	4457 647	5211 575	142 097	143 429	554 634	(130 339)	-	-	(314 375)	(4564 752)
Aviation	7234 095	5492 550	8645 261	5607 367	1920 947	1080 722	83 636	48 225	59 087	(14 040)	-	-	(3356 663)	(1257 803)
Engineering	4900 527	4537 843	3520 043	2898 091	1533 066	1484 745	37 130	38 335	83 794	(26 194)	-	-	(105 918)	90 477
W.C.	248 684	198 683	101 891	187 043	90 005	29 259	1 617	1 211	3 402	(784)	-	-	58 572	(19 614)
Liability	1768 086	864 753	1322 512	343 577	623 476	228 541	14 280	5 360	26 845	(4 281)	-	-	(165 337)	282 993
PA	1319 406	996 529	746 127	323 007	572 675	326 685	7 374	4 617	33 842	(6 623)	-	-	27 072	335 596
Health	8414 392	8963 954	7258 591	6932 085	1299 356	1594 652	114 459	108 402	144 750	(32 281)	-	-	(113 265)	296 535
Agriculture	3818 047	2402 236	3957 381	2300 383	1018 738	1032 048	21 014	18 165	486 376	(148 579)	-	-	(692 710)	(1096 939)
Other Misc.	2341 797	2348 495	(2194 893)	3438 103	588 874	889 396	12 737	16 391	48 700	(14 300)	-	-	3983 778	(2009 695)
FL/Credit	659 964	222 356	423 383	305 451	375 755	90 897	6 446	1 714	37 054	(8 135)	-	-	(108 566)	(183 841)
Marine Cargo	2080 583	1362 459	979 792	773 362	774 671	403 366	22 175	9 887	34 856	(8 261)	-	-	338 801	167 583
Marine Hull	5610 441	3982 497	3864 965	2861 644	1314 054	1618 929	38 765	27 912	74 648	(18 980)	-	-	467 304	(544 968)
Life	228 321	173 778	283 033	(121 833)	40 634	15 153	2 559	815	16 546	(4 348)	-	-	(81 359)	275 295
TOTAL	116814 181	105533 431	107220 278	93540 521	30953 718	28605 775	922 758	810 591	2161 769	(531 711)	-	-	(20120 804)	(17955 167)

## Notes Forming Part of the Accounts

## TOTAL BUSINESS (INDIAN + FOREIGN)

(₹ in 000)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Profit/(Loss) on Exchange		Premium Deficiency		Underwriting Profit/(Loss)	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Fire	80367 691	73234 449	82942 803	63903 197	21763 124	17629 858	611 949	560 170	557 235	(114 566)	-	-	(24392 951)	(8973 342)
Motor	83055 153	86388 217	70663 851	63218 313	12147 558	14549 957	484 154	418 107	554 634	(130 339)	-	-	314 225	8071 500
Aviation	7725 600	6023 354	9078 305	6554 597	1980 299	1144 985	88 540	51 252	59 087	(14 040)	-	-	(3362 458)	(1741 520)
Engineering	9244 310	8951 862	5694 089	4529 234	2401 464	(65 830)	66 822	60 550	83 794	(26 194)	-	-	1165 730	4401 714
W.C.	430 983	360 549	282 264	270 404	127 915	51 191	2 775	1 879	3 402	(784)	-	-	21 431	36 291
Liability	3748 079	2493 199	2656 958	975 868	910 441	345 700	34 968	19 196	26 845	(4 650)	-	-	172 557	1147 784
PA	6654 312	6276 185	4949 015	4139 896	1583 806	1822 680	37 369	28 110	33 842	(6 623)	-	-	117 964	278 875
Health	46668 814	58384 573	41200 744	41017 055	8104 823	10893 382	344 979	310 810	144 750	(32 281)	-	-	(2836 982)	6131 045
Agriculture	112882 967	118255 805	102650 472	126461 063	6732 462	14426 880	706 395	599 775	486 376	(148 579)	-	-	3280 015	(23380 492)
Other Misc.	6495 184	6488 440	990 544	7317 264	1742 541	310 963	52 112	26 965	48 700	(14 300)	-	-	3758 686	(1181 052)
FL/Credit	2511 707	1688 539	2152 049	4361 227	729 313	430 678	18 106	11 388	37 054	(8 135)	-	-	(35 0 707)	(3122 889)
Marine Cargo	4922 295	3748 035	3086 290	1711 551	1201 881	542 886	36 886	20 525	34 856	(8 261)	-	-	632 093	1464 813
Marine Hull	7223 692	4877 972	5110 784	952 174	1552 468	1589 600	46 593	35 696	74 648	(18 980)	-	-	588 495	2281 522
Life	4860 050	3789 365	5941 287	4123 656	76 197	28 593	28 904	19 963	16 546	(4 348)	52 944	-	(1222 737)	(387 194)
Total	376790 837	380960 545	337399 455	329535 499	61054 292	63701 523	2560 554	2164 389	2161 769	(532 079)	52 944	-	(22114 639)	(14972 944)

## 22. Ageing of claims – distinguishing between claims outstanding for different periods:

The Corporation being a reinsurance company does not settle claims directly with the insured. The companies after settling the claims with their insured would recover the claims from the Corporation as per the reinsurance

obligations. Such recoveries are settled with the companies through periodical account statements.

Nevertheless, the outstanding losses as intimated by the companies in respect of facultative business are classified according to the outstanding period as per the details given below:

## Details as on 31.03.2019

(₹ in 000)

Sr. No.	Outstanding Period	FIRE		MARINE		ENGINEERING		AVIATION		LIABILITY		MISCELLANEOUS		TOTAL	
		No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount
1	30 days	24	157,517	6	213,293	5	15,600	16	924,473	5	4,418	5	19,985	61	1,335,286
2	>30 days upto six(6) months	180	3,931,196	28	764,979	36	413,916	122	909,268	0	-	20	159,600	386	6,178,960
3	>6 months upto 1 year	188	2,054,323	40	383,889	36	231,040	125	949,670	7	20,852	20	38,880	416	3,678,654
4	1 year upto 5 years	787	5,586,655	150	1,217,987	239	1,650,183	956	1,890,930	21	319,066	79	64,301	2,232	10,729,122
5	>5 years	363	1,466,487	114	238,229	278	85,346	1,164	2,151,758	23	506,293	28	58,643	1,970	4,506,756
	TOTAL	1542	13,196,178	338	2,818,378	594	2,396,085	2,383	6,826,099	56	850,628	152	341,409	5,065	26,428,777

Details as on 31.03.2018

(₹ in 000)

Sr. No.	Outstanding Period	FIRE		MARINE		ENGINEERING		AVIATION		LIABILITY		MISCELLANEOUS		TOTAL	
		No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount
1	30 days	41	443,226	8	8,536	4	631	14	81,978	3	20,576	7	3,588	77	558,536
2	>30 days upto six(6) months	205	2,665,016	21	675,099	40	158,988	93	939,780	3	32,588	1	177	363	4,471,649
3	>6 months upto 1 year	269	3,101,881	20	29,430	53	123,840	112	397,414	4	11,868	19	37,475	477	3,701,908
4	1 year upto 5 years	992	4,371,951	264	1,098,318	305	2,061,499	963	2,525,481	29	190,999	109	78,009	2662	10,326,258
5	>5 years	362	1,732,883	149	260,327	272	165,970	1151	2,209,734	8	490,176	13	41,626	1955	4,900,716
	TOTAL	1869	12,314,957	462	2,071,711	674	2,510,928	2333	6,154,388	47	746,208	149	160,875	5534	23,959,066

23. Claims settled and remaining unpaid for a period of more than six months as on 31.03.2019 NIL (Previous Year NIL).

24. Corporation has put in place system of continuous reconciliation and monitoring of balances on an ongoing basis with persons/bodies carrying on insurance/reinsurance business. The Corporation has provided a cumulative provision of ₹ 65,63,788 thousand (P.Y. ₹ 55,45,853 thousand) for doubtful receivables.

The balances of amount due to/from other persons/bodies carrying on insurance business and deposits

held are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on receipt / confirmation of the same after examination (See note 2.4 Provision for Doubtful Debts under Significant Accounting Policy)

25. The Corporation has not provided for catastrophic reserves as IRDAI has not issued any guidelines in this respect.

26. The details of URR adjustment in respect of Dubai, London & Malaysia BO are as under:

Year	Dubai BO	London BO	Malaysia BO
2018-19	₹ 6,25,420 thousand (excess provision by BO, reduced at HO)	₹ 7,39,880 thousand (Less provision by BO, increased at HO)	₹ 2,90,662 thousand (Less provision by BO, increased at HO)
2017-18	₹ 1,35,766 thousand (excess provision by BO, reduced at HO)	₹ 11,78,526 thousand (excess provision by BO, reduced at HO)	Not Applicable

27. Life Reinsurance Business:

During the year, the Corporation has made a provision of ₹ 11,01,665 thousand (Previous Year made provision of ₹ 9,09,853 thousand) towards unexpired risk reserve for life business as determined by Life Appointed Actuary, as per IRDAI guidelines. (Excluding Re-takaful business).

28. (i) The estimate of claims Incurred but Not Reported [IBNR] claims have been certified by the Company's Appointed Actuary. The Appointed Actuary has

certified to the Company that the assumptions used for such are appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority of India [IRDAI] and Institute of Actuaries of India in concurrence with IRDAI.

(ii) The IBNR provision for Life Re business is certified by the Appointed Actuary – Life Re. The IBNR has been calculated using IRDAI (Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016 triangulation method for domestic business



## Notes Forming Part of the Accounts

except for non-proportional business instead of delay days method followed in previous year. For overseas business and domestic non-proportional business delay days method has been used.

(iii) Due to the change in the method of calculation of IBNR, the net impact is reduction in IBNR by ₹ 4,64,788 thousand and profit is increased by the same amount.

29. (a) The details on account of revaluation included in the net Outstanding Loss Reserves (OSLR) at the end of the year are as under:

(b) Reference / Benchmark Exchange Rates:

(₹ in thousand)

Class of Business	Amount
Fire	260,726
Life	589
Marine	(25,613)
Miscellaneous	(103,359)
Total	132,343

(Amount in ₹)

	Average INR Rate {April'18 to March'19}	Average INR Rate {April'17 to March'18}	Closing INR Rate {31.03.2019}	Closing INR Rate {31.03.2018}
AED	19.00752	17.54730	18.83679	17.72859
GBP	91.69343	85.49414	90.15538	91.25167
MYR	17.14742	15.48393	16.95588	16.85914
USD	69.80952	64.44402	69.18000	65.11000
EURO	80.85886	75.39230	77.59229	80.22203

➤ **Human Resources**

30. Provision for Productivity Linked Lump-sum Incentive to the employees for the year ended 31<sup>st</sup> March 2019 is ₹ 22,119 thousand (Previous Year ₹ 32,000 thousand).

**31. Employees Benefits**

The Corporation has classified the various benefits provided to employees as under:

**(i) Pension Superannuation Scheme**

**(ii) Defined Benefit Plan**

- (a) Leave Encashment
- (b) Gratuity
- (c) Provident Fund

**(iii) Settlement Benefit**

During the year Corporation has recognized the following amounts in the Profit and Loss Account based upon the actuary reports:

(₹ in thousand)

Particulars	Year ending 31 <sup>st</sup> March, 2019	Year ending 31 <sup>st</sup> March, 2018
Pension Superannuation Scheme(Employees' Pension Fund)	84,627	116,053
Leave Encashment (Earned leave and Sick Leave)	4,274	24,811
Gratuity (Employees Gratuity Fund)	105,722	10,181
Provident Fund (Employees Provident Fund)	0	0
Settlement Benefit	1,585	1,206



**A) Change in the Present Value of Obligation**

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Present Value of Obligation as 1 April	1,830,225	1,623,232	5,16,180	4,29,740	3,56,839	3,32,028	16,422	15,216
Interest Cost	136,664	115,859	39,139	30,959	27,333	25,433	1,258	1,111
Past Service Cost	0	0	0	0	0	0	0	0
Current Service Cost	33,011	46,021	24,015	23,060	18,161	17,514	722	714
Curtailment Cost / (Credit)	0	0	0	0	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0	0	0	0	0
Benefit Paid	(92,196)	(72,253)	(10,450)	(10,746)	0	0	0	0
Actuarial (Gain)/Loss on Obligation	71,638	117,366	10,834	43,166	(41,222)	(18,137)	(394)	(618)
Present Value of Obligation at 31 <sup>st</sup> March	1,979,342	1,830,225	579,718	516,180	361,112	3,56,839	18,007	16,422

\* Earned Leave + Sick Leave

**B) Change in the Fair value of Plan Assets**

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary		Settlement	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Fair Value of Plan Assets as at 1 April	1,730,841	1,578,306	505,998	381,302	0	0	0	0
Expected return on Plan Assets	160,612	141,207	42,345	32,008	0	0	0	0
Actuarial Gain/(Loss) on Obligation	(3,926)	21,987	(74,079)	54,996	0	0	0	0
Contribution	163,784	61,595	88,420	48,438	0	0	0	0
Benefit Paid	(92,196)	(72,253)	(10,450)	(10,746)	0	0	0	0
Fair Value of Plan Assets at 31 <sup>st</sup> March	1,959,115	1,730,841	552,235	505,998	0	0	0	0
Unpaid Amount	0	0	0	0	0	0	0	0
Fair Value of Plan (Net) Assets at 31 <sup>st</sup> March	1,959,115	1,730,841	552,235	505,998	0	0	0	0
Actual return	156,686	163,193	(31,734)	87,004	0	0	0	0

\* Earned Leave + Sick Leave

**C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets**

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary*		Settlement	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Present Value of Obligation	1,979,342	1,830,225	579,718	516,180	361,112	356,839	18,007	16,422
Fair Value of Plan Assets	1,959,115	1,730,841	552,235	505,998	0	0	0	0
Unfunded Net Asset / (Liability) Recognized in Balance Sheet	(20,228)	(99,384)	(27,483)	(10,181)	(361,112)	(356,839)	(18,007)	(16,422)

\* Earned Leave + Sick Leave

**D) Expenses recognized in the Profit and Loss Account**

(₹ in thousand)

For year ending 31 <sup>st</sup> March, 2019	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	33,011	24,015	18,161	722
Interest Cost	136,664	39,139	27,333	1,258
Curtailment Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Expected Return on Plan Assets	(160,612)	(42,345)	0	0
Net actuarial (gains)/losses recognized in the period	75,564	84,913	(41,222)	(394)
Total Expenses recognized in the Profit & Loss A/c	84,627	1,05,722	4,274	1,585

\* Earned Leave + Sick Leave

(₹ in thousand)

For year ending 31 <sup>st</sup> March, 2018	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	46,021	23,060	17,514	714
Interest Cost	115,859	30,959	25,433	1,111
Curtailment Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Expected Return on Plan Assets	(141,207)	(32,008)	0	0
Net actuarial (gains)/losses recognized in the period	95,380	(11,830)	(18,137)	(618)
Total Expenses recognized in the Profit & Loss A/c	116,053	10,181	24,811	1,206

\* Earned Leave + Sick Leave

#### E) Plan Assets

(In %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Government Securities {Central & State}	55.00	55.00	0.00	0.00	0.00	0.00	0.00	0.00
High quality Corporate Bonds	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	45.00	45.00	100.00	100.00	0.00	0.00	0.00	0.00

\* Earned Leave + Sick Leave

**F) Actuarial Assumption**

(In %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Discount Rate	7.77	7.66	7.77	7.66	7.77	7.66	7.77	7.66
Expected return on assets	9.00	9.00	7.77	8.00	0	0.00	0.00	0.00
Salary Escalation*	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00
Attrition/ withdrawal Rate	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Indian Assured Lives Mortality	2006-08	2006-08	2006-08	2006-08	2006-08	2006-08	1994-96	1994-96

\* Earned Leave + Sick Leave

**G) Other Disclosures****Pension**

(₹ in thousand)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013 - 14
Experience Adjustment						
On obligation	71,638	1,17,366	1,23,995	1,03,224	16,205	183,129
On plan assets	3,926	(21,986)	(95,603)	4,448	(60,980)	9,392
Present Value of obligation	1,979,342	1,830,225	1,623,232	1,414,830	1,303,844	1,159,320
Fair Value of plan assets	1,959,115	1,730,841	1,578,306	1,320,857	1,272,735	923,723
Excess of obligation over plan assets	(20,228)	(99,384)	(44,926)	(93,972)	(31,109)	(2,35,597)

**Gratuity**

(₹ in thousand)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013 - 14
Experience Adjustment						
On obligation	14,115	43,166	27,851	43,921	93,092	(18,360)
On plan assets	74,079	(54,996)	(2,721)	(35,455)	18,615	629
Present Value of obligation	579,718	516,180	429,740	371,197	301,229	183,862
Fair Value of plan assets	552,235	505,998	381,302	337,724	225,554	195,961
Excess of obligation over plan assets	(27,483)	(10,181)	(48,438)	(33,473)	(75,675)	12,099

### Leave Salary

(₹ in thousand)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013 - 14
Experience Adjustment						
On obligation	(43,982)	(18,137)	51,886	(37,199)	(43,100)	1,320
On plan assets	0	0	0	0	0	0
Present Value of obligation	361,112	356,839	332,028	245,182	227,340	221,463
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	361,112	356,839	332,028	245,182	227,340	221,463

### Settlement

(₹ in thousand)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013 - 14
Experience Adjustment						
On obligation	(394)	(618)	(537)	178	0	119
On plan assets	0	0	0	0	0	0
Present Value of obligation	18,007	16,422	15,216	14,024	12,195	10,648
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	18,007	16,422	15,216	14,024	12,195	10,648

Actuarial gain/loss has been charged to Profit and Loss Account.

### ➤ Secretarial

32. During the F.Y. 2018-19, the Corporation issued bonus equity shares in the ratio of 1:1 i.e.1 (one) equity share of ₹ 5/- each (fully paid up) for every 1 (one) existing equity share of ₹ 5/- each (fully paid up) to the Shareholders of the Corporation, in the month of July, 2018.

As on 31st March 2019, the Issued, Subscribed, Called-up and Paid-up Capital of the Corporation is ₹ 8,772,000,000/-comprising of 1,754,400,000 Equity shares of ₹ 5/- each.

Accordingly Earning Per Share, Book Value per share and Dividend per share is worked out for the current and previous years based on the increased number of shares.

**33. Investment in Subsidiary & Associate Companies (As on 31<sup>st</sup> March 2019)**

(₹ in thousand)

Sr. No.	Name of the company	Currency	No. of Shares	Face value	% Holding	Acquisition Cost
	<b>Subsidiary Company</b>					
1.	GIC Re South Africa Ltd.	Zar	571,030,862	2 Zar	100%	6,042,192
2.	GIC Re India Corporate Member Ltd.	GBP	1	1 GBP	100%	2
	<b>Total Subsidiary Investment</b>					<b>6,042,194</b>
	<b>Associate Company</b>					
1.	Agriculture Ins. Co. of India Ltd	INR	70,000,000	10 INR	35%	700,000
2.	GIC Bhutan Re Ltd	Nu	13,000,000	10 Nu	26%	130,000
3.	India International Ins. Pte Ltd.	SGD	10,000,000	1 SGD	20%	29,479
	<b>Total Associate Investments</b>					<b>859,479</b>

**Investment in Subsidiary & Associate Companies (As on 31<sup>st</sup> March, 2018)**

(₹ in thousand)

Sr. No.	Name of the company	Currency	No. of Shares	Face value	% Holding	Acquisition Cost
	<b>Subsidiary Company</b>					
1.	GIC Re South Africa Ltd.	Zar	421,856,675	2 Zar	100%	45,20,723
2.	GIC Re India Corporate Member Ltd.	GBP	1	1 GBP	100%	2
	<b>Total Subsidiary Investments</b>					<b>45,20,725</b>
	<b>Associate Company</b>					
1.	Agriculture Ins. Co. of India Ltd	INR	70,000,000	10 INR	35%	7,00,000
2.	GIC Bhutan Re Ltd	Nu	13,000,000	10 Nu	26%	1,30,000
3.	India International Ins. Pte Ltd.	SGD	10,000,000	1 SGD	20%	29,479
	<b>Total Associate Investments</b>					<b>8,59,479</b>

**34. (i) Related party Disclosures as per Accounting Standard - 18 "Related Party Transaction" issued by ICAI:****a) Subsidiary Company:**

- GIC Re South Africa Ltd., Johannesburg, S.A.
- GIC Re India Corporate Member Limited, London, U.K.
- GIC Perestrakhovanie" LLC.

The Board of GIC Re in its meeting dated 6th June 2016 authorized GIC Re to upgrade Moscow Representative Office into a business underwriting office by establishing

a wholly owned subsidiary in Russia and approved the requisite capital. In April 2016, a communication from Central Bank of Russia – The insurance regulator in Russia – consenting "in principle" no objection to GIC Re's proposal to incorporate a subsidiary in Moscow was received. The necessary approvals from IRDAI and Ministry of Finance were obtained in June 2017. Accordingly, the company has been registered in November 2018 in the name of "GIC Perestrakhovanie" LLC. However, no investments have been made by the corporation in the subsidiary till 31.03.2019.

**b) Associate Company:**

- India International Insurance Pte. Limited, Singapore
- Agriculture Insurance Company of India Limited, New Delhi, India
- GIC Bhutan Re Ltd, Bhutan

Nature and volume of transactions: With (a & b) above

**(ii) Statement showing Related party disclosures as per AS-18 of ICAI**

**a. Subsidiaries**

(₹ in thousand)

Period	GIC Re South Africa Ltd., Johannesburg, S.A.		GIC Re, India, Corporate Member Ltd., London, U.K	
	2018-19	2017-18	2018-19	2017-18
Premium Accepted	1,243,185	3,448,447	3,977,906	3,143,576
Premium Ceded	-	-	-	-
Net Premium	1,243,185	3,448,447	3,977,906	3,143,576
Commission Paid	395,782	1,058,990	1,712,426	1,235,857
Commission Recovered	-	-	-	-
Net Commission	395,782	1,058,990	1,712,426	1,235,857
Claims Paid	2,264,604	1,782,190	3,900,756	2,822,221
Claims Recovered	-	-	-	-
Net Claims	2,264,604	1,782,190	3,900,756	2,822,221
<b>Balance as on 31st March (-) indicates amount payable by GIC</b>	-	-	-	-

**b. Associates**

(₹ in thousand)

Period	Agriculture Ins. Co. Ltd		India International Pte Ltd.		GIC-BHUTAN RE	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Premium Accepted	38,487,907	32,662,335	70,352	8,316	12,626	44,008
Premium Ceded	(7,173)	121,671	2,538	-	-	-
Net Premium	38,495,080	32,540,664	67,813	8,316	12,626	44,008
Commission Paid	1,988,526	3,524,997	14,790	931	-	-
Commission Recovered	1,736	27,200	-	-	-	-
Net Commission	1,986,790	3,497,798	14,790	931	-	-
Claims Paid	45,413,335	23,322,642	23,360	1,07,465	-	-
Claims Recovered	46,170	54,845	-	-	-	-
Net Claims	45,367,165	23,267,797	23,360	1,07,465	-	-
<b>Balance as on 31st March (-) indicates amount payable by GIC</b>					-	-



**35. i) Key Management Personnel:**

Sr. No.	Designation	Name
1	Chief Executive Officer	Smt. Alice G. Vaidyan
2	General Manager & Chief Finance Officer Director, General Manger & Chief Finance Officer	Shri V.C. Jain (upto 31.07.2018) Smt. Sashikala Muralidharan (w.e.f. 01.08.2018)
3	Director, General Manger & Chief Underwriting Officer	Smt. Usha Ramaswamy (w.e.f. 01.08.2018)
4	General Manager & Chief Marketing Officer	Shri Pauly Sukumar N. (upto 30.06.2018) Shri Deepak Godbole (W.e.f. 01.08.2018)
5	Appointed Actuary (General Insurance)	Smt. Priscilla Sinha (upto 31.12.2018)
6	Deputy General Manager & Chief Investment Officer General Manager & Chief Investment Officer	Shri Uttam Kumar Sharma (from 22.01.2017 to 31.07.2018) Shri S.N. More (w.e.f. 01.08.2018)
7	General Manager, Chief of Internal Audit & Financial Advisor	Shri D.R. Waghela (up to 31.05.2018)  Shri Devesh Srivastava (from 01.08.2018 up to 10.10.2018)  Smt. Reena Bhatnagar (w.e.f. 11.10.2018)
8	General Manager & Chief Risk Officer	Smt. Madhulika Bhaskar
9	General Manager & Chief Compliance Officer	Smt. Suchita Gupta
10	General Manager	Shri Deepak Prasad (w.e.f 01.04.2018)
11	General Manager	Shri Sushil Kumar (up to 31.12.2018)
12	Appointed Actuary (Life Insurance)	Shri Ajai Kumar Tripathi(w.e.f 20.11.2018)

**ii. Details of Key Managerial Personnel Remuneration for the year ended 31.03.2019 is as follows:**

(₹ in thousand)

Sr. No	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
1	Chief Executive Officer	Smt. Alice G. Vaidyan	3,086.84	265.32	402.73	0.00	32.40	0.00	3.56
2	General Manager & Chief Finance Officer	Shri V.C. Jain (up to 31.07.2018)	703.83	46.72	71.20	0.00	10.80	0.00	40.02
	Director, General Manger & Chief Finance Officer	Smt. Sashikala Muralidharan (w.e.f. 01.08.2018)	1,553.13	98.67	142.30	0.58	14.40	0.00	67.74

Sr. No	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
3	Director, General Manager & Chief Underwriting Officer	Smt. Usha Ramaswamy (w.e.f. 01.08.2018)	1,526.13	92.46	136.12	63.12	14.40	0.00	41.67
4	General Manager & Chief Marketing Officer	Shri Pauly Sukumar N. (up to 30.06.2018)	518.48	34.06	52.43	0.00	8.10	0.00	324.13
	General Manager & Chief Marketing Officer	Shri Deepak Godbole (W.e.f. 01.08.2018)	1,502.60	90.94	131.87	0.00	14.40	0.00	42.45
5	Appointed Actuary (General Insurance) *	Smt. Priscilla Sinha (up to 31.12.2018)	5,940.90	0.00	0.00	0.00	0.00	0.00	0.00
6	Deputy General Manager & Chief Investment Officer	Shri Uttam Kumar Sharma (from 22.01.2017 to 31.07.2018)	611.63	41.71	61.68	0.00	7.20	0.00	35.36
	General Manager & Chief Investment Officer	Shri S.N. More (w.e.f. 01.08.2018)	1,575.35	93.00	143.69	0.00	0.00	0.00	217.26
7	General Manager, Chief of Internal Audit & Financial Advisor	Shri D.R. Waghela (upto 31.05.2018)	350.26	23.90	34.75	0.00	5.40	0.00	24.07
	General Manager, Chief of Internal Audit & Financial Advisor	Shri Devesh Srivastava (from 01.08.2018 up to 10.10.2018)	593.07	66.25	64.10	19.09	9.37	0.00	156.39
	General Manager, Chief of Internal Audit & Financial Advisor	Smt. Reena Bhatnagar (w.e.f. 11.10.2018)	1,010.99	61.67	89.57	2.15	9.00	0.00	24.20
8	General Manager & Chief Risk Officer	Smt. Madhulika Bhaskar	2,203.68	134.10	0.00	0.00	21.60	0.00	84.47
9	General Manager & Chief Compliance Officer	Smt. Suchita Gupta	2,169.40	136.86	201.94	0.00	21.60	0.00	77.42

## Notes Forming Part of the Accounts

Sr. No	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
10	General Manager	Shri Deepak Prasad (w.e.f 01.04.2018)	2,254.25	141.12	0.00	30.70	0.00	0.00	64.18
11	General Manager	Shri Sushil Kumar (up to 31.12.2018)	1,754.39	105.77	171.31	53.25	24.30	0.00	334.44
12	Appointed Actuary (Life Insurance) *	Shri Ajai Kumar Tripathi (w.e.f 20.11.2018)	1,753.33						

\* Professional fees

### Details of Key Managerial Personnel Remuneration for the year ended 31.03.2018 is as follows:

(₹ in thousand)

Sr. No	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS perquisite	Other Perquisite
1	Chief Executive Officer	Smt. Alice Vaidyan	3,407	256	377	0	32	0	0
2	Chief Marketing Officer	Shri Pauly Sukumar N.	2,087	135	209	0	32	0	48
3	Chief Investment Officer	Shri Satyajit Tripathy (upto 22.01.2018) 285 days	1,465	98	143	34	17	0	38
4	Chief Investment Officer	Shri Uttam Kumar Sharma (wef 22.01.2018) 69 days	352	24	35	0	4	0	0
5	Financial Advisor & Chief of Internal Audit (upto 24.05.2017) 54 days	Shri G.C. Gaylong	306	22	30	0	3	0	200
6	Financial Advisor & Chief of Internal Audit (wef 24.05.2017) 232 days	Shri D.R. Waghela	1,399	90	140	0	21	0	30

Sr. No	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS perquisite	Other Perquisite
7	Chief Financial Officer	Shri V.C. Jain	2,127	138	214	0	32	0	48
8	Chief Risk Officer	Smt. Madhulika Bhaskar	2,065	128	0	0	22	0	50
9	Chief Compliance Officer	Smt. Suchita Gupta	2,022	130	203	0	22	0	49
10	Appointed Actuary (General Insurance) *	Smt. Priscilla Sinha	7,595	0	0	0	11	0	0
11	Appointed Actuary (Life Insurance) upto 30.06.2017*	Smt. Padmaja R.	911	0	0	0	0	0	0

\* Professional fees

**36.** In terms of Para 9 of AS-18, no disclosure has been made in the financial statements of state- controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

**37. Proposed Dividend for the year 2018-19**

In view of the amendment to AS 4 as per the Companies (Accounting Standards) Amendment Rules, 2016, the Corporation has not made any provision for Dividend in

the Annual Accounts for the year 2018-19. The proposed dividend for the year 2018-19 is ₹ 11,842,200 thousand and the corresponding Dividend Distribution Tax is ₹ 2,434,283 thousand, which will be settled after approval at the AGM in the year 2019-20. (Previous year dividend paid ₹ 11,842,200 thousand, dividend distribution tax ₹ 2,434,283 thousand) is shown as appropriations in the profit & loss account.

**38. Details of the penalty payable by the Corporation during the year 2018-19 are given below:**

Sr. No.	Authority	Non- Compliance/ Violation	Amount in ₹ thousand		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil
2	Service Tax/Goods & Services 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

Sr. No.	Authority	Non-Compliance/ Violation	Amount in ₹ thousand		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
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

➤ **Corporate Accounts**

**39. Earnings per Share (EPS) as per Accounting Standards 20 issued by ICAI:**

	2018-19	2017-18
Profit after Tax	₹ 2,22,43,058 thousand	₹ 32,335,845 thousand
Number of equity shares	1,754,400,000	1,735,079,452
Nominal value of share	₹ 5/-	₹ 5/-
Basic and Diluted EPS	₹ 12.68/-	₹ 18.64/-

Basic earnings per share are calculated by dividing the profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually

issued at fair value. Dilutive potential equity shares are determined independently for each period presented.

The face value of equity share is consolidated from ₹ 1 to ₹ 5 per share. Accordingly, the Earning Per Share, Book Value per share and Dividend per share is based on the face value of 5 per share. During the Year ended 31.03.2019, the Corporation has issued bonus shares in the ratio of 1:1. Accordingly the Earning Per Share, Book Value per share and Dividend per share is based on the increased number of shares.

**40. Disclosures as per Accounting Standard – 22 “Accounting for Taxes on Income”:**

Deferred Tax assets are recognized only if there is a virtual certainty backed by convincing evidence that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

The breakup of Net Deferred Tax Assets is as under:

(₹ in thousand)

Particulars	As on 31.03.2019		As on 31.03.2018	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Timing difference on account of difference in WDV as per books & WDV as per Income Tax Act, 1961		114,054	3,995	
Provision for employee's benefits	140,209	-	140,253	
Others				
Foreign Branches		593		223
TOTAL	140,209	114,647	144,248	223
Net Deferred Tax	25,562		144,024	

41. The basis of apportionment of operating expenses to the Revenue Accounts has been stated in the Significant Accounting Policy No. 8.

42. (a) Till the F.Y. 2013-14, depreciation on fixed assets was charged on written-down value method at the higher of the rates specified in the Income Tax Rules, 1962 and those specified in Schedule XIV to the Companies Act, 1956. In respect of leasehold properties and intangible assets amortization was made over the period of lease/use. From the F.Y. 2014 – 15, the Corporation has changed the method of depreciation from written down value to straight line method. However, there is no material impact on the financial statements due to such change in deprecation method.

(a) Pursuant to the enactment of the Companies Act 2013, the corporation has applied the estimated useful lives as specified in schedule II. Accordingly, the un-amortized carrying value is being depreciated / amortized over the revised / remaining useful lives. The written down value of fixed assets whose lives have expired as at April 01, 2014 had been charged to Profit

and Loss Account in the F.Y 2014-15.

43. Since the value of Other Liabilities net off Other Assets is negative, the value of other liabilities has been taken as zero, while calculating the policyholders' fund.

#### 44. Contingent Liabilities:

- Paid up investments NIL (Previous year NIL)
- Underwriting commitments outstanding NIL (Previous year NIL)
- Claims, other than Partly under policies not acknowledged as debts: ₹ 11,000 thousand (Previous year ₹ 11,000 thousand)
- Guarantees / LC given by or on behalf of the Corporation ₹ 27,366,024 thousand (Previous year ₹ 19,501,805 thousand)
- Statutory demand / liabilities in dispute - Income-tax demands disputed, not provided for ₹ 29,930,036 thousand (Previous year ₹ 17,262,332 thousand).

**Year-wise break up as follows:**

(₹ in thousand)

Sr. No.	Assessment Year	Amount
1	2002-03	694,362
2	2003-04	757,312
3	2004-05	1,879,038

Sr. No.	Assessment Year	Amount
4	2005-06	1,849,956
5	2006-07	2,680,573
6	2007-08	3,126,779
7	2008-09	3,149,757
8	2009-10	1,809,812
9	2011-12	872,334
10	2012-13	1,079,551
11	2013-14	163,957
12	2014-15	71,235
13	2015-16	4,400,620
14	2016-17	7,394,751
	<b>Total</b>	<b>29,930,036</b>

(f) Reinsurance obligations to the extent not provided for in the accounts NIL (Previous year NIL ) in view of Significant Accounting Policy No. 2.2.

(g) "Majority of the pending legal / arbitration matters with the Legal Department are very old.

These cases are primarily against the erstwhile subsidiary companies and the Corporation has been impleaded as a proforma respondent because of its erstwhile status of the holding company. In MACT /Hit and Run matters, GIC is wrongly impleaded despite not

being the administrator of the Solatium Scheme. Consequently, no financial impact of such cases is envisaged."

45. GIC is in process of erecting Fire escape staircase at its office premises, for which a premium of ₹ 1,67,71,300/- has been paid to the MCGM towards open space deficiency and staircase premium. As the whole process is in progress and has not been completed the said amount paid has been accounted under Sundry Advance.

#### 46. Performance of Overseas Branches:

(₹ in thousand)

	Dubai	Malaysia	London
Gross Premium	18,180,075	12,562,882	9,104,656
Net Premium	17,669,835	12,235,290	7,158,722
Earned Premium	18,712,093	11,886,955	9,136,787
Incurred Claims	17,501,988	9,404,858	5,824,681
Net Commission	3,989,797	4,111,253	1,933,565
Expenses of Management	272,761	49,232	121,061



	Dubai	Malaysia	London
Profit/(Loss) on Exchange	(132,999)	591,789	4,91,572
Underwriting Profit/(Loss)	(3,185,451)	(1,086,599)	1,749,052
Net Inv. Income in Rev. A/c	376,305	338,073	212,040
Revenue Profit/(Loss)	(2,809,146)	(748,527)	1,961,092

➤ **GENERAL**

**47.** The Corporation generally makes payments to its creditors within a period of 45 days as stipulated in Micro, Small and Medium Enterprises Act 2006. The Corporation is in the process of identifying Micro, Small and Medium Enterprises as defined in above referred act. Hence relevant disclosures are not made. The Corporation has neither received any claims for interest nor provided any interest payable to Micro, Small and Medium Enterprises as required by aforesaid act.

**48.** During the year 2017/18, irregularities in acceptance of reinsurance contracts and short collection of premiums by an employee of the Corporation had been detected and was reported in the Notes forming part of the accounts.

The claim relating to the incident has been settled and recovery will be made from our reinsurers under the Corporation's Reinsurances Protection Programme.

With regard to the collection of shortfall premiums the recovery from the concerned broker has been made to the extent of USD 391,131 (₹ 27,058,442.58).

Recovery is being pursued for the balance amount of USD 124,104.75 (₹ 8,582,624.49).

Controls put in place post the incident are being followed and monitored.

**49. Major Events occurring after Balance Sheet Date:**

There are no major events occurred after Balance sheet Date

**50.** The Corporation has prepared Cash flow statement adopting the indirect method.

**51.** Tax liabilities in respect of foreign operation, if any, is accounted on actual basis.

**52.** Prior period items have not been separately disclosed, as the amount is not material.

**53.** The summary of the financial statements of the Corporation for the last five years is as per Annexure I.

**54.** The Accounting Ratios of the Corporation are stated in Annexure II.

**55.** Figures relating to the previous year have been regrouped / rearranged, wherever necessary.

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary

## Summary of Financial Statements

### SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Annexure - I

(₹ in Lakh)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
<b>OPERATING RESULTS</b>					
1 Gross Premium	4423 800	4179 937	3358 544	1843 581	1518 397
2 <b>Net Premium Income</b>	3899 597	3763 446	3017 456	1637 478	1385 701
3 Income from investments (net)	463 267	383 087	305 265	280 272	302 482
4 Profit on Exchange Fluctuation	21 618	(5 333)	(3 083)	15 657	(5 843)
5 <b>Total Income</b>	4384 482	4141 200	3319 638	1933 407	1682 340
6 Commissions (Net) (Including Brokerage)	610 543	637 015	540 440	349 036	278 425
7 Operating Expenses	25 606	21 644	23 973	18 070	15 944
8 Net Incurred Claims	3373 995	3295 355	2164 641	1289 986	1189 177
9 Change in Unexpired Risk Reserve	131 689	(46 160)	345 966	120 195	29 876
9a Premium Deficiency	529	0	0	(5 846)	5 846
10 <b>Operating Profit/loss</b>	242 120	233 346	244 618	161 966	163 072
<b>NON-OPERATING RESULT</b>					
11 Total Income under Shareholders account (Net)	101 262	133 480	117 768	133 685	119 651
12 Profit/(loss) before tax	343 382	366 826	362 386	295 651	282723
13 Provision for tax	120 952	43 467	49 619	10 812	13 351
14 Profit/(loss) after tax	222 430	323 359	312 767	284 839	269 372
<b>MISCELLANEOUS</b>					
15 <u>Policy holders Account :</u>					
Total funds	5850 031	5282 186	4168 187	2955 589	2701 832
Total Investments	5707 520	5067 540	4292 479	3660 366	3948 334
Yield on Investments (%)	12.18	12.00	12.35	12.91	14.08
16 <u>Shareholders Account :</u>					
Total funds	2233 442	2152 592	1794 663	1482 996	1300 161
Total Investments	2253 774	2124 617	2182 014	1783 231	1624 172
Yield on Investments (%)	12.18	12.00	12.35	12.91	14.08

## Summary of Financial Statements

(₹ in Lakh)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
17 Paid up equity Capital	87 720	43 860	43 000	43 000	43 000
18 Net worth	2233 442	2152 592	1794 663	1482 996	1300 161
19 Total assets	11888 357	10967 239	9494 862	7973 258	7809 332
20 Yield on total investments (%)	12.18	12.00	12.35	12.91	14.08
21 Earnings per share ₹ (Un Annualised) *	12.68	18.64	18.18	16.55	15.65
22 Book Value per share ₹ *	127.31	122.70	104.34	86.22	75.60
23 Total Dividend	118 422	100 200	0	86 000	54 000
24 Dividend per share ₹ *	6.75	5.83	0	5.00	3.15

\*The face value of equity share is consolidated from ₹ 1 to ₹ 5 per share. Accordingly the Earning Per Share, Book Value per share and Dividend per share is based on the face value of ₹ 5 per share. During the Year ended 31.03.2019, the Corporation has issued bonus shares in the ratio of 1:1. Accordingly the Earning Per Share, Book Value per share and Dividend per share is based on the increased number of shares.

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner  
Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
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**ADHAR SAMRIA**

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Director

**Sashikala Muralidharan**  
Director, GM & CFO

**Usha Ramaswamy**  
Director & GM

**Suchita Gupta**  
Company Secretary

## Performance Ratios

### RATIOS FOR NON - LIFE COMPANIES

### Annexure - II

Performance Ratio	Ratio/Percentage			
	Current Year Ending		Previous Year Ending	
	31.03.2019		31.03.2018	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
<b>1 Gross Premium Growth Rate (segment wise)</b> (Gross premium for the current year divided by the gross premium for the previous year)				
Fire Insurance	(4.60)	7.90	42.30	13.50
Motor Insurance	7.00	(5.80)	17.10	36.70
Aviation Insurance	39.10	52.90	(20.30)	18.00
Engineering insurance	14.80	(7.00)	8.20	17.60
W.C.	48.70	21.80	(17.30)	26.10
Liability	28.40	140.30	85.40	48.90
PA	9.60	59.80	27.40	(5.90)
Health	(2.20)	(5.70)	39.00	(12.60)
Agriculture	1.20	-	30.90	4,459.00
Other Miscellaneous Insurance	219.70	(36.90)	(60.90)	(10.00)
FL/Credit	3.50	270.80	15.30	68.80
Marine Cargo	18.70	177.70	34.00	(36.30)
Marine Hull	(13.70)	27.10	20.90	35.10
Life	18.10	169.50	15.20	(1,102.00)
<b>2 Gross Premium to Net worth ratio :</b> (Gross premium for the current year divided by paid up capital and free reserves)	198.10		194.20	
<b>3 Growth rate of Net Worth</b> (Net worth as at the current balancesheet date divided by Net worth as at the previous balance sheet date)	3.80		19.90	
<b>4 Net retention ratio (segment wise)</b> (Net premium divided by gross premium)				
Fire Insurance	59.80	88.00	59.40	90.10
Motor Insurance	100.00	100.00	100.00	100.00

RATIOS FOR NON - LIFE COMPANIES

Annexure - II

Performance Ratio	Ratio/Percentage			
	Current Year Ending		Previous Year Ending	
	31.03.2019		31.03.2018	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
Aviation Insurance	56.70	81.50	69.20	86.00
Engineering insurance	72.60	100.00	95.10	100.00
W.C.	100.00	100.00	100.00	100.00
Liability	55.00	100.00	59.90	100.00
PA	99.90	100.00	100.00	100.00
Health	99.30	100.00	97.40	100.00
Agriculture	85.50	100.20	90.50	96.90
Other Miscellaneous Insurance	84.50	100.00	88.00	99.70
FL/Credit	98.60	97.40	72.60	96.10
Marine Cargo	82.30	83.70	85.00	71.90
Marine Hull	43.90	86.00	70.90	84.80
Life	92.20	100.00	85.70	100.00
<b>5 Net commission ratio (segment wise)</b> (Commission paid net of reinsurance commission divided by net written premium for that segment)				
Fire Insurance	24.90	27.80	13.40	26.20
Motor Insurance	11.90	23.30	15.50	25.70
Aviation Insurance	11.30	22.60	14.00	18.40
Engineering insurance	21.40	32.80	(33.50)	29.50
W.C.	17.40	33.20	15.00	13.10
Liability	13.40	25.00	6.40	22.00
PA	17.90	36.00	29.00	32.80
Health	15.80	16.10	21.50	18.60
Agriculture	5.20	26.30	11.60	27.50
Other Miscellaneous Insurance	18.40	32.90	(28.40)	31.40
FL/Credit	16.30	36.10	22.10	32.80

## RATIOS FOR NON - LIFE COMPANIES

## Annexure - II

Performance Ratio	Ratio/Percentage			
	Current Year Ending		Previous Year Ending	
	31.03.2019		31.03.2018	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
Marine Cargo	14.10	24.60	5.30	41.40
Marine Hull	27.70	18.40	(1.80)	29.20
Life	0.80	8.40	0.40	8.50
<b>6 Expenses of management to gross premium ratio</b> (Expenses of management divided by Gross premium)	0.60		0.50	
<b>7 Expenses of management to Net written premium ratio</b> (Expenses of management divided by Net written premium)	0.70		0.60	
<b>8 Net Incurred Claims to Net Earned Premium</b>	89.50		86.50	
<b>9 Combined ratio :</b> (Net Incurred Claims divided by Net Earned Premium plus expenses of management (including net commission) divided by Net written premium)	105.86		104.00	
<b>10 Technical reserves to net premium ratio:</b> (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims (including IBNR and IBNER divided by net premium)(All on net basis)	150.00		140.40	
<b>11 Underwriting balance ratio:</b>	(5.67)		(4.00)	
<b>12 Operating profit ratio:</b> (Underwriting profit/ loss plus investment income divided by net premium)	6.20		6.20	
<b>13 Liquid assets to liabilities ratio:</b> (Liquid assets (Short Term Investments (Schedule 8) plus Short Term Loans (Schedule 9) plus Cash & Bank Balances (Schedule 11)) of the insurer divided by policyholders liabilities (to be discharged within 12 months) (claims outstanding (Schedule 13) plus reserve for unexpired risk and Premium Deficiency (Schedule 14))	31.85		35.00	

RATIOS FOR NON - LIFE COMPANIES

Annexure - II

Performance Ratio	Ratio/Percentage			
	Current Year Ending		Previous Year Ending	
	31.03.2019		31.03.2018	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
<b>14 Net earnings ratio:</b> (Profit after tax divided by net premium)	5.70		8.60	
<b>15 Return on net worth (Annualised)</b> (Profit after tax divided by net worth)	9.96		15.00	
<b>16 Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio</b> (Ratio of Available Solvency Margin (ASM) at the end of the Quarter to the Required Solvency Margin (RSM) required to be maintained as per regulations.	2.06		1.72	
<b>17 NPA ratio( Net)</b>	1.12		0.23	

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary



## Cash Flow Statement

### AUDITED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019 AS PER INDIRECT METHOD

(₹ in thousand)

Particulars	31.03.2019	31.03.2018
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<i>Net Profit before taxation as per Profit &amp; Loss A/c</i>	34338 236	36682 560
<i>Adjustments for:</i>		
Exchange -Loss/Gain charged	(3007 466)	763 575
Provision for diminution in value of investment	1618 482	203 200
Provision for doubtful loans, investments & Debts	5814 939	1289 539
Amortisation of Premium on Investment	304 671	260 835
Depreciation	139 898	74 035
-Profit /Loss on sale of Assets	199	27
Provision for Leave Encashment & Salary Arrears	(51 582)	49 161
Sundry Balances Written off/ -back	0 4819 141	0 2640 372
<i>Operating Profit before working capital changes</i>	39157 377	39322 932
Changes in Unexpired Risk Reserves	13168 870	(4615 967)
Changes in Premium Deficiency Reserve	52 944	0
Changes in Provisions for Outstanding Claims	43562 620	116015 890
Changes in Income accrued on Investments	(1001 372)	(1034 517)
Changes in Balances with Insurance Companies	(14794 975)	(50141 789)
Changes in Advance and Deposits	612 659	(11313 021)
Changes in other Current Liabilities	2743 363 44344 109	2394 271 51304 867
<i>Cash generated from operations</i>	83501 486	90627 799
Income Tax Paid (Net)	(13341 384)	(4007 266)
<i>Net Cash from Operating Activities</i>	70160 102	86620 533
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(398 302)	(151 543)
Proceeds from sale of Fixed Assets	3 124	1 818
Foreign Currency Translation Reserve	898 590	4485 053

**AUDITED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019  
AS PER INDIRECT METHOD**

(₹ in thousand)

Particulars	31.03.2019	31.03.2018
Changes in net Investments	(72631 571)	(58323 907)
<b>Net Cash used in Investing Activities</b>	<b>(72128 159)</b>	<b>(53988 579)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(11842 200)	(10020 000)
Dividend Tax Paid	(2434 283)	(2039 872)
<b>Net Cash from Financing Activities</b>	<b>(14276 483)</b>	<b>(12059 872)</b>
<b>D) Effect of Foreign Exchange on Cash &amp; Cash equivalents(Net)</b>	<b>3007 466</b>	<b>(763 575)</b>
<b>Net increase in Cash and Cash equivalents (A+B+C+D)</b>	<b>(13237 074)</b>	<b>19808 507</b>
<b>Cash and Cash equivalents at beginning of period</b>	<b>141716 159</b>	<b>121907 652</b>
<b>Cash and Cash equivalents at the end of period</b>	<b>128479 085</b>	<b>141716 159</b>

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

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**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary

# Balance Sheet Abstract and Company's General Business Profile

2018 - 19

## I. Registration Details

Registration No.	16 133	State Code	11
Balance Sheet Date	3/31/2019		

## II. Capital Raised During the year (Amount in ₹ thousand)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	4386 000	Private Placement	N I L

## III. Position of Mobilisation and Deployment of Funds (Amount in ₹ thousand)

Total Liabilities	537916 886	Total Assets	537916 886
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### Sources of Funds

Paid-up Capital	8772 000	Reserve & Surplus	224838 561
Secured Loans	N I L	Unsecured Loans	N I L
Deferred Taxation Liability	0	Fair Value Change Account	304306 325

### Application of Funds

Net Fixed Assets	1966 904	Investment	798708 603
Net Current Assets	(262784 183)	Misc. Expenditure	N I L
Accumulated Losses	N I L	Deffered Tax Asset	25 562

## IV. Performance of Company (Amount in ₹ thousand)

Turnover	443084 365	Total Expenditure	409538 885
Profit/Loss Before Tax	34338 234	Profit/Loss After Tax	22243 059
Earning per Share in (₹)	12.68	Dividend @ %	270.00

## V. Generic Name of The Principal Products/Services of Company (as per Monetary terms)

Item Code No.	NOT APPLICABLE
Product Discription	REINSURANCE SERVICE

(₹ & \$ in '000)

	As on 31.03.2019		As on 31.03.2018	
	₹	\$	₹	\$
Gross Premium	442 379 951	6 394 622	417 993 686	6 419 808
Net Premium	389 959 707	5 636 885	376 344 580	5 780 135
Net Earned Premium	376 790 837	5 446 528	380 960 545	5 851 030
Net Claims	337 399 455	4 877 124	329 535 499	5 061 212
% to Earned Premium	89.5%	89.5%	86.5%	86.5%
Net Commission	61 054 292	882 543	63 701 523	978 368
% to Earned Premium	16.2%	16.2%	16.7%	16.7%
Operating Expenses and Other Outgo less Other Income	398 785	5 764	2 697 701	41 433
Premium Deficiency	52 944	765	0	0
Investment Income Less Expenses apportioned to Revenue a/c	46 326 733	669 655	38 308 738	588 369
Revenue Profit/(Loss)	24 212 094	349 987	23 334 560	358 387
Investment Income Less Expenses apportioned to P/L a/c	17 686 696	255 662	15 611 545	239 772
Other Income less Other Outgo	177 536	2 566	(522 518)	(8 025)
Res. for Doubtful Debts, Investment W/off & Amortisation of Prem.on Inv.	7 738 092	111 854	1 741 030	26 740
<b>PROFIT BEFORE TAX</b>	<b>34 338 234</b>	<b>496 361</b>	36 682 557	563 394
Provision for tax including deferred tax	12 095 175	174 836	4 346 711	66 759
<b>PROFIT AFTER TAX</b>	<b>22 243 059</b>	<b>321 524</b>	32 335 846	496 634
ASSETS:				
Investments	796 129 414	11 508 086	719 215 686	11 046 163
Loans	2 579 189	37 282	2 820 852	43 324
Fixed Assets	1 966 904	28 432	1 711 823	26 291
Deferred Tax Asset	25 562	369	144 024	2 212
Cash and Bank Balances	128 479 085	1 857 171	141 716 159	2 176 565
Advances and Other Assets	259 655 507	3 753 332	236 661 264	3 634 791
<b>TOTAL ASSETS</b>	<b>1 188 835 661</b>	<b>17 184 673</b>	1 102 269 809	16 929 347
LIABILITIES:				
Share Capital	8772 000	126 800	4 386 000	67 363
Reserve and Surplus	224838 561	3 250 051	220 359 393	3 384 417
Deferred Tax Liabilities	0	0	0	0
Fair Value Change Account	304 306 325	4 398 762	298 342 678	4 582 133
Current Liabilities & Provisions	650 918 775	9 409 060	579 181 738	8 895 434
<b>TOTAL LIABILITIES</b>	<b>1 188 835 661</b>	<b>17 184 673</b>	1 102 269 809	16 929 347

1 US\$ = ₹ 69.18 as on 31.03.2019

1 US\$ = ₹ 65.11 as on 31.03.2018

(Percentage relate to the net earned premium of the corresponding period)

Solely for the convenience of readers, performance highlights have been converted into United States Dollar

**USD Exchange Rate**

**69.18**

**65.11**



**CONSOLIDATED FINANCIAL STATEMENTS  
(CFS)  
YEAR 2018-19**

**A: SUBSIDIARIES:**

- (i) GIC Re South Africa Ltd.
- (ii) GIC Re, India, Corporate Member Ltd.

**B: ASSOCIATES:**

- (i) Agriculture Insurance Company of India Ltd.
- (ii) GIC Bhutan Re Ltd.
- (iii) India International Insurance Pte. Ltd.

## INDEPENDENT AUDITOR'S REPORT

To:

The Members of

General Insurance Corporation of India

Report on the Audit of the Consolidated Financial Statements

### I. Opinion

We have audited the accompanying consolidated financial statements of General Insurance Corporation of India ("the Holding Company"), and its subsidiaries and its associates (collectively referred to as "the Corporation" or "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Revenue Accounts, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 ('the Insurance Act'), the Insurance Regulatory and Development Authority Act, 1999 ('the IRDAI Act'), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDAI Financial Statements Regulations'), orders/ directions issued by the Insurance Regulatory and Development Authority of India ('the IRDAI'), the Companies Act ('the Act') including the accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards'), to the extent applicable and in the manner so required and the financial statements read with significant accounting policies and notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to Insurance companies of their consolidated state of affairs of the Corporation as at 31st March, 2019 and of consolidated surplus of revenue accounts of Fire, Miscellaneous, Marine and Life business and its consolidated profit and its consolidated cash flows for the year then ended.

### II. 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 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

### III. Emphasis of Matter

- Without qualifying our report we draw attention to Note No 16 regarding exposure of the Corporation to Infrastructure Leasing & Finance Company and other Group Companies where the Corporation has made a provision of 50% of Secured portion amounting to ₹ 35,18,948 thousands and 100% of Unsecured portion amounting to ₹ 8,50,165 thousands, aggregating to ₹ 43,69,113 thousands which in opinion of the management is considered appropriate and is higher than the provision required to be made as per Prudential Norms for Income Recognition, Asset Classification and Provisioning issued by RBI and IRDAI applicable to Insurance Companies.
- Attention is drawn to Significant Accounting Policy No. 1.7., the impact on profit for the year or Assets and Liabilities due to deviation in Accounting Policies of the Corporation and its subsidiaries cannot be evaluated for the reason stated therein. As the impact thereof is not material our opinion is not modified in respect of this matter.

### IV. Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the

context of our audit of the consolidated 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 below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's response
1	<p><b>Revenue Recognition:</b></p> <p>The Corporation recognises reinsurance premium income based on the statement of accounts or closing statements received from the ceding companies. At the year end, estimates are made for the accounts not received based on the Estimated Premium Income (EPI) agreed upon by both the Corporation and the Ceding Companies at the time of inception of the treaty or policy slip.</p> <p>Premium estimation is the differential of EPI and the booked premium for the year by the Corporation.</p> <p>Estimation of Income can be right only if the factors involved are incorporated in the system and extracted correctly from the system.</p>	<p>Our audit procedures on revenue recognised included:</p> <p>Tested the design, implementation and operating effectiveness of key controls over Revenue Recognition.</p> <p>Verified Premium Estimation with the guidelines of the Corporation and have performed test of controls, test of details and analytical review procedures on estimation of income.</p> <p>Verified EPI from the treaty or policy slip as the case may be and verified Actual Premium booked from Statement of Accounts or Closing statements received from the Cedants of the sample cases.</p>
2	<p><b>Claim Provisioning:</b></p> <p>Insurance Claim is the major area of expense for the insurance company. Total claims incurred include paid claims, Outstanding Loss Reserve (OSLR) and Claims Incurred But Not (Enough) Reported (IBN(ER)).</p> <p>The Provision and payment of claims was considered to be one of the areas which required significant auditor attention and was one of the matter of most significance in the financial statements as the quantum involved is significant.</p>	<p>Verified operational guidelines of the Group relating to claim processing, have performed test of controls, test of details and analytical review procedures on the outstanding claims. Verified the claim paid and provision on sample basis with payment proof and Preliminary Loss advice received from the Cedant Company and the same is further verified from the surveyor's report.</p> <p>For the claim cases which has been incurred but not reported and cases in which claim has been reported but not enough reported these cases has been captured by the actuary appointed by the Group. The actuarial valuation of liability in respect of Claims Incurred but Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) as at 31<sup>st</sup> March 2019, is as certified by the Group's Appointed Actuary and we had verified the amounts and the related liability, based on such report.</p>
3.	<p><b>Investments:</b></p> <p>The Corporation's investments represents substantial portion of the assets as at March 31, 2019 which are valued in accordance with accounting policy framed as per the extent of the regulatory guidelines.</p>	<p>Our audit procedures on Investment included the following:</p> <p>Tested the design, implementation and operating effectiveness of key controls over valuation process of investments.</p>



Sr. No.	Key Audit Matters	Auditor's response
	<p>Valuation of actively traded equity shares and ETFs is made on the closing price of NSE. If such security is not listed/ not traded on NSE on closing day, the closing price of BSE is considered.</p> <p>Valuation of thinly traded equity shares and unlisted shares as per policy adopted by the Corporation All debts securities including Government securities and Redeemable Preference shares have been measured at historical cost subject to amortization of premium paid over residual period.</p> <p>The valuation of these investments is considered to be one of the areas which required significant auditor attention and was one of the matter of most significance in the financial statements due to the materiality of the total value of investments to the financial statements.</p>	<p>Assessed appropriateness of the valuation methodologies with reference to prudential norms of the Reserve Bank of India and IRDAI along with Corporation's own valuation policy.</p> <p>Sample checks for actively traded equity shares, ETF's, debt securities, Redeemable Preference shares, ETF's etc., are performed by us to determine the correctness of the valuation of these investments.</p> <p>For other investments, tested whether the Corporation has strictly complied with the policy.</p>

#### V. Information other than the financial statements and Auditor's report thereon

The Corporation's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Corporation's Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations. We have nothing to report in this regard.

#### VI. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Corporation's Board of Directors is responsible for the preparation and presentation of the

consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Corporation in accordance with the requirements of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 ('the Insurance Act'), the Insurance Regulatory and Development Authority Act, 1999 ('the IRDAI Act'), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDAI Financial Statements Regulations'), orders/ directions issued by the Insurance Regulatory and Development Authority of India ('the IRDAI'), the Companies Act ('the Act') including the accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards'). The Board of Directors of the Corporation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Corporation, as aforesaid.

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

The Board of Directors of the Corporation are also responsible for overseeing the financial reporting process of the Corporation.

## VII. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

- i. Identify and assess the risks of material misstatement of the consolidated 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.

- ii. 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 Corporation has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Corporation to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Corporation to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audits of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such

other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Corporation and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

#### VIII. Other Matters

- a) Incorporated in these consolidated financial statements are unaudited accounts of subsidiary GIC Re South Africa Ltd, whose financial statements reflect total assets (net) of ₹ 1,78,47,278 thousand as at 31<sup>st</sup> March, 2019, total revenues of ₹ 47,80,903 thousand and net cash flows of ₹ (1,49,480) thousand for the year. The consolidated financials also include the Corporation's share of net profit of ₹ 11,31,332 for the year ended 31<sup>st</sup> March, 2019 of the Associate Company, Agriculture Insurance Company of India Ltd. which is based on the unaudited financials of the Associate company for the nine months ended on 31<sup>st</sup> December, 2018. We have relied on the unaudited financial statements of the above Subsidiary and Associate company which have been

consolidated on the basis of Management certified financial statements.

- b) We did not audit the financial statements of one subsidiary, GIC RE India Corporate Member, London whose financial statements reflect total assets (net) ₹ 1,62,32,982 thousand as at 31<sup>st</sup> March, 2019, total revenues Nil and net cash flows amounting to ₹ (7,48,632) thousand for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/(loss) of ₹ 59,680 thousand for the year ended 31<sup>st</sup> March, 2019, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and are considered for the purpose of consolidation.
- c) Our Opinion on the Consolidated Financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates the aforesaid subsidiaries and associates, based solely on the reports of the Management and other auditors. Our opinion is not qualified in respect of this matter.

#### IX. Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Companies Act, 2013 and Insurance Regulatory and Development Authority (Preparation of financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders or direction issued by the Insurance Regulatory and Development Authority, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept

so far as it appears from our examination of those books and the reports of the other auditors.

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and have been drawn in accordance with the Insurance Act, 1938, the IRDAI Act, 1999 and the Act except for the Cash Flow Statement (Refer Note 12) which is prepared under Indirect Method, whereas IRDAI regulations require Cash Flow Statement to be prepared under Direct Method.
- e. 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".
- f. On the basis of the written representations received from the directors of the Holding Corporation as on 31st March, 2019, taken on record by the Board of Directors of the Holding Corporation and the reports of the statutory auditors of its subsidiary companies,

associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of section 164 (2) of the Act.

- g. The actuarial valuation of liabilities is duly certified by the appointed actuary, including to the effect that the assumptions for such valuation are in accordance with the guidelines issued by the Institute of Actuaries of India to its members and has been forwarded to IRDAI.
- h. In our opinion and to the best of our information, and according to the explanation given to us:
  - (i) The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - (ii) The Corporation has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Corporation and its subsidiaries incorporated in India.

**For J SINGH & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 110266W**

**J SINGH**  
**PARTNER**  
**(Membership No: 042023)**

**For SAMRIA & CO**  
**Chartered Accountants**  
**FRN: 109043W**

**ADHAR SAMRIA**  
**PARTNER**  
**(Membership No: 049174)**

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2019

### **Annexure - A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of General Insurance Corporation of India**

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

We have audited the internal financial controls over financial reporting of General Insurance Corporation of India ("the Corporation") as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Corporation for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Corporation's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation 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 ('ICAI'). 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 Corporation'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 Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Commensurate to the size and nature of the business, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Corporation'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 Corporation'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 Corporation; (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 Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Corporation'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, commensurate with the size & nature of business, the Corporation 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 Corporation 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.

#### **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act, on the adequacy and operation effectiveness of the internal financial control over financial reporting in so far as it relates to an associate which is company incorporated in India, is based on the corresponding information provided by the auditor.

**For J SINGH & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 110266W**

**J SINGH**  
**PARTNER**  
**(Membership No: 042023)**

Place : Mumbai  
 Date : May 23, 2019

**For SAMRIA & CO**  
**Chartered Accountants**  
**FRN: 109043W**

**ADHAR SAMRIA**  
**PARTNER**  
**(Membership No: 049174)**



### ADDENDUM TO OUR AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GENERAL INSURANCE CORPORATION OF INDIA DATED 23RD MAY, 2019

With respect to the main directions issued by Comptroller and Auditor General of India under section 143 (5) of the Companies Act, 2013, based on our audit, we report hereunder on the action taken and the financial impact on the accounts of the consolidated financial statements of the Corporation:

Sr. No.	Directions under Section 143(5) of Companies Act 2013	Action taken and Financial Impact
1	Whether the Corporation has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>The Corporation has system in place to process all the accounting transactions through IT systems except for –</p> <ol style="list-style-type: none"> <li>1. Unexpired Risk Reserve (URR): The provision of URR is calculated manually based on the data extracted from the system and then the same is entered in the system. It is understood that the calculation of URR provision through system is under way.</li> <li>2. Retro Recovery Claims: It is understood that claims recovery is processed manually and the data is maintained offline. After verification it gets entered in the system.</li> </ol> <p>Consolidated financial statements are prepared outside of the ERP (SAP) employed by the Corporation. However, the same does not fall within the purview of processing the accounting transaction and hence there is no impact of the same.</p>
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Corporation due to the Corporation's inability to repay the loan? If yes, the financial impact may be stated.	Not Applicable, as the Corporation does not have any outstanding borrowed money.
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Not Applicable. The Corporation is a re-insurance Company and it does not receive any funds directly from State / Central Agencies for specific schemes.



## Addendum to Audit Report on Consolidated Financial Statements

With respect to the additional directions issued by Comptroller and Auditor General of India under section 143 (5) of the Companies Act, 2013, based on our audit, we report hereunder on the action taken and the financial impact on the accounts of the consolidated financial statements of the Corporation:

Sr. No.	Additional Directions under section 143(5) of Companies Act, 2013	Action taken and Financial Impact
1	Number of titles of ownership in respect of CGS/SGS/ Bonds/Debentures etc. available in physical/demat form and out of these, number of cases which are not in agreement with the respective amounts shown in the Company's books of accounts may be verified and discrepancy found may be suitably reported.	Their is no difference between title of ownership in respect of CGS/SGS/ bonds/debentures etc., available in physical/demat format vis-à-vis shown in books of accounts. There is no impact on the financial statements.
2	Whether stop loss limits have been prescribed in respect of investments. If yes, whether or not the limit was adhered to. If not, the details may be given.	The Annual Investment Policy, 2018-19 of the Corporation, as approved by the Board, has not prescribed any stop-loss limits in respect of the investment activity. Stop-loss limits have been prescribed, under the said policy, in respect of scrips forming part of the equity trading portfolio. However, the Corporation has not carried out any trading activity in equity during the year under consideration. There is no impact on the financial statements.
3	a) Number of Capital Gearing Reinsurance treaties and Solvency Relief Treaties entered/renewed/signed by the Corporation during the year 2018-19 b) Whether the Company has accounted premium, commission, claims paid, claims outstanding at the end of the year, claims outstanding at the beginning of the year, deposit premium reserve, loss reserve and Unexpired Risk Reserve of Capital Gearing Reinsurance treaties and Solvency Relief Treaties, correctly as per terms and conditions of treaty agreements? If not, shortfall/excess may be reported. c) Whether accounting policies adopted by the Corporation in respect of Capital Gearing Reinsurance treaties and Solvency Relief Treaties are appropriate and adequate?	During the year under audit the Holding Company has entered/renewed/signed 10 Capital Gearing Reinsurance Treaties. In the absence of any specific IRDAI Guidelines on accounting of such treaties, the accounting is done by the Corporation on the basis of the accounting policy adopted by the Corporation for other treaties except that no Unexpired Risk Reserve is created on such treaties in view of the fact that the loss, to the extent of loss-ratio specified in each treaty, is already provided for during the year. There is no impact on the financial statements.

**For J SINGH & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 110266W**

**J SINGH**  
**PARTNER**  
**(Membership No: 042023)**

Place : Mumbai  
 Date : 14<sup>th</sup> June, 2019

**For SAMRIA & CO**  
**Chartered Accountants**  
**FRN: 109043W**

**ADHAR SAMRIA**  
**PARTNER**  
**(Membership No: 049174)**

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GENERAL INSURANCE CORPORATION OF INDIA FOR THE YEAR ENDED 31 MARCH 2019

The preparation of consolidated financial statements of General Insurance Corporation of India for the year ended 31 March, 2019 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of the Insurance Companies) Regulations, 2002 and Companies Act, 2013 (the Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23<sup>rd</sup> May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the consolidated financial statements of General Insurance Corporation of India for the year ended 31 March 2019 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of General Insurance Corporation of India, but did not conduct supplementary audit of the financial statements of Agriculture Insurance Company of India Limited, GIC Re South Africa Limited, GIC Re India Corporate Member Limited, India International Insurance Pte Limited and GIC Bhutan Re Limited for the year ended on that date. Further, section 139(5) and 143 (6) (b) of the Act are not applicable to GIC Re South Africa Limited, GIC Re India Corporate Member Limited, India International Insurance Pte Limited and GIC Bhutan Re Limited being entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6) (b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

#### 1. Comments on Financial Position

##### **Balance Sheet – Application of Funds**

**Investments – (Sch.8 & 8A) - ₹ 82045.30 crore**

**Current Assets – (d) Provisions (Sch.-14) ₹ 14180.94 crore – Others – Reserves for doubtful Loans, Investment and Debts ₹ 844.96 crore**

The Company has invested ₹ 788.81 crore in Non-Convertible Debentures (NCDs) (₹ 703.79 crore secured and ₹ 85.02 crore unsecured) of Infrastructure Leasing and Financial Services Limited (IL & FS) entities<sup>1</sup>. There were principal and interest defaults on the investment during the year and the Company has created a provision of ₹ 436.91 crore (100 per cent for unsecured NCDs and 50 per cent for secured NCDs) towards diminution in value of investments. Further, disclosure has been made in the Notes on accounts (Note 16) that the provision made is higher than the provision required to be made as per Prudential Norms for Income Recognition, Asset Classification and Provisioning issued by RBI and IRDAI applicable to Insurance Companies.

<sup>1</sup> **IL&FS ₹209.77 crore and IL&FS Financial Services - ₹494.03 crore**

However, as per proceedings (11 February 2019) before National Company Law Appellate Tribunal available in the public domain, the two IL & FS entities have been placed under the 'Red' category by the new Board of Directors appointed by the Union Government to manage the affairs of the IL & FS group of companies, which means that such entities cannot make their payment obligations towards even senior secured financial creditors. Considering these developments, the Company should have made full provision against diminution in the value of the above investment.

The short provision has resulted in understatement of provision for diminution in value of investments and overstatement of profit by ₹ 351.89 crore.

## **2. Comment on Independent Auditors' Report**

As per IRDA Regulation (Schedule C, Para 4), the report of the auditors on the financial statement of every insurer shall contain certification stipulated therein, including a certificate that no part of the assets of the policyholders' funds has been directly or indirectly applied in the contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds. Independent Auditors' Report does not include this certificate.

The Company held investments in private limited companies as on 31.3.2019 though such investments are prohibited under Section 27A (4) of the Insurance Laws (Amendment) Act 2015. These are ₹ 45.56 crore (₹ 45.00 crores in Fixed Interest Bonds in Tata Sons Private Limited, ₹ 0.11 crore in NCDs of Chhatar Chemicals, ₹ 0.33 crore in NCDs of ATASH Industries Ltd. and ₹ 0.12 crore in NCDs of Electra (India) Ltd).

This has not been mentioned in the certification part of the Auditor's Report (Para IX) and hence the Auditors' Report is inadequate to that extent.

**For and on behalf of the  
Comptroller & Auditor General of India**

**(TANUJA MITTAL)**

**Principal Director of Commercial Audit  
and Ex-Officio Member, Audit Board-I, Mumbai**

**Place: Mumbai**

**Date : 26 JUL 2019**

**REPLY TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GENERAL INSURANCE CORPORATION OF INDIA FOR THE YEAR ENDED 31 MARCH 2019**

**1. Comments on Financial Position**

The NPA provisioning has been made by GIC Re in accordance with IRDA/RBI guidelines and GIC Re is not in violation of the laid down guidelines.

However, provisioning is more than what have been recommended by the Regulator.

Referring the recent RBI's directives (RBI/2018-19/203 DBR.No. BP.BC. 45/21.04.048/2018-19) dated 7<sup>th</sup> June 2019 for Prudential Framework for Resolution Stressed Assets, the additional provision to be made as 35% of total outstanding, if Resolution Plan not implemented within the timeline up to 365 days from the commencement of Review Period. Hence, the normal 15% provision will attract additional 35% i.e. 50% provision of outstanding. Our provisioning is more than what has been recommended by the Regulator.

Considering the prevailing provisioning norms, GIC Re Management has taken a decision of providing 50% and 100% provisioning of secured and unsecured Debenture respectively as a matter of abundant caution and prudence.

The provisioning made by majority of Financial Institutions having exposure to the IL&FS and its group entities are at par with the provisioning made by the GIC Re.

**2. Comment on Independent Auditors' Report**

Appropriate disclosure about investments in Tata Sons is made in Investment Section of Management Report for the year ended 31<sup>st</sup> March 2019 and the same is included in our Annual Report.

Disclosure is as given below:

The Corporation holds investment in Tata Sons Bonds' ₹ 45 Crore as on 31<sup>st</sup> March 2019. Tata Sons Ltd. was converted into Private Ltd. Company by way of shareholders and regulatory approvals on 21<sup>st</sup> September 2017, and approval of Registrar of Companies for the conversion into private form was accorded on 6<sup>th</sup> August 2018.

Consequently, as this investment is not in compliance of Section – 27(A) (4) of Insurance Act as well as Regulation 3(d) of IRDAI Investment Regulation 2016, the Corporation will duly exit the investment in the earliest possible opportunity.

The investments in Chhatar Chemicals (₹ 0.11 crore - Non-Convertible Debentures), ATASH Industries Ltd. (₹ 0.33 crore - Non-Convertible Debentures) and Electra (India) Ltd (₹ 0.12 crore - Non-Convertible Debentures) were investments of the period before 1995 approximately 25 to 30 years earlier. These companies are non-performing assets in our books since 1994 for nearly 25 years. These debentures are categorized under the "Other Investment" category in GIC Books. These investments are treated as loss assets and provided for 100% in GICs books.

Auditors Report on the matter is consequential to the Management Report.

**Alice G. Vaidyan**  
**Chairman-cum-Managing Director**

# Financial Information



Registration No. 112

Date of Registration with IRDAI : 2<sup>nd</sup> April, 2001

**CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019  
IN RESPECT OF FIRE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	83726 218	73747 287
2. Profit on sale of Investments (Net)		5111 086	3717 390
3. Forex Gain/( Loss)		640 142	(163 069)
4. Interest Dividend & Rent - Gross		7628 094	6308 462
<b>Total (A)</b>		<b>97105 540</b>	83610 070
1. Claims Incurred (Net)	2	83856 766	64422 437
2. Commission (Net)	3	21469 035	17652 560
3. Operating Expenses related to Insurance Business	4	699 371	835 544
4. Premium Deficiency		0	0
<b>Total (B)</b>		<b>106025 172</b>	82910 541
<b>Operating Profit /- Loss from Fire Business C = (A-B)</b>		<b>(8919632)</b>	699529
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		(8919 632)	699 529
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
<b>Total (C)</b>		<b>(8919 632)</b>	699 529

As required by Section 40C (2) of the Insurance Act 1938 we certify that all expenses of management wherever incurred whether directly or indirectly in respect of Fire Insurance Business have been fully debited in the Fire Insurance Revenue Accounts as expenses.

The schedules referred to above form integral part of the Revenue Account

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary

Registration No. 112  
Date of Registration with IRDAI : 2<sup>nd</sup> April, 2001

**CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019  
IN RESPECT OF MISCELLANEOUS INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	281577 942	295753 311
2. Profit on sale of Investments (Net)		12457 320	10612 426
3. Forex Gain/( Loss)		1534 273	(461 670)
4. Interest Dividend & Rent - Gross		18504 649	17948 126
<b>Total (A)</b>		<b>314074 184</b>	323852 193
1. Claims Incurred (Net)	2	241668 494	259344 538
2. Commission (Net)	3	36798 122	43977 478
3. Operating Expenses related to Insurance Business	4	1909 219	1354 287
4. Premium Deficiency		0	0
<b>Total (B)</b>		<b>280375 835</b>	304676 303
<b>Operating Profit/-Loss from Miscellaneous Business C = (A-B)</b>		<b>33698 349</b>	19175890
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		33698 349	19175 890
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
<b>Total (C)</b>		<b>33698 349</b>	19175 890

As required by Section 40C (2) of the Insurance Act 1938 we certify that all expenses of management wherever incurred whether directly or indirectly in respect of Miscellaneous Insurance Business have been fully debited in the Miscellaneous Insurance Revenue Accounts as expenses.

The schedules referred to above form integral part of the Revenue Account

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary



Registration No. 112  
Date of Registration with IRDAI : 2<sup>nd</sup> April, 2001

**CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019  
IN RESPECT OF MARINE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	12336 440	8671 582
2. Profit on sale of Investments (Net)		922 074	640 676
3. Forex Gain/( Loss)		113 696	(28 571)
4. Interest Dividend & Rent - Gross		1369 727	1084 060
<b>Total (A)</b>		<b>14741 937</b>	<b>10367 747</b>
1. Claims Incurred (Net)	2	8229 332	2691 499
2. Commission (Net)	3	2821 015	2142 882
3. Operating Expenses related to Insurance Business	4	89 115	80 902
4. Premium Deficiency		0	0
<b>Total (B)</b>		<b>11139 462</b>	<b>4915 283</b>
<b>Operating Profit/-Loss from Marine Business C = (A-B)</b>		<b>3602 475</b>	<b>5452464</b>
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		3602 475	5452 464
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
<b>Total (C)</b>		<b>3602 475</b>	<b>5452 464</b>

As required by Section 40C (2) of the Insurance Act 1938 we certify that all expenses of management wherever incurred whether directly or indirectly in respect of Marine Insurance Business have been fully debited in the Marine Insurance Revenue Accounts as expenses.

The schedules referred to above form integral part of the Revenue Account

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary

Registration No. 112  
Date of Registration with IRDAI : 2<sup>nd</sup> April, 2001

**CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019  
IN RESPECT OF LIFE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	4860 050	3827 817
2. Profit on sale of Investments (Net)		172 153	76 659
3. Forex Gain/( Loss)		16 545	(3 051)
4. Interest Dividend & Rent - Gross		255 263	129 488
<b>Total (A)</b>		<b>5304 011</b>	<b>4030 913</b>
1. Claims Incurred (Net)	2	5941 287	4123 867
2. Commission (Net)	3	76 197	28 009
3. Operating Expenses related to Insurance Business	4	28 911	29 670
4. Premium Deficiency		52 944	0
<b>Total (B)</b>		<b>6099 339</b>	<b>4181 546</b>
<b>Operating Profit/-Loss from Life Business C = (A-B)</b>		<b>(795 328)</b>	<b>(150 633)</b>
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		(795 328)	(150 633)
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
<b>Total (C)</b>		<b>(795 328)</b>	<b>(150 633)</b>

As required by Section 40C (2) of the Insurance Act 1938 we certify that all expenses of management wherever incurred whether directly or indirectly in respect of Life Insurance Business have been fully debited in the Life Insurance Revenue Accounts as expenses.

The schedules referred to above form integral part of the Revenue Account

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary

**Registration No. 112**  
**Date of Registration with IRDAI : 2<sup>nd</sup> April, 2001**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Operating Profit/-Loss			
(a) Fire Insurance		(8919 632)	699 529
(b) Marine Insurance		3602 475	5452 464
(c) Miscellaneous Insurance		33698 349	19175 890
(d) Life Insurance		(795 328)	(150 633)
2. Income from Investments			
(a) Interest Dividend & Rent - Gross		10921 922	8508 748
(b) Profit on sale of Investments		7135 211	5004 875
Less: Loss on sale of Investment		0	0
3. Other Income:			
Forex Gain/( Loss)		1335 724	115
Profit on sale of Assets (Net)		0	0
Sundry Balances Written Back (Net)		0	0
Interest on Income-tax Refund		0	73 008
(Provision) / Doubtful Debts written back		0	0
Miscellaneous Receipts		114 152	60 808
<b>Total (A)</b>		<b>47092 873</b>	<b>38824 804</b>
4. Provision for Doubtful Loans & Investment		4871 692	417 775
5. Provision/(written off) for Doubtful Debts		1017 935	874 993
6. Amortisation of premium on Investments		304 671	260 835
7. Diminution in the value of investments written off		1618 482	203 200
8. Other Expenses :			
Forex Loss/(Gain)		0	371 880
(Profit)/Loss on sale of Assets (Net)		199	27
Sundry Balances Written off (Net)		0	0
Interest & Others		83 653	93 662
Corporate Social Responsibility Expenses		652 899	177 779
IPO Expenses		0	129 246
<b>Total (B)</b>		<b>8549531</b>	<b>2529 397</b>

**Registration No. 112**  
**Date of Registration with IRDAI : 2<sup>nd</sup> April, 2001**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
Profit Before Tax		38543 342	36295 407
Provision for Taxation :			
Current Tax		12321 599	6854 717
Wealth Tax		0	0
MAT Credit		0	(2494 776)
Deferred Tax		(113 744)	(10 000)
Fringe Benefit Tax		0	0
Provision for Tax in respect of earlier years		0	0
MAT Credit of earlier year		(49 196)	(755)
<b>Profit After Tax</b>		<b>26384 683</b>	<b>31946 221</b>
<b>Share of Profit in Associates Companies</b>		<b>1191 012</b>	<b>(490 852)</b>
<b>Profit for the year</b>		<b>27575 695</b>	<b>31455 369</b>
<b>Appropriations</b>			
(a) Balance brought forward from last year		49075 107	48896 411
(b) Interim dividend		0	0
(c) Proposed Final dividend		11842 200	10020 000
(d) Dividend distribution tax		2434 283	2039 872
(e) Transfer to General Reserve		0	19216 800
Balance carried forward to Balance Sheet		62374 320	49075 107
<b>Basic and Diluted EPS</b>		<b>15.72</b>	<b>18.13</b>

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner  
Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner  
Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary

**Registration No. 112**  
**Date of Registration with IRDAI : 2<sup>nd</sup> April, 2001**  
**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2019**

Particulars	Schedule		Current Year (₹ '000)	Previous Year (₹ '000)
<b>SOURCES OF FUNDS</b>				
Share Capital	5		8772 000	4386 000
Reserves and Surplus	6		246151 751	237161 333
Borrowings	7		0	0
Deferred Tax Liability			0	0
Fair Value Change Account				
Shareholders Fund			84013 142	86379 698
Policyholders Fund			220226 487	211963 762
<b>Total</b>			<b>559163 380</b>	<b>539890 793</b>
<b>APPLICATION OF FUNDS</b>				
Investments- Shareholders	8		245707 039	228110 650
Investments- Policyholders	8A		574745 925	509802 953
Loans	9		2579 188	2820 852
Fixed Assets	10		1975 792	1721 896
Goodwill on consolidation			273 832	273 832
Deferred Tax Asset			25 562	174 863
Current Assets:				
Cash and Bank Balances	11	129331368		142571 399
Advances and Other Assets	12	267447982		239365 640
<b>Sub-Total (A)</b>		<b>396779350</b>		<b>381937 039</b>
Current Liabilities	13	521113873		460541 631
Provisions	14	141809439		124409 661
<b>Sub-Total (B)</b>		<b>662923312</b>		<b>584951 292</b>
<b>Net Current Assets (C)=(A-B)</b>			(266143 962)	(203014 253)
Miscellaneous Expenditure	15		0	0
<b>Total</b>			<b>559163 380</b>	<b>539890 793</b>
<b>CONTINGENT LIABILITIES</b>			<b>57180 195</b>	<b>36775 137</b>

Significant Accounting Policies & Notes to Accounts form integral part of the Balance Sheet-Schedule 16

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner  
Membership No.: 042023

Mumbai  
Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner  
Membership No.: 049174

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**A P Singh**  
Director

**Sashikala Muralidharan**  
Director, GM & CFO

**Suchita Gupta**  
Company Secretary

## Schedules Forming Part of Consolidated Financial Statements

### For the Year Ended 31<sup>st</sup> March 2019

#### SCHEDULE 1

#### PREMIUM EARNED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>A FIRE INSURANCE</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	109622 769	100819 907
Less: Premium on Reinsurance ceded	27345 723	22469 833
Net Premium	82277 046	78350 074
Adjustment for change in reserve for unexpired risks	1449 171	(4602 787)
<b>Total Premium Earned (Net)</b>	<b>83726 217</b>	<b>73747 287</b>
<b>B MISCELLANEOUS INSURANCE</b>		
<b>(1) MOTOR</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	87127 496	82257 483
Less: Premium on Reinsurance ceded	2559 690	1378 316
Net Premium	84567 806	80879 167
Adjustment for change in reserve for unexpired risks	(323 423)	5697 785
<b>Total Premium Earned (Net)</b>	<b>84244 383</b>	<b>86576 952</b>
<b>(2) AVIATION</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	11366 515	7496 011
Less: Premium on Reinsurance ceded	2334 478	1159 666
Net Premium	9032 037	6336 345
Adjustment for change in reserve for unexpired risks	(1306 437)	(312 992)
<b>Total Premium Earned (Net)</b>	<b>7725 600</b>	<b>6023 353</b>
<b>(3) ENGINEERING</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	10646 123	10213 360
Less: Premium on Reinsurance ceded	1796 129	469 533

**SCHEDULE 1**  
**PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Net Premium	8849 994	9743 827
Adjustment for change in reserve for unexpired risks	542 942	(764 807)
<b>Total Premium Earned (Net)</b>	<b>9392 936</b>	<b>8979 020</b>
<b>(4) WORKMENS' COMPENSATION</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	489 191	369 271
Less: Premium on Reinsurance ceded	73	0
Net Premium	489 118	369 271
Adjustment for change in reserve for unexpired risks	(58 136)	(8 721)
<b>Total Premium Earned (Net)</b>	<b>430 982</b>	<b>360 550</b>
<b>(5) LIABILITY</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	6615 546	4116 043
Less: Premium on Reinsurance ceded	1908 831	1247 278
Net Premium	4706 715	2868 765
Adjustment for change in reserve for unexpired risks	(892 743)	(370 426)
<b>Total Premium Earned (Net)</b>	<b>3813 972</b>	<b>2498 339</b>
<b>(6) PERSONAL ACCIDENT</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	7239 068	6147 859
Less: Premium on Reinsurance ceded	4 630	0
Net Premium	7234 438	6147 859
Adjustment for change in reserve for unexpired risks	(580 126)	128 325
<b>Total Premium Earned (Net)</b>	<b>6654 312</b>	<b>6276 184</b>
<b>(7) HEALTH</b>		
Premium from Direct Business written	0	0



**SCHEDULE 1**  
**PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Add: Premium on Reinsurance accepted	51580 387	53273 882
Less: Premium on Reinsurance ceded	384 247	1386 990
Net Premium	51196 140	51886 892
Adjustment for change in reserve for unexpired risks	(4433 563)	6538 243
<b>Total Premium Earned (Net)</b>	<b>46762 577</b>	<b>58425 135</b>
<b>(8) AGRI</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	132891 187	131393 537
Less: Premium on Reinsurance ceded	18711 893	12280 865
Net Premium	114179 294	119112 672
Adjustment for change in reserve for unexpired risks	(1296 327)	(856 867)
<b>Total Premium Earned (Net)</b>	<b>112882 967</b>	<b>118255 805</b>
<b>(9) OTHER MISCELLANEOUS</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	10503 714	6283 942
Less: Premium on Reinsurance ceded	2060 918	1170 194
Net Premium	8442 796	5113 748
Adjustment for change in reserve for unexpired risks	(1541 207)	1552 777
<b>Total Premium Earned (Net)</b>	<b>6901 589</b>	<b>6666 525</b>
<b>(10) FINANCIAL LIABILITY/CREDIT</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	4217 430	2449 126
Less: Premium on Reinsurance ceded	726 412	623 726
Net Premium	3491 018	1825 400
Adjustment for change in reserve for unexpired risks	(722 395)	(133 952)
<b>Total Premium Earned (Net)</b>	<b>2768 623</b>	<b>1691 448</b>

**SCHEDULE 1**  
**PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>TOTAL MISCELLANEOUS</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	322676 657	304000 514
Less: Premium on Reinsurance ceded	30487 301	19716 568
Net Premium	292189 356	284283 946
Adjustment for change in reserve for unexpired risks	(10611 415)	11469 365
<b>Total Premium Earned (Net)</b>	<b>281577 941</b>	<b>295753 311</b>
<b>C MARINE INSURANCE</b>		
<b>(1) MARINE CARGO</b>		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	8094 104	4737 501
Less: Premium on Reinsurance ceded	1720 561	1041 887
Net Premium	6373 543	3695 614
Adjustment for change in reserve for unexpired risks	(1260 795)	97 996
<b>Total Premium Earned (Net)</b>	<b>5112 748</b>	<b>3793 610</b>
<b>(2) MARINE HULL</b>		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	10278 704	8818 562
Less: Premium on Reinsurance ceded	2262 538	1657 327
Net Premium	8016 166	7161 235
Adjustment for change in reserve for unexpired risks	(792 474)	(2283 263)
<b>Total Premium Earned (Net)</b>	<b>7223 692</b>	<b>4877 972</b>
<b>TOTAL MARINE</b>		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	18372 808	13556 063
Less: Premium on Reinsurance ceded	3983 099	2699 214

**SCHEDULE 1**  
**PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Net Premium	14389 709	10856 849
Adjustment for change in reserve for unexpired risks	(2053 269)	(2185 267)
<b>Total Premium Earned (Net)</b>	<b>12336 440</b>	<b>8671 582</b>
<b>D LIFE INSURANCE</b>		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	5441 016	4337 606
Less: Premium on Reinsurance ceded	388 487	588 608
Net Premium	5052 529	3748 998
Adjustment for change in reserve for unexpired risks	(192 479)	78 819
<b>Total Premium Earned (Net)</b>	<b>4860 050</b>	<b>3827 817</b>
<b>E TOTAL ALL CLASSES</b>		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	456113 250	422714 090
Less: Premium on Reinsurance ceded	62204 610	45474 223
Net Premium	393908 640	377239 867
Adjustment for change in reserve for unexpired risks	(11407 992)	4760 130
<b>Total Premium Earned (Net)</b>	<b>382500 648</b>	<b>381999 997</b>

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>A FIRE INSURANCE</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	69629 774	52399 114
Less: Reinsurance ceded	7368 896	4031 427
Net Claims Paid	62260 878	48367 687
Add : Claims Outstanding at the end of the year	122668 683	101072 794
Less: Claims Outstanding at the beginning of the year	101072 794	85018 044
<b>Total Claims Incurred</b>	<b>83856 767</b>	<b>64422 437</b>
<b>B MISCELLANEOUS INSURANCE</b>		
<b>(1) MOTOR</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	48957 305	47703 930
Less: Reinsurance ceded	1556 379	676 835
Net Claims Paid	47400 926	47027 095
Add : Claims Outstanding at the end of the year	119569 583	95401 761
Less: Claims Outstanding at the beginning of the year	95401 761	78863 595
<b>Total Claims Incurred</b>	<b>71568 748</b>	<b>63565 261</b>
<b>(2) AVIATION</b>		
<b>Claims Paid</b>		
Direct	2 800	11 281
Add : Reinsurance accepted	11111 788	5372 160
Less: Reinsurance ceded	3213 330	591 460
Net Claims Paid	7901 258	4791 980

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Add : Claims Outstanding at the end of the year	11137 632	9960 585
Less: Claims Outstanding at the beginning of the year	9960 585	8197 969
<b>Total Claims Incurred</b>	<b>9078 305</b>	6554 596
<b>(3) ENGINEERING</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	5025 876	4162 931
Less: Reinsurance ceded	118 698	197 304
Net Claims Paid	4907 178	3965 627
Add : Claims Outstanding at the end of the year	17789 772	16958 190
Less: Claims Outstanding at the beginning of the year	16958 190	16367 961
<b>Total Claims Incurred</b>	<b>5738 760</b>	4555 856
<b>(4) WORKMENS' COMPENSATION</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	175 019	80 832
Less: Reinsurance ceded	0	0
Net Claims Paid	175 019	80 832
Add : Claims Outstanding at the end of the year	655 257	548 011
Less: Claims Outstanding at the beginning of the year	548 011	358 439
<b>Total Claims Incurred</b>	<b>282 265</b>	270 404
<b>(5) LIABILITY</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	491 513	367 928
Less: Reinsurance ceded	10 293	1 309

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Net Claims Paid	481 220	366 619
Add : Claims Outstanding at the end of the year	4778 881	2597 413
Less: Claims Outstanding at the beginning of the year	2597 413	1982 656
<b>Total Claims Incurred</b>	<b>2662 688</b>	<b>981 376</b>
<b>(6) PERSONAL ACCIDENT</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	2783 431	3132 477
Less: Reinsurance ceded	0	0
Net Claims Paid	2783 431	3132 477
Add : Claims Outstanding at the end of the year	5945 650	3780 066
Less: Claims Outstanding at the beginning of the year	3780 066	2772 646
<b>Total Claims Incurred</b>	<b>4949 015</b>	<b>4139 897</b>
<b>(7) HEALTH</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	37856 609	37164 927
Less: Reinsurance ceded	177 718	1394 608
Net Claims Paid	37678 891	35770 319
Add : Claims Outstanding at the end of the year	20215 962	16667 363
Less: Claims Outstanding at the beginning of the year	16667 363	11364 043
<b>Total Claims Incurred</b>	<b>41227 490</b>	<b>41073 639</b>
<b>(8) AGRI</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	115567 561	62351 316

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Less: Reinsurance ceded	38 964	2097 528
Net Claims Paid	115528 597	60253 788
Add : Claims Outstanding at the end of the year	112451 396	125329 521
Less: Claims Outstanding at the beginning of the year	125329 521	59122 246
<b>Total Claims Incurred</b>	<b>102650 472</b>	<b>126461 063</b>
<b>(9) OTHER MISCELLANEOUS</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	3897 174	3621 909
Less: Reinsurance ceded	634 801	806 804
Net Claims Paid	3262 373	2815 105
Add : Claims Outstanding at the end of the year	9011 836	11082 409
Less: Claims Outstanding at the beginning of the year	11082 409	6518 674
<b>Total Claims Incurred</b>	<b>1191 800</b>	<b>7378 840</b>
<b>(10) FINANCIAL LIABILITY/CREDIT</b>		
<b>Claims Paid</b>		
Direct	0	0
Add : Reinsurance accepted	1217 350	1554 748
Less: Reinsurance ceded	434 902	115 676
Net Claims Paid	782 448	1439 072
Add : Claims Outstanding at the end of the year	8234 913	6698 409
Less: Claims Outstanding at the beginning of the year	6698 409	3773 875
<b>Total Claims Incurred</b>	<b>2318 952</b>	<b>4363 606</b>
<b>TOTAL MISCELLANEOUS</b>		
Claims Paid		
Direct	2 800	11 281

**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Add : Reinsurance accepted	227083 626	165513 157
Less: Reinsurance ceded	6185 085	5881 524
Net Claims Paid	220901 341	159642 914
Add : Claims Outstanding at the end of the year	309790 882	289023 728
Less: Claims Outstanding at the beginning of the year	289023 728	189322 104
<b>Total Claims Incurred</b>	<b>241668 495</b>	<b>259344 538</b>
<b>C MARINE INSURANCE</b>		
<b>(1) MARINE CARGO</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	3180 685	1875 789
Less: Reinsurance ceded	296 920	62 374
Net Claims Paid	2883 765	1813 415
Add : Claims Outstanding at the end of the year	6163 414	5928 630
Less: Claims Outstanding at the beginning of the year	5928 630	6002 720
<b>Total Claims Incurred</b>	<b>3118 549</b>	<b>1739 325</b>
<b>(2) MARINE HULL</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	5965 921	3519 617
Less: Reinsurance ceded	1984 325	1228 848
Net Claims Paid	3981 596	2290 769
Add : Claims Outstanding at the end of the year	11730 451	10601 263
Less: Claims Outstanding at the beginning of the year	10601 263	11939 858
<b>Total Claims Incurred</b>	<b>5110 784</b>	<b>952 174</b>



**SCHEDULE 2**  
**CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>TOTAL MARINE</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	9146 606	5395 406
Less: Reinsurance ceded	2281 245	1291 222
Net Claims Paid	6865 361	4104 184
Add : Claims Outstanding at the end of the year	17893 865	16529 893
Less: Claims Outstanding at the beginning of the year	16529 893	17942 578
<b>Total Claims Incurred</b>	<b>8229 333</b>	<b>2691 499</b>
<b>D LIFE INSURANCE</b>		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	5158 337	3159 826
Less: Reinsurance ceded	313 939	336 216
Net Claims Paid	4844 398	2823 610
Add : Claims Outstanding at the end of the year	4242 699	3145 809
Less: Claims Outstanding at the beginning of the year	3145 809	1845 552
<b>Total Claims Incurred</b>	<b>5941 288</b>	<b>4123 867</b>
<b>E TOTAL ALL CLASSES</b>		
Claims Paid		
Direct	2 800	11 281
Add : Reinsurance accepted	311018 341	226467 503
Less: Reinsurance ceded	16149 165	11540 389
Net Claims Paid	294871 976	214938 395
Add : Claims Outstanding at the end of the year	454596 128	409772 224
Less: Claims Outstanding at the beginning of the year	409772 224	294128 278
<b>Total Claims Incurred</b>	<b>339695 880</b>	<b>330582 341</b>

**SCHEDULE 3  
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>A FIRE INSURANCE</b>		
Commission Paid		
Direct	590 752	209 449
Add : Reinsurance Accepted	23501 377	22815 831
Less: Commission on Reinsurance Ceded	2623 094	5372 720
Net Commission	21469 035	17652 560
Break-up of Commission		
Brokerage	2980 933	3693 476
Commission Paid	18488 102	13959 084
<b>Total Commission</b>	<b>21469 035</b>	<b>17652 560</b>
<b>B MISCELLANEOUS INSURANCE</b>		
<b>(1) MOTOR</b>		
Commission Paid		
Direct	13 350	4 590
Add : Reinsurance Accepted	12880 695	14755 546
Less: Commission on Reinsurance Ceded	604 118	191 400
Net Commission	12289 927	14568 736
Break-up of Commission		
Brokerage	558 861	541 564
Commission Paid	11731 066	14027 172
<b>Total Commission</b>	<b>12289 927</b>	<b>14568 736</b>
<b>(2) AVIATION</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	2077 375	1280 876

**SCHEDULE 3**  
**COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Less: Commission on Reinsurance Ceded	97 076	135 890
Net Commission	1980 299	1144 986
Break-up of Commission		
Brokerage	527 587	538 165
Commision Paid	1452 712	606 821
<b>Total Commission</b>	<b>1980 299</b>	<b>1144 986</b>
<b>(3) ENGINEERING</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	2558 787	2260 559
Less: Commission on Reinsurance Ceded	129 404	2319 938
Net Commission	2429 383	(59 379)
Break-up of Commission		
Brokerage	152 809	186 710
Commision Paid	2276 574	(246 089)
<b>Total Commission</b>	<b>2429 383</b>	<b>(59 379)</b>
<b>(4) WORKMENS' COMPENSATION</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	127 915	51 191
Less: Commission on Reinsurance Ceded	0	0
Net Commission	127 915	51 191
Break-up of Commission		
Brokerage	6 093	4 026
Commision Paid	121 822	47 165
<b>Total Commission</b>	<b>127 915</b>	<b>51 191</b>

**SCHEDULE 3  
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>(5) LIABILITY</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1162 500	525 880
Less: Commission on Reinsurance Ceded	238 915	178 829
Net Commission	923 585	347 051
Break-up of Commission		
Brokerage	69 583	43 963
Commission Paid	854 002	303 088
<b>Total Commission</b>	<b>923 585</b>	<b>347 051</b>
<b>(6) PERSONAL ACCIDENT</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1587 266	1886 434
Less: Commission on Reinsurance Ceded	3 461	63 754
Net Commission	1583 805	1822 680
Break-up of Commission		
Brokerage	106 320	73 918
Commission Paid	1477 485	1748 762
<b>Total Commission</b>	<b>1583 805</b>	<b>1822 680</b>
<b>(7) HEALTH</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	8184 336	10990 364
Less: Commission on Reinsurance Ceded	57 820	86 156
Net Commission	8126 516	10904 208

**SCHEDULE 3**  
**COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Break-up of Commission		
Brokerage	92 193	78 124
Commision Paid	8034 323	10826 083
<b>Total Commission</b>	<b>8126 516</b>	<b>10904 207</b>
<b>(8) AGRI</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	7606 013	14613 959
Less: Commission on Reinsurance Ceded	873 552	187 079
Net Commission	6732 462	14426 880
Break-up of Commission		
Brokerage	246 663	237 441
Commision Paid	6485 799	14189 439
<b>Total Commission</b>	<b>6732 462</b>	<b>14426 880</b>
<b>(9) OTHER MISCELLANEOUS</b>		
Commission Paid		
Direct	385 802	294 990
Add : Reinsurance Accepted	2134 990	1537 900
Less: Commission on Reinsurance Ceded	717 688	1494 473
Net Commission	1803 104	338 417
Break-up of Commission		
Brokerage	87 589	119 019
Commision Paid	1715 514	219 398
<b>Total Commission</b>	<b>1803 103</b>	<b>338 417</b>

**SCHEDULE 3  
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>(10) FINANCIAL LIABILITY/CREDIT</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1060 092	443 777
Less: Commission on Reinsurance Ceded	258 967	11 068
Net Commission	801 125	432 709
Break-up of Commission		
Brokerage	29 055	11217
Commision Paid	772 070	421 492
<b>Total Commission</b>	<b>801 125</b>	<b>432 709</b>
<b>TOTAL MISCELLANEOUS</b>		
Commission Paid		
Direct	399 151	299 580
Add : Reinsurance Accepted	39379 970	48346 485
Less: Commission on Reinsurance Ceded	2980 999	4668 587
Net Commission	36798 122	43977 478
Break-up of Commission		
Brokerage	1876 755	1834 147
Commision Paid	34921 367	42143 331
<b>Total Commission</b>	<b>36798 122</b>	<b>43977 478</b>
<b>C MARINE INSURANCE</b>		
<b>(1) MARINE CARGO</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1525 940	920 669

**SCHEDULE 3**  
**COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Less: Commission on Reinsurance Ceded	258 342	371 404
Net Commission	1267 598	549 265
Break-up of Commission		
Brokerage	174 947	83 324
Commision Paid	1092 651	465 941
<b>Total Commission</b>	<b>1267 598</b>	<b>549 265</b>
<b>(2) MARINE HULL</b>		
Commission Paid		
Direct	159 547	121 273
Add : Reinsurance Accepted	1789 207	2061 448
Less: Commission on Reinsurance Ceded	395 337	589 104
Net Commission	1553 417	1593 617
Break-up of Commission		
Brokerage	488 724	490 988
Commision Paid	1064 693	1102 629
<b>Total Commission</b>	<b>1553 417</b>	<b>1593 617</b>
<b>TOTAL MARINE</b>		
Commission Paid		
Direct	159 547	121 273
Add : Reinsurance Accepted	3315 147	2982 117
Less: Commission on Reinsurance Ceded	653 679	960 508
Net Commission	2821 015	2142 882
Break-up of Commission		
Brokerage	663 671	574 312
Commision Paid	2157 344	1568 570
<b>Total Commission</b>	<b>2821 015</b>	<b>2142 882</b>

**SCHEDULE 3  
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>D LIFE INSURANCE</b>		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	76 197	28 820
Less: Commission on Reinsurance Ceded	0	811
Net Commission	76 197	28 009
Break-up of Commission		
Brokerage	16 476	8 406
Commision Paid	59 721	19 603
<b>Total Commission</b>	<b>76 197</b>	<b>28 009</b>
<b>E TOTAL ALL CLASSES</b>		
Commission Paid		
Direct	1149 450	630 302
Add : Reinsurance Accepted	66272 691	74173 253
Less: Commission on Reinsurance Ceded	6257 772	11002 626
Net Commission	61164 369	63800 929
Break-up of Commission		
Brokerage	5537 835	6110 341
Commision Paid	55626 534	57690 588
<b>Total Commission</b>	<b>61164 369</b>	<b>63800 929</b>



**SCHEDULE 4**  
**OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Employees' remuneration & welfare benefits	1237 792	1078 981
2 Travel conveyance and vehicle running expenses	69 950	79 733
3 Training expenses	16 809	13 222
4 Rents rates and taxes	81 120	80 281
5 Repairs	220 889	183 081
6 Printing & stationery	6 994	3 831
7 Communication	19 143	18 153
8 Legal & professional charges	104 847	95 975
9 Auditors' fees expenses etc.		
(a) as auditor	16 747	14 516
(b) as advisor or in any other capacity in respect of		
(i) Taxation matters	500	300
(ii) Others	529	14
10 Advertisement and publicity	111 096	89 849
11 Interest & Bank Charges	45 605	22 979
12 IT Expenses	218 315	130 657
13 Depreciation	144 257	77 991
14 Service Tax Expenses A/c	0	16 975
15 Swatchh Bharat Cess	0	691
16 Others	432 023	393 174
<b>Total</b>	<b>2726 616</b>	<b>2300 403</b>

**SCHEDULE 5  
SHARE CAPITAL**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Authorised Capital 200,00,00,000 Equity Shares of ₹ 5/- Each	10000 000	10000 000
2 Issued & Subscribed Capital 175,44,00,000 (PY 87,72,00,000) Equity Shares of ₹ 5/- Each	8772 000	4386 000
3 Called-up & Paid up Capital 175,44,00,000 (PY 87,72,00,000) Equity Shares of ₹ 5/- Each (Includes 168,92,00,000 shares of ₹ 5/ issued by capitalisation of Capital Redemption Reserve and General Reserve 100,00,000 partly paid shares (₹ 2.50 per share paid) made fully paid-up shares by capitalisation of General Reserve)	8772 000	4386 000
<b>Total</b>	<b>8772 000</b>	<b>4386 000</b>

**SCHEDULE 5A  
SHARE CAPITAL PATTERN OF SHAREHOLDING  
[As certified by the Management]**

Shareholders	Current Year		Previous Year	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Promoters</b>				
Indian	1505000 000	85.78 %	752500 000	85.78 %
Foreign	-	-	-	-
Others	249400 000	14.22 %	124700 000	14.22 %
<b>Total</b>	<b>1754400 000</b>	<b>100%</b>	<b>877200 000</b>	<b>100%</b>

During the F.Y. 2018-19, the Corporation issued bonus equity shares in the ratio of 1:1 i.e. 1 (one) equity share of ₹ 5/- each (fully paid up) for every 1 (one) existing equity share of ₹ 5/- each (fully paid up) to the Shareholders of the Corporation, in the month of July, 2018.

## Schedules Forming Part of Consolidated Financial Statements

For the Year Ended 31<sup>st</sup> March 2019

### SCHEDULE 6 RESERVES AND SURPLUS

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 General Reserve		
Opening Balance	158911 838	144081 038
Add : Transfer from Profit & Loss A/c	0	19216 800
	158911 838	163297 838
2 Share premium Account	15440 664	15440 664
3 Transfer to reserve	7 593	8 758
4 Foreign Currency Translation Reserve	9417 336	9338 966
5 Balance of Profit in Profit & Loss Account	62374 320	49075 107
<b>Total</b>	<b>246151 751</b>	<b>237161 333</b>

### SCHEDULE 7 BORROWINGS

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### SCHEDULE 8 INVESTMENTS - SHAREHOLDERS' FUND

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>Long Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	61050 842	49883 346
2 Other Approved Securities	590 708	775 821
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	107189 749	107704 248
Equity - Foreign	1092 336	2413 375
(bb) Preference	49 091	1316 143

**SCHEDULE 8**  
**INVESTMENTS - SHAREHOLDERS' FUND**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(b) Mutual Funds	872 414	332 350
(c) Derivative Instruments	0	0
(d) Debentures /Bonds Indian	5656 832	7497 394
Debentures /Bonds Foreign	7757 264	53 675
(e) Other Securities		
Guaranteed Equity	138	145
(f) Subsidiaries	(1)	0
(g) Associates - Indian	0	0
Associates - Foreign	4004 016	3728 328
4 Investments in Infrastructure and Social Sector		
(a) Equity	3010 331	4329 660
(b) Debentures/Bonds	19132 410	21357 402
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	1599 463	1970 205
(b) Preference	4 947	9 072
(c) Debentures /Bond	3771 213	1450 687
(d) Venture Funds	407 253	439 397
(e) Associate Indian	13601 587	12470 255
<b>Short Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	2886 973	1952 180
2 Other Approved Securities	104 442	153 524
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	0	5 356

**SCHEDULE 8**  
**INVESTMENTS - SHAREHOLDERS' FUND**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(b) Mutual Funds	5683 945	5086 190
(c) Derivative Instruments	0	0
(d) Debentures /Bond Indian	132 061	1481 757
Debentures /Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	0	190 070
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures /Bond	4623 322	2730 679
5 Other than Approved Investments		
(a) Preference Shares	7 330	3 815
(b) Debentures /Bond	1228 374	775 576
(c) Mutual Funds	0	0
<b>Total</b>	<b>245707 040</b>	<b>228110 650</b>

**SCHEDULE 8 A**  
**INVESTMENTS - POLICYHOLDERS' FUND**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>Long Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	<b>158920 195</b>	119929 952
2 Other Approved Securities	<b>1547 216</b>	1903 767
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	<b>280757 224</b>	264292 471
Equity - Foreign	<b>152 964</b>	970 593
(bb) Preference	<b>15 200</b>	694 255
(b) Mutual Funds	<b>255 239</b>	174 945
(c) Derivative Instruments	<b>0</b>	0
(d) Debentures /Bonds Indian	<b>14816 684</b>	18397 648
Debentures /Bonds Foreign	<b>2269 512</b>	28 254
(e) Other Securities		
Guaranteed Equity	<b>362</b>	355
(f) Subsidiaries	<b>0</b>	0
(g) Associates - Indian	<b>0</b>	0
Associates - Foreign	<b>0</b>	0
4 Investments in Infrastructure and Social Sector		
(a) Equity	<b>7884 822</b>	10624 434
(b) Debentures/Bonds	<b>50112 649</b>	52408 338
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	<b>5367 214</b>	5340 810
(b) Preference	<b>12 957</b>	22 262
(c) Debentures /Bond	<b>9877 765</b>	3559 801

## Schedules Forming Part of Consolidated Financial Statements

For the Year Ended 31<sup>st</sup> March 2019

### SCHEDULE 8 A INVESTMENTS - POLICYHOLDERS' FUND

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(d) Venture Funds	1066 700	1078 224
(e) Associate Indian	0	0
<b>Short Term Investments</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	7561 717	4790 402
2 Other Approved Securities	273 561	376 728
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	0	13142
(b) Mutual Funds	14887 699	12480 860
(c) Derivative Instruments	0	0
(d) Debentures /Bond Indian	3619 968	3636 041
Debentures /Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	0	466 408
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures /Bond	12109 656	6700 738
5 Other Investments		
(a) Preference Shares	19 198	9 362
(b) Debentures / Bond	3217 424	1903 164
(c) Mutual Funds	0	0
<b>Total</b>	<b>574745 926</b>	<b>509802 953</b>

**SCHEDULE 9**  
**LOANS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>1 Security-wise Classification</b>		
Secured		
(a) On mortgage of property		
(aa) In India	404 311	401 895
(bb) Outside India	0	0
(b) On Shares Bonds Government Securities	0	0
(c) Investments In State Govt. Loans for Housing and Fire fighting	2106 490	2350 570
Unsecured	68 388	68 387
<b>Total</b>	<b>2579 189</b>	<b>2820 852</b>
<b>2 Borrower-Wise Classification</b>		
(a) Central and State Governments	2106 490	2350 570
(b) Banks and Financial Institutions	0	0
(c) Subsidiaries	0	0
(d) Industrial Undertakings	443 916	447343
(e) Others	28 783	22 939
<b>Total</b>	<b>2579 189</b>	<b>2820 852</b>
<b>3 Performance-Wise Classification</b>		
(a) Loans classified as standard		
(aa) In India	1974 047	2183 940
(bb) Outside India	0	0
(b) Non-performing loans less provisions		
(aa) In India	0	0
(bb) Outside India	0	0
Provisions **	605 142	636 912
<b>Total</b>	<b>2579 189</b>	<b>2820 852</b>
<b>4 Maturity-Wise Classification</b>		
(a) Short - Term	248 472	262 256
(b) Long - Term	2330 717	2558 596
<b>Total</b>	<b>2579 189</b>	<b>2820 852</b>

\*\* Includes Provision for Bad and Doubtful Loans



## Schedules Forming Part of Consolidated Financial Statements

For the Year Ended 31<sup>st</sup> March 2019

### SCHEDULE 10 FIXED ASSETS

(₹ '000)

Particulars	Cost/Gross Block				Depreciation				Net Block	
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	Upto 31.03.2018	Twelve months ended 31.03.2019	On Sales/ Adjust ment	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Leasehold Land "Suraksha"	247 253	-	-	247 253	96 154	3 434	-	99 588	147 665	151 099
Freehold Land	560 132	-	-	560 132	-	-	-	-	560 132	560 132
Buildings	1133 821	40 179	-	1174 000	278 223	16 071	-	294 293	879 706	855 598
Furniture & Fittings	38 179	1 602	64	39 716	23 819	2 240	(167)	26 227	13 490	14 359
I.T. Equipments	143 767	224 002	3 656	364 112	129 598	63 314	3 485	189 427	174 685	14 169
I.T. Software	355 757	108 582	-	464 339	278 860	46 568	-	325 428	138 911	76 897
Vehicles	70 382	23 716	5 453	88 645	28 275	10 416	1 772	36 919	51 726	42 108
Office Equipments	22 026	1 992	952	23 066	17 391	1 594	655	18 330	4 736	4 635
AC & Water Coolers	13 343	2 456	-	15 799	12 059	280	-	12 339	3 460	1 285
Elevators	2 073	-	-	2 073	2 073	-	-	2 073	-	-
Canteen Appliances	477	-	-	477	444	18	-	462	15	33
Electrical Installation	11 648	6	-	11 654	10 067	322	-	10 389	1 265	1 581
Fire Alarm Systems	3 408	-	-	3 408	3 408	-	-	3 408	-	-
<b>Total</b>	<b>2602 266</b>	<b>402 534</b>	<b>10 125</b>	<b>2994 674</b>	<b>880 370</b>	<b>144 257</b>	<b>5 745</b>	<b>1018 882</b>	<b>1975 792</b>	<b>1721 896</b>
Previous year's Total	2447 319	159 580	4 634	2602 266	805 150	77 868	2 648	880 371	1721 896	

The figures are inclusive of Appreciation/Depreciation due to foreign currency fluctuation

### SCHEDULE 11 CASH AND BANK BALANCES

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Cash & stamps	2 289	2 769
2 Bank Balances		
(a) Deposit Accounts - Short term (due within 12 months)	106462 174	102934 379
(b) Current Accounts	7893 088	9473 394
(c) Remittances in Transit	0	0
3 Money at Call and Short Notice		
(a) With Bank	197 664	586 078
(b) With other Institutions	14776 153	29574 779
<b>Total</b>	<b>129331 368</b>	<b>142571 399</b>
Balances with non-scheduled banks	Nil	Nil

**SCHEDULE 12**  
**ADVANCES AND OTHER ASSETS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
<b>Advances</b>		
1 Reserve Deposits with Ceding Companies	70729 162	52017 544
2 Application Money for Investments	(102 659)	1016 004
3 Prepayments	144 647	79 384
4 Advances to Directors/Officers	5 913	5 448
5 Advance Tax Paid and TDS	34283 141	20463 668
Less: Provision for Taxation	31082 346	19820 965
	3200 796	642 703
6 Others	152 246	115 106
7 Deferred Commission	129 345	212 662
<b>Total (A)</b>	<b>74259 450</b>	<b>54088 851</b>
<b>Other Assets</b>		
1 Income accrued on investments	10425 654	9423 910
2 Due from other entities carrying on insurance business (including reinsurers)	159848 709	151554 812
Less: Provision for Doubtful Loans Investment and Debts	6563 788	5545 853
	153284 921	146008 959
3 Deposit U/S-7 of Insurance Act	0	0
4 Sundry Debtors	2423 713	847 398
5 Sundry Deposits	10745 233	8727 632
6 MAT Credit Entitlement	14438 189	18864 155
7 Service Tax Unutilised Credit	0	0
8 GST Asset	1842 935	1404 735
9 VAT Asset Dubai	27 887	0
<b>Total (B)</b>	<b>193188 532</b>	<b>185276 789</b>
<b>Total (A+B)</b>	<b>267447 982</b>	<b>239365 640</b>

**SCHEDULE 13**  
**CURRENT LIABILITIES**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Balances Due to other insurance companies	41754 611	29551 671
2 Deposits held on re-insurance ceded	17155 398	16424 637
3 Sundry Creditors	2251 131	2086 587
4 Claims Outstanding	454915 842	410091 938
5 Service Tax Liability	0	278 679
6 GST Liability	5036 890	2093 278
7 VAT Liability Dubai	0	14 841
<b>Total</b>	<b>521113 872</b>	<b>460541 631</b>

**SCHEDULE 14**  
**PROVISIONS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Reserve for Unexpired Risk	128547 318	117139 328
2 Reserve for Premium Deficiency	52 944	0
3 For Doubtful Loans Investment and Debts	8449 572	3652 568
4 For Leave Encashment	361 112	356 839
5 Provision for Pension	20 228	99 384
6 Provision for Gratuity	27 483	10 181
7 Provision for Settlement	18 007	16 422
8 Provision for Provident fund	14 295	0
9 For PLLI Arrears	22 119	32 000
10 Provision for Taxation	12290 569	16194 610
Less: Advance Tax Paid and TDS	7994 208	13091 671
	4296 361	3102 939
<b>Total</b>	<b>141809 439</b>	<b>124409661</b>

**SCHEDULE 15**  
**MISCELLANEOUS EXPENDITURE**

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## SCHEDULE-16

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CFS) AS ON 31<sup>ST</sup> MARCH 2019

#### I. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements relate to General

Sr. No.	Name of the company	Ownership %	Country of incorporation
	<b>Subsidiaries</b>		
1.	GIC Re South Africa Ltd.	100	Johannesburg SA
2.	GIC Re India Corporate Member Ltd.	100	London U.K.
	<b>Associates</b>		
1.	Agriculture Insurance Company of India Ltd.	35	India
2.	India International Insurance Pte. Ltd.	20	Singapore
3.	GIC Bhutan Re Ltd.	26	Bhutan

The consolidated financial statements have been prepared on the following basis:

- 1.1** The financial statements of the Corporation and its subsidiary companies have been combined on a line-by-line basis by adding together the value of like items of assets liabilities income and expenses after eliminating intra-group balances and intra-group transactions and resulting profits or losses (unless cost cannot be recovered) in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- 1.2** The difference between the costs of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve on Consolidation as the case may be. The 'Goodwill'/'Capital Reserve' is determined separately for each subsidiary company.
- 1.3** Investments in Associate Companies are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for

Insurance Corporation of India ("the Corporation") its subsidiary companies and the Corporation's share of profit/loss in its associate companies (together referred as "the group"). The list of subsidiary companies and associates which are included in the consolidation of financial statements are as under:

Investments in Associates in consolidated financial statements". Accordingly the share of profit/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments. The carrying value is reduced for the distributions received from the associates.

- 1.4** The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is described as Goodwill or Capital Reserve as the case may be. Goodwill or Capital Reserve is included in the carrying amount of investment in associate.
- 1.5** The Corporation accounts for its share in the change in the net assets of the associate post-acquisition after eliminating unrealised profits and losses resulting from the transaction between the Corporation and its associate to the extent of its share through its statement of profit and loss to the

## Significant Accounting Policies on Consolidated Financial Statements

extent such change is attributable to the associates' Statement of Profit and Loss.

**1.6** Financial Statements of Foreign Subsidiaries being non-integral operations have been converted in Indian Rupees at following exchange rates -

- (i) Revenue and Expenses: At the average of the year
- (ii) Assets and Liabilities: At the end of the year. The resultant translation exchange difference is transferred to "Foreign Currency Translation Reserve".

**1.7** The financial statements of the Subsidiaries and Associates used in the consolidation are drawn up to the same reporting date as that of the Corporation i.e. 31<sup>st</sup> March 2019 or up to 31<sup>st</sup> December 2018 in case where the subsidiaries or associates close their financial year on that date. The subsidiaries of GIC Re have prepared the accounts in accordance with International Financial Reporting Standards (IFRS)/ UK Generally Accepted Accounting Principles (GAAP) as per the required local laws of the respective country resulting in some variations as compared to Indian GAAP followed by the holding company. GIC Re India Corporate Member Ltd. retrocedes entire business to GIC Re while GIC Re South Africa Ltd. retrocedes a portion of the business to GIC Re excluding Life Business. For the purpose of preparing the CFS accounting adjustments have not been made to align the accounts of the subsidiaries to confirm with the accounting policies followed by the Corporation.

**1.8** Following are the material differences with the accounting policies followed by the Corporation:

- 1.8.1** Unexpired risk reserve (URR) - GIC Re South Africa Ltd. has calculated Unexpired Risk Reserve (URR) at 50% on proportional treaty business and 75% on non-proportional treaty business and 1/365th method for facultative business. No provision for URR is

required by GIC Re India Corporate Member Ltd. since the subsidiary retrocedes all of its underwriting business to GIC Re.

- 1.8.2** IBNR provisions are recognised as per the terms provided by the Financial Services Board (FSB) of South Africa. No provision for IBNR is required by GIC Re India Corporate Member Ltd. since the subsidiary reinsures all of its underwriting business to GIC Re.

- 1.8.3** Provision for taxation including deferred tax is accounted as per local tax laws and in accordance with the provisions of local GAAP.

- 1.8.4.** Statutory Reserves are created in accordance with the requirements of local laws.

- 1.8.5.** Deferred Commission is accounted in accordance with the provisions of local GAAP.

- 1.8.6.** Depreciation is accounted in accordance with the provisions of local GAAP.

- 1.8.7.** The amounts lying under Fixed Deposits and Negotiable Certificates of Deposits with a validity of less than one year relating to GIC Re South Africa Ltd. have been classified as investments by the Statutory Auditors of the Subsidiary. The same classification has been adopted while preparing the Consolidated Financial Statements.

## 2. ACCOUNTING CONVENTION:

The Balance Sheet the Profit and Loss Account Revenue Accounts and Cash Flow Statement are drawn up in accordance with the provisions of Section 11(1) of the Insurance Act 1938 and to comply with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under the relevant provisions of the Companies Act 2013. The financial statements also conform to the stipulation specified under the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors Report of Insurance Companies)

Regulations 2002. The said statements are prepared on historical cost convention and on accrual basis except as otherwise stated and conform to the statutory provisions and practices prevailing in the General Insurance Industry in India.

### 3 REINSURANCE BUSINESS:

#### 3.1 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date revenue and expenses for the year ended and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 3.2 Reinsurance Revenues

Premium is accounted based on accounts rendered by ceding companies upon receipt of accounts. At the year end estimates are made for accounts not yet received based on available information and current trends. In respect of Insurance Pool Business where GIC Re is one of the members of the Pool only the Corporation's share of revenue is recorded in the books of accounts.

### 4 OUTSTANDING CLAIMS:

**4.1** Estimated liability for outstanding claims in respect of Reinsurance business is based on advices received as of different dates up to the date of finalization of claim figures in the books for submission of the data to the "Appointed Actuary"

and wherever such advices are not received on estimates based on available information current trends past underwriting experience of the management and actuarial estimation basis.

**4.2** Provision for claims incurred but not reported (IBNR) is made as certified by the appointed actuary based on accepted actuarial methods.

### 5 RECEIVABLES:

Provisions for doubtful debts for receivables are provided as under: -

- (i) Companies in liquidation.
- (ii) Companies having non-moving balances over a period of three years.
- (iii) Non-realizable balances of companies having moving balances and outstanding for more than four years.

### 6 FOREIGN CURRENCY TRANSACTIONS:

Revenue transactions in foreign currencies are converted at the daily rate of exchange on the day accounts are received and transactions are booked. The rates have been taken from Thomson Reuters India Pvt. Ltd.

**6.1** Non-Monetary items including fixed assets and investments abroad are reported using the exchange rate applicable on the date of acquisition.

**6.2** Monetary items such as receivables payables and balances in bank accounts held in foreign currencies are converted using the closing rates of exchange at the balance sheet date.

**6.3** The exchange gain/ loss relating to revenue transaction due to conversion of foreign currencies is accounted for as revenue in respective revenue accounts. The common exchange gain/loss due to conversion is apportioned between Revenue Account and Profit and Loss Account in same proportion as stated in Significant Accounting Policy No. 8.

## Significant Accounting Policies on Consolidated Financial Statements

### 7 RESERVE FOR UNEXPIRED RISK (URR)

The URR provisions are made as under:

#### 7.1 Non-Life Business:

##### (i) For HO:

Reserve for Unexpired Risk in respect of Marine Insurance (Hull) and Terrorism Risk Business (included in Fire and Engineering) is made at 100% of Net Premium while for all other classes of insurance is made at 50% of Net Premium of the period for which accounts are prepared.

##### (ii) London Dubai & Malaysia Branch:

Reserve for Unexpired Risk is provided as per local practice. Adjustment for excess or short provision in URR as per IRDAI requirement is accounted at Head Office. Till previous year Malaysia branch was calculating Unexpired Risk Reserve as per IRDAI requirement. This year Malaysia branch has changed the method of calculation and provided as per Local practice.

#### 7.2 Life Business:

Reserve for Unexpired Risk is provided as determined by Appointed Actuary based on accepted actuarial methods.

### 8. APPORTIONMENT OF INTEREST DIVIDENDS AND RENTS

As per the requirement of IRDAI the income from interest dividends and rent is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the end of the year. The same is further apportioned amongst the revenue accounts on the basis of the respective Policyholder's fund at the end of the year. Shareholder's fund consists of share capital and free reserves. Policyholder's fund consists of provision for outstanding claims and reserves for unexpired risks.

### 9. FIXED ASSETS

Fixed assets are stated at cost less depreciation. Cost of shares in Co-operative Societies/Companies for property rights acquired is included under the head 'Buildings' under Fixed Assets.

Tangible Fixed Assets are stated at cost (including incidental expenses relating to acquisition and installation) less accumulated depreciation.

#### Intangible Assets:

Intangible Fixed Assets representing software are recorded at its acquisition price and are amortized over their estimated useful life on a straight-line basis commencing from the date the assets are available for use. The management has estimated the useful life for such software as five years. The useful life of the asset is reviewed by the management at each Balance Sheet date.

#### 9.1 DEPRECIATION

Depreciation is provided on straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act 2013 and residual value of the assets shall be ₹ 1/-. Depreciation is provided on pro-rata basis on additions to fixed assets and on assets sold/discarded / demolished / destroyed during the year.

#### 9.2 IMPAIRMENT OF ASSETS

Fixed assets are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset.

### 10. RETIREMENT BENEFITS TO EMPLOYEES

Liabilities on account of retirement benefits to the



employees such as pension gratuity and leave encashment are provided for on accrual basis based on actuarial valuation and in compliance with Accounting Standard 15.

### 11. APPORTIONMENT OF EXPENSES

#### (i) Head office business:

Operating expenses relating to insurance business are apportioned to the Revenue Accounts on the basis of Reinsurance Premium accepted during the period for which accounts are prepared giving weightage of 75% for Marine business & 100 % for Fire Miscellaneous & Life Reinsurance business.

#### (ii) Foreign business:

Operating expenses relating to insurance business are also apportioned to the revenue accounts of branches on the same basis as mentioned in Note-8 above.

#### (iii) Investment Expenses:

Expenses relating to investment are apportioned between Revenue and Profit & Loss Account in the same proportion as stated in Significant Accounting Policy No.8. Investment expenses are adjusted from Investment income."

### 12 INVESTMENTS

**12.1** Prudential norms as prescribed by appropriate regulatory authority are followed in regard to:

- (i) Revenue recognition
- (ii) Classification of assets into performing and non-performing and
- (iii) Provisioning against performing and non-performing assets.

**12.2** The cost of investments includes premium on acquisition and other related expenses.

**12.3** Short term money market instruments such as Collateralized Borrowing and Lending Operations

(CBLO) Commercial Paper and Treasury bill which are discounted at the time of contract at the agreed rate are accounted at their discounted value.

**12.4 a)** Unrealized gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken under the head "Fair Value Change Account" and on realization reported in Profit and Loss Account.

b) Pending realization the credit balance in the "Fair Value Change Account" is not available for distribution.

**12.5** Short term money market instruments such as Triparty Repo (TREPS) Commercial Paper and Treasury bill which are discounted at the time of contract at the agreed rate are accounted at their

**12.6** Final Dividend is accounted for as income in the year of declaration and Interim dividend is accounted as income when the amount is received or credited up to 31<sup>st</sup> March.

**12.7** Dividends/Interest on shares/debentures under objection/pending deliveries is accounted for on realization/payment.

**12.8** Profit or Loss on sale of investments is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the end of the year. The same are further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the end of the year. Shareholders' fund consists of Share Capital and Free Reserves. Policyholders' fund consists of provisions for outstanding claims and reserves for unexpired risks.

Profit/Loss on sale of investments is computed at average book value of investments on the date of sale.

**12.9** Debt securities including Government securities and Redeemable Preference shares have been



## Significant Accounting Policies on Consolidated Financial Statements

considered as 'held to maturity' securities and have been measured at historical cost subject to amortization of premium paid over residual period. The call date has been considered as maturity date for amortization of Perpetual Bonds.

**12.10** In case of repo transaction difference between the selling and buying value is treated as interest income.

**12.11** Income received from the Fixed Maturity Mutual fund (Dividend Option) is booked as dividend.

**12.12** Investments are apportioned between Shareholders' Fund & Policyholders' Fund in the ratio of balance available in the respective funds at the end of the year.

### 13. AMORTIZATION OF PREMIUM AND PROVISION FOR DOUBTFUL LOANS INVESTMENTS AND DEBTS

Amortization of premium provision for doubtful loans doubtful debts and diminution in the value of investments written off are recognized in the profit & loss account. Securities purchased at a discount are booked at the discounted price.

### 14. COMPLIANCE WITH ACCOUNTING STANDARDS

The Corporation has complied with relevant accounting standards prescribed by ICAI to the extent applicable and IRDAI guidelines in preparation of its financial statements

### 15. PREMIUM DEFICIENCY RESERVE (PDR):

**Non-Life Business:** Premium deficiency is worked out separately for each segmental revenue level basis viz. fire marine and miscellaneous. As per IRDAI circular no. IRDAI Reg/7/119/2016 dated 07 April 2016 PDR is calculated by Non-Life Appointed Actuary.

**Life Re business:** As per IRDAI circular no. IRDAI /Reg/7/121/2016 dated 13 April 2016 PDR is calculated by Life Re Appointed Actuary.

### 16. DEFERRED COMMISSION

London BO has accounted for deferred commission as per the local laws. The same is accounted as Commission at Head Office in compliance to IRDAI requirements.

## II NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS ON 31<sup>st</sup> MARCH 2019.

The accounts of the subsidiary company GIC Re India Corporate Member Ltd. London UK and Associates India International Pvt. Ltd. Singapore and GIC Re Bhutan Ltd. Bhutan which are combined in the consolidated financial statements are prepared on calendar year basis in accordance with the local requirements and these have been consolidated as such. There is no material change during the quarter January 2019 to March 2019 requiring adjustments to the figures reported in the audited/ unaudited accounts as received.

### 1. Investments

1.1. Provision of ₹ 494577 thousand (Previous Year ₹ 498935 thousand) for assets has been made as per Prudential norms for Income recognition Asset Classification and provisioning and other related methods as prescribed by appropriate regulatory authorities.

1.2. The book value of investments valued on Fair Value basis is ₹ 99351174 thousand (Previous year ₹ 95130527 thousand).

### 2. Re-insurance - Life Reinsurance Business -URR:

During the year the Corporation has made a provision of ₹ 1101665 thousand (Previous Year ₹ 909186 thousand) towards unexpired risk reserve for life business as determined by Life Appointed Actuary as per IRDAI guidelines. (Except Re-takaful business)

### 3. Employees Benefits

The Corporation has classified the various benefits provided to employees as under:

#### (i) Pension Superannuation Scheme

#### (ii) Defined Benefit Plan

- (a) Leave Encashment
- (b) Gratuity
- (c) Provident Fund

#### (iii) Settlement Benefit

During the year Corporation has recognized the following amounts in the Profit and Loss Account based upon the actuary reports:

(₹ in thousand)

Particulars	Year ending 31 <sup>st</sup> March 2019	Year ending 31 <sup>st</sup> March 2018
Pension Superannuation Scheme(Employees' Pension Fund)	84627	116053
Leave Encashment (Earned leave and Sick Leave)	4274	24811
Gratuity (Employees Gratuity Fund)	105722	10181
Provident Fund (Employees Provident Fund)	0	0
Settlement Benefit	1585	1206

# Notes Forming Part of Consolidated Financial Statements

## A) Change in the Present Value of Obligation

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Present Value of Obligation as 1 April	1830225	1623232	516180	429740	356839	332028	16422	15216
Interest Cost	136664	115859	39139	30959	27333	25433	1258	1111
Past Service Cost	0	0	0	0	0	0	0	0
Current Service Cost	33011	46021	24015	23060	18161	17514	722	714
Curtailment Cost / (Credit)	0	0	0	0	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0	0	0	0	0
Benefit Paid	(92196)	(72253)	(10450)	(10746)	0	0	0	0
Actuarial (Gain)/Loss on Obligation	71638	117366	10834	43166	(41222)	(18137)	(394)	(618)
Present Value of Obligation at 31 <sup>st</sup> March	1979342	1830225	579718	516180	361112	356839	18007	16422

\* Earned Leave + Sick Leave

**B) Change in the Fair value of Plan Assets**

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary		Settlement	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Fair Value of Plan Assets as at 1 April	1730841	1578306	505998	381302	0	0	0	0
Expected return on Plan Assets	160612	141207	42345	32008	0	0	0	0
Actuarial Gain/(Loss) on Obligation	(3926)	21987	(74079)	54996	0	0	0	0
Contribution	163784	61595	88420	48438	0	0	0	0
Benefit Paid	(92196)	(72253)	(10450)	(10746)	0	0	0	0
Fair Value of Plan Assets at 31 <sup>st</sup> March	1959115	1730841	552235	505998	0	0	0	0
Unpaid Amount	0	0	0	0	0	0	0	0
Fair Value of Plan (Net) Assets at 31 <sup>st</sup> March	1959115	1730841	552235	505998	0	0	0	0
Actual return	156686	163193	(31734)	87004	0	0	0	0

**C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets**

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Present Value of Obligation	1979342	1830225	579718	516180	361112	356839	18007	16422
Fair Value of Plan Assets	1959115	1730841	552235	505998	0	0	0	0
Unfunded Net Asset / (Liability) Recognized in Balance Sheet	(20228)	(99384)	(27483)	(10181)	(361112)	356839	(18007)	(16422)

\* Earned Leave + Sick Leave

## Notes Forming Part of Consolidated Financial Statements

### D) Expenses recognized in the Profit and Loss Account

(₹ in thousand)

For year ending 31 <sup>st</sup> March 2019	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	33011	24015	18161	722
Interest Cost	136664	39139	27333	1258
Curtailment Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Expected Return on Plan Assets	(160612)	(42345)	0	0
Net actuarial (gains)/losses recognized in the period	75564	84913	(41222)	(394)
Total Expenses recognized in the Profit & Loss A/c	84627	105722	4274	1585

\* Earned Leave + Sick Leave

(₹ in thousand)

For year ending 31 <sup>st</sup> March 2018	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	46021	23060	17514	714
Interest Cost	115859	30959	25433	1111
Curtailment Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Expected Return on Plan Assets	(141207)	(32008)	0	0
Net actuarial (gains)/losses recognized in the period	95380	(11830)	(18137)	(618)
Total Expenses recognized in the Profit & Loss A/c	116053	10181	24811	1206

\* Earned Leave + Sick Leave

### E) Plan Assets

(in %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Government Securities {Central & State}	55.00	55.00	0.00	0.00	0.00	0.00	0.00	0.00
High quality Corporate Bonds	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	45.00	45.00	100.00	100.00	0.00	0.00	0.00	0.00

\* Earned Leave + Sick Leave

## F) Actuarial Assumption

(In %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Discount Rate	7.77	7.66	7.77	7.66	7.77	7.66	7.77	7.66
Expected return on assets	9.00	9.00	7.77	8.00	0	0.00	0.00	0.00
Salary Escalation*	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00
Attrition/ withdrawal Rate	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Indian Assured Lives Mortality	2006-08	2006-08	2006-08	2006-08	2006-08	2006-08	1994-96	1994-96

\* Earned Leave + Sick Leave

## G) Other Disclosures

### Pension

(₹ in thousand)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013 - 14
Experience Adjustment						
On obligation	71638	117366	123995	103224	16205	183129
On plan assets	3926	(21986)	(95603)	4448	(60980)	9392
Present Value of obligation	1979342	1830225	1623232	1414830	1303844	1159320
Fair Value of plan assets	1959115	1730841	1578306	1320857	1272735	923723
Excess of obligation over plan assets	(20228)	(99384)	(44926)	(93972)	(31109)	(235597)

### Gratuity

(₹ in thousand)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013 - 14
Experience Adjustment						
On obligation	14115	43166	27851	43921	93092	(18360)
On plan assets	74079	(54996)	(2721)	(35455)	18615	629
Present Value of obligation	579718	516180	429740	371197	301229	183862
Fair Value of plan assets	555235	505998	381302	337724	225554	195961
Excess of obligation over plan assets	(27483)	(10181)	(48438)	(33473)	(75675)	12099

## Notes Forming Part of Consolidated Financial Statements

### Leave Salary

(₹ in thousand)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013 - 14
Experience Adjustment						
On obligation	(43982)	(18137)	51886	(37199)	(43100)	1320
On plan assets	0	0	0	0	0	0
Present Value of obligation	361112	356839	332028	245182	227340	221463
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	361112	356839	(332028)	(245182)	(227340)	(221463)

### Settlement

(₹ in thousand)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013 - 14
Experience Adjustment						
On obligation	(394)	(618)	(537)	178	0	119
On plan assets	0	0	0	0	0	0
Present Value of obligation	18007	16422	15216	14024	12195	10648
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	(18007)	(16422)	15216	14024	12195	10648

Actuarial gain/loss has been charged to Profit and Loss Account.

#### 4. Related party Disclosures as per Accounting Standard - 18 "Related Party Transaction" issued by ICAI:

##### a) Associate Company:

- India International Pte. Limited Singapore
- Agriculture Insurance Company of India Limited New Delhi India
- GIC Bhutan Re Ltd Bhutan

The Board of GIC Re in its meeting dated 6<sup>th</sup> June 2016 authorized GIC Re to upgrade Moscow Representative Office into a business underwriting office by establishing a wholly owned subsidiary in Russia and approved the requisite capital. In April 2016 a communication from Central Bank of Russia

- The insurance regulator in Russia - consenting "in principle" no objection to GIC Re's proposal to incorporate a subsidiary in Moscow was received. The necessary approvals from IRDAI and Ministry of Finance were obtained in June 2017. Accordingly the company has been registered in November 2018 in the name of "GIC Perestrakhovanie" LLC. However no investments have been made by the Corporation in the subsidiary till 31.03.2019

Nature and volume of transactions: With (a) above

**b) Associates**

(₹ in thousand)

Period	Agriculture Ins. Co. Ltd		India International Pte Ltd.		GIC-BHUTAN RE	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Premium Accepted	<b>38487907</b>	32662335	<b>70352</b>	8316	<b>12626</b>	44008
Premium Ceded	<b>(7173)</b>	121671	<b>2538</b>	-	-	-
Net Premium	<b>38495080</b>	32540664	<b>67813</b>	8316	<b>12626</b>	44008
Commission Paid	<b>1988526</b>	3524997	<b>14790</b>	931		-
Commission Recovered	<b>1736</b>	27200	-	-		-
Net Commission	<b>1986790</b>	3497798	<b>14790</b>	931		-
Claims Paid	<b>45413335</b>	23322642	<b>23360</b>	107465		-
Claims Recovered	<b>46170</b>	54845	-	-		-
Net Claims	<b>45367165</b>	23267797	<b>23360</b>	107465		-
<b>Balance as on 31st March</b> <b>(-) indicates amount payable by GIC</b>						

**c) Key Management Personnel:**

Sr. No.	Designation	Name
1	Chief Executive Officer	Smt. Alice G. Vaidyan
2	General Manager & Chief Finance Officer Director General Manger & Chief Finance Officer	Shri V.C. Jain (upto 31.07.2018) Smt. Sashikala Muralidharan (w.e.f. 01.08.2018)
3	Director General Manger & Chief Underwriting Officer	Smt. Usha Ramaswamy (w.e.f. 01.08.2018)
4	General Manager & Chief Marketing Officer	Shri Pauly Sukumar N. (upto 30.06.2018) Shri Deepak Godbole (W.e.f. 01.08.2018)
5	Appointed Actuary (General Insurance)	Smt. Priscilla Sinha (upto 31.12.2018)
6	Deputy General Manager & Chief Investment Officer General Manager & Chief Investment Officer	Shri Uttam Kumar Sharma (from 22.01.2017 to 31.07.2018) Shri S.N. More (w.e.f. 01.08.2018)



Sr. No.	Designation	Name
7	General Manager, Chief of Internal Audit & Financial Advisor	Shri D.R. Waghela (up to 31.05.2018) Shri Devesh Srivastava (from 01.08.2018 up to 10.10.2018) Smt. Reena Bhatnagar (w.e.f. 11.10.2018)
8	General Manager & Chief Risk Officer	Smt. Madhulika Bhaskar
9	General Manager & Chief Compliance Officer	Smt. Suchita Gupta
10	General Manager	Shri Deepak Prasad (w.e.f 01.04.2018)
11	General Manager	Shri Sushil Kumar (up to 31.12.2018)
12	Appointed Actuary (Life Insurance)	Shri Ajai Kumar Tripathi (w.e.f 20.11.2018)

**i. Details of Key Managerial Personnel Remuneration for the year ended 31.03.2019 is as follows:**

(₹ in thousand)

Sr. No.	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
1	Chief Executive Officer	Smt. Alice G. Vaidyan	3086.84	265.32	402.73	0.00	32.40	0.00	3.56
2	General Manager & Chief Finance Officer	Shri V.C. Jain (up to 31.07.2018)	703.83	46.72	71.20	0.00	10.80	0.00	40.02
	Director General Manger & Chief Finance Officer	Smt. Sashikala Muralidharan (w.e.f. 01.08.2018)	1553.13	98.67	142.30	0.58	14.40	0.00	67.74
3	Director General Manger & Chief Underwriting Officer	Smt. Usha Ramaswamy (w.e.f. 01.08.2018)	1526.13	92.46	136.12	63.12	14.40	0.00	41.67
4	General Manager & Chief Marketing Officer	Shri Pauly Sukumar N. (up to 30.06.2018)	518.48	34.06	52.43	0.00	8.10	0.00	324.13

## Notes Forming Part of Consolidated Financial Statements

Sr. No.	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
	General Manager & Chief Marketing Officer	Shri Deepak Godbole (W.e.f. 01.08.2018)	1502.60	90.94	131.87	0.00	14.40	0.00	42.45
5	Appointed Actuary (General Insurance)*	Smt. Priscilla Sinha (up to 31.12.2018)	5940.90	0.00	0.00	0.00	0.00	0.00	0.00
6	Deputy General Manager & Chief Investment Officer	Shri Uttam Kumar Sharma (from 22.01.2017 to 31.07.2018)	611.63	41.71	61.68	0.00	7.20	0.00	35.36
	General Manager & Chief Investment Officer	Shri S.N. More (w.e.f. 01.08.2018)	1575.35	93.00	143.69	0.00	0.00	0.00	217.26
7	General Manager, Chief of Internal Audit & Financial Advisor	Shri D.R. Waghela (upto 31.05.2018)	350.26	23.90	34.75	0.00	5.40	0.00	24.07
	General Manager, Chief of Internal Audit & Financial Advisor	Shri Devesh Srivastava (from 01.08.2018 up to 10.10.2018)	593.07	66.25	64.10	19.09	9.37	0.00	156.39
	General Manager, Chief of Internal Audit & Financial Advisor	Smt. Reena Bhatnagar (w.e.f. 11.10.2018)	1010.99	61.67	89.57	2.15	9.00	0.00	24.20
8	General Manager & Chief Risk Officer	Smt. Madhulika Bhaskar	2203.68	134.10	0.00	0.00	21.60	0.00	84.47

## Notes Forming Part of Consolidated Financial Statements

Sr. No.	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
9	General Manager & Chief Compliance Officer	Smt. Suchita Gupta	2169.40	136.86	201.94	0.00	21.60	0.00	77.42
10	General Manager	Shri Deepak Prasad (w.e.f 01.04.2018)	2254.25	141.12	0.00	30.70	0.00	0.00	64.18
11	General Manager	Shri Sushil Kumar (up to 31.12.2018)	1754.39	105.77	171.31	53.25	24.30	0.00	334.44
12	Appointed Actuary (Life Insurance)*	Shri Ajai Kumar Tripathi (w.e.f 20.11.2018)	1753.33						

\* Professional fees

### ii. Details of Key Managerial Personnel Remuneration for the year ended 31.03.2018 is as follows:

(₹ in thousand)

Sr. No.	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
1	Chief Executive Officer	Smt. Alice Vaidyan	3407	256	377	0	32	0	0
2	Chief Marketing Officer	Shri Pauly Sukumar N	2087	135	209	0	32	0	48
3	Chief Investment Officer	Shri Satyajit Tripathy (upto 22.01.2018) 285 days	1465	98	143	34	17	0	38
4	Chief Investment Officer	Shri Uttam Kumar Sharma (wef 22.01.2018) 69 days	352	24	35	0	4	0	0
5	Financial Advisor & Chief of Internal Audit (upto 24.05.2017) 54 days	Shri G.C. Gaylong	306	22	30	0	3	0	200

Sr. No.	Designation	Name	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
6	Financial Advisor & Chief of Internal Audit (wef 24.05.2017) 232 days	Shri D.R. Waghela	1399	90	140	0	21	0	30
7	Chief Financial Officer	Shri V.C. Jain	2127	138	214	0	32	0	48
8	Chief Risk Officer	Smt. Madhulika Bhaskar	2065	128	0	0	22	0	50
9	Chief Compliance Officer	Smt. Suchita Gupta	2022	130	203	0	22	0	49
10	Appointed Actuary (General Insurance)*	Smt. Priscilla Sinha	7595	0	0	0	11	0	0
11	Appointed Actuary (Life Insurance) upto 30.06.2017*	Smt. Padmaja R.	911	0	0	0	0	0	0

\* Professional fees

**5. Earnings per Share (EPS) as per Accounting Standards 20 issued by ICAI:**

	2018-19	2017-18
Profit after Tax ('000)	₹ 27575696	₹ 31455367
Number of equity shares (weighted avg.)	1754400000	1735079452
Nominal value of share (₹)	₹ 5/-	₹ 5/-
Basic and Diluted EPS (in ₹)	₹ 15.72/-	₹ 18.13/-

## Notes Forming Part of Consolidated Financial Statements

Basic earnings per share are calculated by dividing the profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share the profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented.

The face value of equity share is consolidated from ₹ 1 to 5 per share. Accordingly the Earning Per Share Book Value per share and Dividend per share is based on the face value of ₹ 5 per share. During the Year ended 31.03.2019 the

Corporation has issued bonus shares in the ratio of 1:1. Accordingly the Earning Per Share Book Value per share and Dividend per share is based on the increased number of shares.

\* During the F.Y. 2018-19 the Corporation issued bonus equity shares in the ratio of 1:1 i.e. 1 (one) equity share of ₹ 5/- each (fully paid up) for every 1 (one) existing equity share of ₹ 5/- each (fully paid up) to the Shareholders of the Corporation in the month of July 2018.

As on 31st March 2019 the Issued Subscribed Called-up and Paid-up Capital of the Corporation is ₹ 8772000000/- comprising of 1754400000 Equity shares of ₹ 5/- each.

Accordingly the Earning Per Share Book Value per share and Dividend per share is based on the increased number of shares.

### 6. Disclosures as per Accounting Standard – 22 “Accounting for Taxes on Income”:

Deferred Tax assets are recognized only if there is a virtual certainty backed by convincing evidence that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The breakup of Net Deferred Tax Assets is as under:

(₹ in thousand)

Particulars	As on 31.03.2019		As on 31.03.2018	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Timing difference on account of difference in book depreciation & depreciation under Income Tax Act 1961.		114054	3995	
Provision for employee's benefits	140209		140253	
Others			30838	
Foreign Branches		593		223
TOTAL	140209	114647	175086	223
Net Deferred Tax	25562		174863	

## 8. Contingent Liabilities:

- (a) Partly paid up investments NIL (Previous year NIL)
- (b) Underwriting commitments outstanding NIL (Previous year NIL)
- (c) Claims other than under policies not acknowledged as debts: ₹ 11000 thousand (Previous year ₹ 11000 thousand)
- (d) Guarantees / LC given by or on behalf of the Corporation as on 31.03.2019 ₹ 27366024 thousand (Previous year ₹ 19501805 thousand)
- (e) Statutory demand / liabilities in dispute - Income-tax demands disputed not provided for ₹ **29930036** thousand (Previous year ₹ 17262332 thousand).

Year-wise break up as follows:

(₹ in thousand)

Sr. No.	Assessment Year	Amount
1	2002-03	694362
2	2003-04	757312
3	2004-05	1879038
4	2005-06	1849956
5	2006-07	2680573
6	2007-08	3126779
7	2008-09	3149757
8	2009-10	1809812
9	2011-12	872334
10	2012-13	1079551
11	2013-14	163957
12	2014-15	71235
13	2015-16	4400620
14	2016-17	7394751
	<b>Total</b>	<b>29930036</b>

- (f). Reinsurance obligations to the extent not provided for in the accounts NIL (Previous year NIL) in view of Significant Accounting Policy No. 3.1.
- (g) Majority of the pending legal / arbitration matters with the Legal Department are very old. These cases are primarily against the erstwhile subsidiary companies and the Corporation has been impleaded as a proforma respondent because of its erstwhile status of the holding company. In MACT /Hit and Run matters GIC is wrongly impleaded despite not being the administrator of the Solatium Scheme. Consequently no financial impact of such cases is envisaged.

## 9. Segment Reporting:

Segment Reporting as per Accounting Standard -17 "Segment Reporting" of ICAI has been complied with as required by IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002.

**TOTAL BUSINESS (INDIAN + FOREIGN)**

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Profit/-Loss on Exchange		Premium Deficiency		Underwriting Profit/Loss(-)	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Fire	83726 218	73747 287	83856 766	64422 438	21469 035	17652 560	699 371	858 091	640 142	(163 069)	-	-	(21658 813)	(9348 871)
Motor	84244 383	86576 951	71568 748	63565 260	12289 927	14568 736	522 858	611 870	585 031	(130 274)	-	-	447 882	7700 812
Aviation	7725 600	6023 354	9078 305	6554 597	1980 299	1144 985	88 550	65 847	59 087	(13 061)	-	-	(3362 468)	(1755 136)
Engineering	9392 937	8979 019	5738 761	4555 856	2429 383	(59 379)	70 862	83 680	87 144	(27 598)	-	-	1241 074	4371 264
W.C.	430 983	360 549	282 264	270 404	127 915	51 191	2 776	2 704	3 402	(643)	-	-	21 431	35 607
Liability	3813 972	2498 339	2662 688	981 376	923 585	347 051	37 395	29 336	27 787	(4 390)	-	-	218 091	1136 185
PA	6654 312	6276 185	4949 015	4139 896	1583 806	1822 680	37 377	41 540	33 842	(5 957)	-	-	117 956	266 112
Health	46762 577	58425 135	41227 490	41073 639	8126 517	10904 207	346 197	421 119	146 245	(33 841)	-	-	(2791 382)	5992 329
Agriculture	112882 967	118255 805	102650 472	126461 063	6732 462	14426 880	706 562	835 023	486 370	(199 897)	-	-	3279 841	(23667 059)
Other Misc.	6901 589	6666 525	1191 799	7378 840	1803 103	338 418	68 254	(776 311)	63 894	(38 277)	-	-	3902 325	(312 699)
FL/Credit	2768 622	1691 448	2318 951	4363 606	801 125	432 709	28 387	20 219	41 471	(7 732)	-	-	(338 369)	(3132 819)
Marine Cargo	5112 748	3793 609	3118 548	1739 325	1267 598	549 264	42 514	27 756	34 856	(7 853)	-	-	718 943	1469 410
Marine Hull	7223 692	4877 972	5110 784	952 174	1553 417	1593 618	46 601	49 228	78 840	(20 717)	-	-	591 731	2262 236
Life	4860 050	3827 817	5941 287	4123 867	76 197	28 009	28 911	30 301	16 546	(3 051)	52 944	-	(1222 743)	(357 411)
<b>TOTAL</b>	<b>382500 650</b>	<b>381999 997</b>	<b>339695 879</b>	<b>330582 343</b>	<b>61164 369</b>	<b>63800 930</b>	<b>2726 615</b>	<b>2300 403</b>	<b>2304 657</b>	<b>(656 360)</b>	<b>52 944</b>	<b>-</b>	<b>(18834 501)</b>	<b>(15340 039)</b>

**10. Financial Information pursuant to schedule III of Companies Act 2013**

Name of the Entities	Net Worth		Share in Profit/(Loss)	
	Percentage of Net Assets	Amount In '000	Percentage of Profit/(Loss)	Amount in '000
<b>Parent Company</b>				
General Insurance Corporation of India (GIC Re)	90.98%	223344 207	80.67%	22243 058
<b>Subsidiaries Companies (Foreign)</b>				
a. GIC Re South Africa Ltd. Johannesburg	2.65%	6515 034	7.06%	1947 603
b. GIC Re India Corporate Member Ltd. London UK	0.04%	96 406	0.34%	94 651

Name of the Entities	Net Worth		Share in Profit/(Loss)	
	Percentage of Net Assets	Amount In '000	Percentage of Profit/ (Loss)	Amount in '000
<b>Associates Foreign (investment as per Equity method)</b>				
a. India International Pte. Ltd. Singapore	1.45%	3560 097	0.08%	22 179
b. GIC Re Bhutan Ltd. Bhutan	0.01%	18 276	0.03%	7 592
<b>Associates Indian (investment as per Equity method)</b>				
a. Agriculture Insurance Company of India Ltd. New Delhi	5.26%	12901 587	4.10%	1131 332
<b>Total</b>	100.39%	246435 607	92.28%	25446 415
Adjustments arising out of consolidation	(0.39)%	(954 754)	7.72%	2129 281
Share of Minority in Subsidiaries				
Consolidated Net Worth */ Net Profit	100%	245480 853	100%	27575 696

\*Net Worth = Share Capital + Reserves and Surplus-Deferred Tax Assets - Foreign Currency Translation Reserve

#### 11. Major Events occurring after Balance Sheet Date:

There are no major events occurred after Balance sheet Date

12. The Corporation has prepared Cash flow statement adopting the indirect method.

13. Prior period items have not been separately disclosed as the amount is not material.

14. Figures relating to the previous year have been regrouped / rearranged wherever necessary.

As per our report of even date

**For J SINGH & ASSOCIATES**

Chartered Accountants  
{Firm Regn No. 110266W}

**J SINGH**

Partner

Membership No.: 042023

Mumbai

Dated: 23.05.2019

**For SAMRIA & CO**

Chartered Accountants  
{Firm Regn No. 109043W}

**ADHAR SAMRIA**

Partner

Membership No.: 049174

**Alice G Vaidyan**

Chairman-cum-Managing Director

**Atanu Kumar Das**

Director

**G B Pande**

Director

**Usha Ramaswamy**

Director & GM

**A P Singh**

Director

**Sashikala Muralidharan**

Director, GM & CFO

**Suchita Gupta**

Company Secretary



## Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019  
AS PER INDIRECT METHOD

(₹ '000)

Particulars	31.03.2019	31.03.2018
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<i>Net Profit before taxation as per Profit &amp; Loss A/c</i>	<b>38543 343</b>	36295 409
<i>Adjustments for:</i>		
Exchange -Loss/Gain charged	<b>(3640 380)</b>	1028 125
Provision for diminution in value of investment	<b>1618 482</b>	203 200
Provision for doubtful loans investments & Debts	<b>5814 939</b>	1289 539
Amortisation of Premium on Investment	<b>304 671</b>	260 835
Depreciation	<b>144 257</b>	77 868
Profit /Loss on sale of Assets	<b>199</b>	27
Shares of Profits in associates company	<b>1191 012</b>	(490 852)
Provision for Leave Encashment & Salary Arrears	<b>(51 582)</b>	49 161
Sundry Balances Written off/ -back	<b>0 5381 598</b>	0 2417 903
<i>Operating Profit before working capital changes</i>	<b>43924 941</b>	38713 312
Changes in Unexpired Risk Reserves	<b>11407 990</b>	(4760 130)
Changes in Premium Deficiency Reserve	<b>52 944</b>	0
Changes in Provisions for Outstanding Claims	<b>44823 903</b>	115643 946
Changes in Income accrued on Investments	<b>(1001 744)</b>	(1034 517)
Changes in Balances with Insurance Companies	<b>(14071 813)</b>	(47200 790)
Changes in Advance and Deposits	<b>1492 961</b>	(12232 529)
Changes in other Current Liabilities	<b>2786 748 45490 989</b>	3252 179 53668 159
<i>Cash generated from operations</i>	<b>89415 930</b>	92381 471
Income Tax Paid (Net)	<b>(13374 029)</b>	(4011 725)
<i>Net Cash from Operating Activities</i>	<b>76041 901</b>	88369 746
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(402 534)</b>	(159 580)
Proceeds from sale of Fixed Assets	<b>4 181</b>	1 959
Foreign Currency Translation Reserve	<b>77 205</b>	4799 026
Changes in net Investments	<b>(78324 683)</b>	(59666 049)
<i>Net Cash used in Investing Activities</i>	<b>(78645 831)</b>	(55024 644)

## Consolidated Cash Flow Statement

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019 AS PER INDIRECT METHOD

(₹ '000)

Particulars	31.03.2019	31.03.2018
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(11842 200)	(10020 000)
Dividend Tax Paid	(2434 283)	(2039 872)
<b>Net Cash from Financing Activities</b>	<b>(14276 483)</b>	<b>(12059 872)</b>
<b>D) Effect of Foreign Exchange on Cash &amp; Cash equivalents(Net)</b>	<b>3640 380</b>	<b>(1028 125)</b>
<b>Net increase in Cash and Cash equivalents (A+B+C+D)</b>	<b>(13240 033)</b>	<b>20257 105</b>
<b>Cash and Cash equivalents at beginning of period</b>	<b>142571 399</b>	<b>122314 294</b>
<b>Cash and Cash equivalents at the end of period</b>	<b>129331 368</b>	<b>142571 399</b>

As per our report of even date

#### For J SINGH & ASSOCIATES

Chartered Accountants  
{Firm Regn No. 110266W}

#### J SINGH

Partner  
Membership No.: 042023

Mumbai

Dated: 23.05.2019

#### For SAMRIA & CO

Chartered Accountants  
{Firm Regn No. 109043W}

#### ADHAR SAMRIA

Partner  
Membership No.: 049174

#### Alice G Vaidyan

Chairman-cum-Managing Director

#### Atanu Kumar Das

Director

#### G B Pande

Director

#### Usha Ramaswamy

Director & GM

#### A P Singh

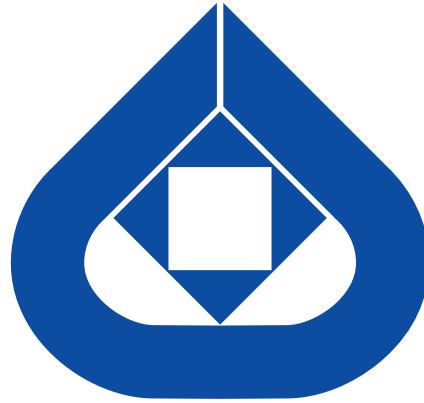
Director

#### Sashikala Muralidharan

Director, GM & CFO

#### Suchita Gupta

Company Secretary



आपत्काले रक्षिष्यामि  
GIC Re SA Ltd.

## **GIC RE SOUTH AFRICA LTD**

### **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

The financial statements have been audited in compliance with Section 30 of the South African Companies Act 71 of 2008.

Prepared under the supervision of:  
C. G. Asirvatham  
Managing Director and Chief Executive Officer

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GIC Re SA Ltd.

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## Directors' Responsibility Statement

### DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the annual financial statements of GIC Re South Africa Ltd, comprising the statement of financial position as at 31 March 2019, and the statements of comprehensive income, changes in equity and cash flows for the period then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. In addition the directors are responsible for preparing the Directors' report.

The directors are also responsible for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

### Approval of the annual financial statements

The annual financial statements of GIC Re South Africa Ltd, as identified in the first paragraph, were approved by the board of directors on 21 May 2019 and are signed on their behalf by

**C G Asirvatham**

Authorised Managing Director

**A G Vaidyan**

Chairman

### Declaration of the Company Secretary

In terms of S88 (2)(e) of the Companies Act 71 of 2008, I certify that in respect of the financial period ended 31 March 2019, the company has lodged with the Registrar of Companies all such returns that are required by the Companies Act, and that all such returns are to the best of my knowledge and belief, true, correct and up to date.

**W Mwase**

Company Secretary

21-May-19

## Audit Committee Report

In addition to having specific statutory responsibilities, the audit committee is a sub-committee of the board of directors. It assists the board through advising and making recommendations on financial reporting, oversight of financial risk management and internal financial controls, external audit functions and statutory and regulatory compliance of the company. General risk management remains the responsibility of the board.

### Terms of reference

The audit committee has adopted the formal terms of reference that have been approved by the board of directors, and has executed its duties during the past financial year in accordance with these terms of reference.

### The composition of the audit committee

Name	Appointed	Qualifications	Position	Independent
S Bhikha	24-Apr-14	B Compt Hons CA(SA)	Chairman	Yes
J Bagg	24-Apr-14	B.Sc. FASSA, FIA, ASA	Member	Yes
B N Narasimhan	23-Jun-16	MA, MBA, B.Sc., AIII	Member	No
C I Moosa	25-Feb-19	B.A. (Law) (UDW), LLB (UDW), PG Diploma Labor Law (UJ)	Member	Yes

The executive directors and managing executives attend the committee meetings by invitation only. The external and internal auditors have unrestricted access to the audit committee.

### Meetings

The audit committee held four meetings during the year. Attendance at the meetings is shown below:

	3-May-18	20-Aug-18	19-Nov-18	25-Feb-19
<b>Members</b>				
S Bhikha	Yes	Yes	Yes	Yes
J Bagg	Yes	Yes	Yes	Yes
CI Moosa*	N.A	N.A	N.A	Yes
B N Narasimhan	No	No.	N.A	N.A

\* Became member of the Audit committee from 25th February 2019.

### Statutory duties

In the execution of its statutory duties, as required in terms of the Companies Act, during the past financial year the audit committee has:

- Ensured the re-appointment as external auditor of the company of a registered auditor who, in the opinion of the audit committee, is independent of the company.
- Determined the fees to be paid to the external auditor and such auditor's terms of engagement.
- Ensured that the appointment of the external auditor complies with this Act and any other legislation relating to the appointment of such auditor.
- Considered the independence of the external auditor and has concluded that the external auditor has been independent of the company throughout the year taking into account all other non-audit services performed and circumstances known to the committee.

- Confirmed that there were no complaints relating to the accounting practices of the company, the content or auditing of its financial statements, the internal financial controls of the company, or to any related matter.
- Based on reports from the external auditor, internal auditor and appropriate inquiries, made submissions to the board on any matter concerning the company's accounting policies, financial control, records and reporting, including input to the board's statement regarding control effectiveness.

### Legal requirements

The Audit committee has complied with all applicable legal, regulatory and other responsibilities for the year under review.

### Annual financial statements

Following our review of the annual financial statements of GIC Re South Africa Ltd for the year ended 31 March 2019, we are of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act and International Financial Reporting Standards, and that they fairly present the financial position at 31 March 2019 and the results of operations and cash flows for the year then ended.

**S Bhikha**

Chairman of the Audit committee

21 May 2019

### GIC RE SOUTH AFRICA LTD

#### DIRECTORS' REPORT

#### FOR THE YEAR ENDED 31 MARCH 2019

The directors have pleasure in presenting their report for the year ended 31 March 2019.

#### Business

GIC Re South Africa Ltd is a 100% owned subsidiary of General Insurance Corporation of India (GIC Re) which is owned by the Government of India. GIC Re made its first move to Africa in April 2014, when it acquired South African composite reinsurer Saxum Re and renamed it as GIC Re South Africa Ltd. GIC Re South Africa Ltd's vision is to become a truly African Reinsurer. The core business philosophy includes reinsurance capacity development in Africa, application of the state of art technology, mutually beneficial relationships, benchmarking reinsurance and service delivery mechanism and a professional attitude. The company is rated BB+ (Global) and zaAAA (National) by S&P. GIC Re South Africa Ltd commenced underwriting business on 1 January 2015. The company underwrites business from the entire African continent except Egypt and Libya. For the year ended March 2019, the company recorded a growth of 78.86% in GWP as accounted.

#### Global Economic Outlook

The World Economic Outlook (WEO) (published by the International Monetary Fund, April 2019) projects a decline in global economic growth in 2019. Global growth which peaked at close to 4% in 2017, softened to 3.6% in 2018, and is projected to decline further to 3.3% in 2019. While 2019 started out on a weak footing, a pickup is expected in the second half of the year. Global economic growth in 2020 is projected to return to 3.6%. This return is predicated on a rebound in Argentina and Turkey and some improvement in a set of other stressed emerging market and developing economies. Beyond 2020 growth will stabilize at around 3.5%, bolstered mainly by growth in China and India and their increasing weights in world income.

#### South Africa Economic Outlook

The International Monetary Fund, in its latest World Economic Outlook publication (April 2019), has lowered South Africa's projected GDP growth rate for 2019 from 1.4% to 1.2%, putting the country among the worst performers in sub-Saharan Africa. Projected GDP expansion for 2020 has also been lowered from 1.7% to 1.5%. The International Monetary Fund projected that GDP growth in sub-Saharan Africa would average 3.4% in 2019, meaning South Africa will be growing at less than half the average rate. At a growth rate of 1.2%, South Africa's economic expansion would still be above the 0.8% level at which the economy expanded in 2018. A 1.2% GDP growth rate for 2019 is far below the 5% growth required in terms of the National Development Plan to reduce poverty and inequality by 2030. The IMF's growth projection is slightly lower than what was recently published by the South Africa Reserve Bank (SARB). In late March, SARB Governor said the central bank expected South Africa's GDP growth for 2019 to average 1.3%, down from the bank's January projection of 1.7%. The bank's forecast for 2020 was 1.8%, down from 2.0%.

As the performance of short term insurance industry is closely linked to the performance of the economy, the growth will be fairly muted for GIC Re South Africa Ltd.

#### Share capital

The company issued 149,174,187 ordinary shares of no par value totalling R298.35 million during 2019

(2018: 294 906 675 ordinary shares of no par value totalling R589.81 million).

#### Overview for the year

The results for the year and the financial position of the company are fully disclosed in the attached financial statements.

#### Holding company

The company is a wholly owned subsidiary of General Insurance Corporation of India (GIC Re).



### Dividends

No dividends were paid or declared during the year (2018: Nil).

### Directors

The directors in office at the date of this report are :	Date Appointed	Date Resigned
A G Vaidyan (Chairman, non-executive)	23-Jan-16	
J Bagg (Lead Independent, non-executive)	24-Apr-14	
B N Narasimhan (non-executive)	4-Feb-16	11-May-18
D Srivastava (non-executive)	18-Jun-18	
C G Asirvatham (Managing Executive)	29-Mar-18	
S Bhikha (Independent, non-executive)	24-Apr-14	
C I Moosa (Independent, non-executive)	24-Apr-14	

### Directors' interest

No directors have a conflicting interest in the company.

### Secretary and registered office

W Mwase is the company secretary. The registered office and office of the secretary are:

First Floor, Block C  
Riviera Road Office Park  
No. 6-9 Riviera Road  
Houghton - 2193

### Auditor

KPMG Inc.

### Company registration number

1956/003037/06

### Number of employees

The number of people employed by the company at 31 March 2019 is 26 (2018: 23).

## Independent Auditor's Report

To the shareholder of GIC Re South Africa Ltd

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of GIC Re South Africa Limited (the company) set out on pages 8 to 45 which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of GIC Re South Africa Limited as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (revised November 2018)* (together the IRBA codes) and other independence requirements applicable to performing audits of financial statements in South Africa. The IRBA codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Audit Committee Report and the declaration of the Company Secretary as required by the Companies Act of South Africa and Director's Responsibility Statement. The other information does not include the financial statements and our auditor's report thereon.

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

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

#### Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's Report

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

### Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of GIC Re South Africa Ltd for 6 years.

KPMG Inc.  
Registered Auditor

Per Nishen Bikhani  
Chartered Accountant (SA)  
Registered Auditor  
Director  
25 June 2019

KPMG Crescent  
85 Empire Road  
Parktown  
2193

## Statement Of Financial Position

### GIC RE SOUTH AFRICA LTD

#### STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

Particulars	Note	Year ended 31 March 2019 R	Year ended 31 March 2018 R
<b>ASSETS</b>			
Equipment	5	1,862,699	1,830,253
Technical assets under insurance contracts		1,827,356,394	1,646,450,383
Retroceded outstanding claims	6	1,400,567,511	821,256,341
Retroceded policyholder liabilities	7	-	-
Retroceded unearned premium reserve	8	365,732,580	627,884,718
Gross deferred acquisition costs	9	61,056,303	197,309,324
Investments	10	2,589,816,261	1,339,797,265
Deferred taxation	11	-	5,425,210
Amounts due under reinsurance contracts	27.1	1,298,174,290	668,969,046
Amounts due from retrocessionaire contracts	27.2	9,662,590	223,505,199
Other accounts receivable		335,483	3,499,320
Cash at bank and on hand	25.2	99,274,855	130,549,637
<b>Total assets</b>		<b>5,826,482,572</b>	<b>4,020,026,313</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
Technical liabilities under insurance contracts		2,389,825,794	1,996,197,456
Gross outstanding claims	6	1,830,836,269	983,586,426
Gross policyholder liabilities under life insurance contracts	7	-	-
Gross unearned premium reserve	8	525,040,979	835,957,690
Retroceded deferred acquisition cost	9	33,948,547	176,653,340
Deposits withheld from retrocessionaires		1,746,437,984	1,290,984,362
Deferred taxation	11	-	-
Amounts Payable to retrocessionaire contracts	27.3	366,629,601	17,436,052
Other accounts payable	12	12,517,452	6,170,724
Taxation		48,884,230	-
<b>Total liabilities</b>		<b>4,564,295,062</b>	<b>3,310,788,594</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	13	1,142,061,725	843,713,350
Revaluation reserve	14	(10,024,314)	141,956
Retained earnings		130,150,099	(134,617,587)
<b>Total shareholder's equity</b>		<b>1,262,187,510</b>	<b>709,237,719</b>
<b>Total liabilities and shareholder's equity</b>		<b>5,826,482,572</b>	<b>4,020,026,313</b>

## Statement Of Comprehensive Income

### GIC RE SOUTH AFRICA LTD

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Note	Year ended 31 March 2019 R	Year ended 31 March 2018 R
Gross premiums written		2,935,603,723	1,641,253,719
Retroceded premiums		(2,120,305,206)	(1,267,664,011)
<b>Net premiums written</b>		<b>815,298,517</b>	<b>373,589,708</b>
Change in provision for unearned premiums	8	48,764,573	(163,713,328)
Gross		310,916,711	(503,792,782)
Reinsured		(262,152,138)	340,079,454
<b>Net premium earned</b>		<b>864,063,090</b>	<b>209,876,380</b>
Commission income	17	678,595,274	266,209,780
Net investment income	15	107,358,649	44,574,954
Decrease in net life policyholder liabilities	7	-	13,835,338
<b>Net income</b>		<b>1,650,017,012</b>	<b>534,496,452</b>
Claims incurred, net of reinsurance	16	(556,454,378)	(220,441,026)
Commission expense	17	(822,053,450)	(294,606,833)
Interest paid		(35,531,226)	(9,953,112)
Investment management expenses		(4,823,844)	(3,034,423)
Management expenses		(31,283,486)	(25,991,898)
Increase in provision for doubtful debts		(14,639,867)	(3,168,950)
Foreign exchange gain/(loss)		123,742,368	(53,175,431)
<b>Profit/(Loss) before taxation</b>	<b>18</b>	<b>308,973,129</b>	<b>(75,875,221)</b>
Taxation	19	(54,371,713)	(545,985)
<b>Profit/(Loss) for the year</b>		<b>254,601,416</b>	<b>(76,421,206)</b>
Other comprehensive income for the year, net of taxation		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>254,601,416</b>	<b>(76,421,206)</b>

## Statement Of Changes In Equity

### GIC RE SOUTH AFRICA LTD

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Share capital R	Revaluation reserve R	Retained earnings R	Total R
<b>31 March 2019</b>				
Balance as at 1 April 2018	843,713,350	141,956	(134,617,587)	709,237,719
Share issue	298,348,375	-	-	298,348,375
Non-life	298,348,375	-	-	298,348,375
Total comprehensive profit/(loss) for the period	-	-	254,601,416	254,601,416
Non-life	-	-	253,756,672	253,756,672
Life	-	-	844,744	844,744
Transfer to reserves				
Revaluation of investments	-	(10,166,270)	10,166,270	-
<b>Balance as at 31 March 2019</b>	<b>1,142,061,725</b>	<b>(10,024,314)</b>	<b>130,150,099</b>	<b>1,262,187,510</b>
<b>31 March 2018</b>				
Balance as at 1 April 2017	253,900,000	1,733,310	(59,787,735)	195,845,575
Share issue	-	-	-	-
Non-life	589,813,350	-	-	589,813,350
Total comprehensive loss for the year			(76,421,206)	(76,421,206)
Non-life	-	-	(84,234,930)	(84,234,930)
Life	-	-	7,813,724	7,813,724
Transfer from reserves				
Revaluation of investments	-	(1,591,354)	1,591,354	-
<b>Balance as at 31 March 2018</b>	<b>843,713,350</b>	<b>141,956</b>	<b>(134,617,587)</b>	<b>709,237,719</b>

## Statement Of Cash Flows

### GIC RE SOUTH AFRICA LTD

#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Note	Year ended 31 March 2019 R	Year ended 31 March 2018 R
<b>Cash flows from operating activities</b>			
Cash generated by operations	25.1	849,672,112	230,376,946
Interest received		95,792,577	30,608,343
Interest paid		(35,531,226)	(9,953,112)
Dividends received		10,073,618	1,279,037
Net cash inflow from operating activities		920,007,080	252,311,214
<b>Cash flows from investing activities</b>			
Net acquisition of investments		(1,248,743,388)	(787,891,315)
Additions to property and equipment		(886,850)	(1,460,416)
Proceeds on disposal of property and equipment		-	103,560
Net cash outflow from investing activities		(1,249,630,238)	(789,248,171)
<b>Cash flows from financing activities</b>			
Shares issued		298,348,375	589,813,350
<b>Net increase in cash and cash equivalents</b>		31,274,783	52,876,393
At the beginning of year		130,549,637	77,673,244
<b>At the end of year</b>	25.2	<b>99,274,855</b>	<b>130,549,637</b>

# GIC RE SOUTH AFRICA LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

GIC Re South Africa Ltd ("Company") is a company domiciled in South Africa. The company is wholly owned by General Insurance Corporation of India (GIC Re) and authorised to write short-term and long-term insurance business.

### 1 Accounting policies

#### 1.1 Statement of compliance

The financial statements of the company are prepared on the going concern basis and in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. The accounting policies set out below have been applied consistently to all years presented in the financial statements.

#### 1.2 Basis of preparation

The company is domiciled in South Africa and its reporting currency is Rand.

##### **Basis of measurement**

The financial statements are prepared on the historical cost basis, adjusted by the revaluation of investments to fair value.

##### **Use of estimates**

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The most significant judgements, estimates and assumptions relate to technical provisions and liabilities

under insurance contracts detailed in note 4. In addition, assumptions are made about the recoverability of insurance receivables and credit control is strictly monitored.

### 1.3 Classification of contracts

Contracts under which the company accepts significant insurance risk from another party (the policyholder) through reinsurance inwards by agreeing to compensate the policyholder or other beneficiary if a specific uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. The same definition is applied to reinsurance outwards. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specific interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Contracts that do not meet the above definition are classified as investment contracts and are deposit accounted.

### 1.4 Equipment

Equipment, furniture and motor vehicles are stated at cost less accumulated depreciation which is calculated to write off the cost of the assets to its residual value over their useful lives in a pattern that reflects their economic benefits.

The current estimated useful lives are as follows:

- Equipment
 

Office Equipment	6 years
Computer equipment	3 years
- Furniture and fittings 6 years
- Motor vehicles 5 years



## Notes To The Financial Statements

The useful lives and depreciation methods are reassessed annually. The residual values, if not insignificant, are also reassessed annually. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are included in profit or loss.

### 1.5 Outstanding and unintimated claims

Provisions are made for claims incurred up to the reporting date. The provisions exclude Value Added Tax but include an estimate for future claims handling costs.

### 1.6 Policyholder liabilities for life insurance contracts

The liabilities under life insurance contracts are valued in terms of the Financial Soundness Valuation ("FSV") basis contained in SAP104 issued by the Actuarial Society of South Africa and are reflected as policyholder liabilities under life insurance contracts in the statement of financial position. The operating surpluses or losses arising from insurance contracts are determined by the annual actuarial valuation. These surpluses or losses are arrived at after taking into account the movement in actuarial liabilities under unexpired policies, provisions for profit commissions accrued and adjustments to contingency and other reserves within the policyholder liabilities as well as recoveries under retrocession agreements.

### 1.7 Deposits

Deposits retained on retrocession placed are stated at amortised cost.

### 1.8 Revaluation reserve

The company has chosen to disaggregate equity into more classes than the minimum required by creating a revaluation reserve as an additional class within equity. This is to present unrealised gains and losses on investments separately from other profits or losses and is shown separately on the statement of financial position.

The revaluation reserve comprises of the revaluation of investments above or below their original cost, after deferred tax is recognised on the revaluation. A gain or loss arising from a change in fair value is recognised in net profit or loss for the period in which it arises and thereafter is transferred to a revaluation reserve. When investments are disposed of, the cumulative gain or loss previously recognised in the revaluation reserve is transferred to retained income.

### 1.9 Premiums

Premium income on insurance contracts is brought to account at the earlier of the date of notification or the date of receipt. At year end, an estimate is raised for premiums where notification has not been timeously received.

### 1.10 Unearned premium provision

The provision for unearned premium comprises the portion of premiums written which are estimated to be earned in future periods. The unearned premium provision is calculated at the balance sheet date using the 365th method for Facultative business, a blend of 8th method and 50% methods for Proportional treaty and 8th method for Non-proportional treaty business.

### 1.11 Commission expense

Acquisition costs comprise commission and other variable costs directly connected with the acquisition or renewal of insurance policies. Commission expenses are charged to profit or loss as incurred and include commission, brokerage, taxes, and profit commission which is paid to cedants based on the performance of the contracts underwritten.

### 1.12 Investment income

Interest income is recognised as it accrues, using the effective interest method. Dividends are recognised when the right of receipt is established.

### 1.13 Gain or loss on realisation of investments

Gains or losses on realisation of investments are calculated on a weighted average basis.

### 1.14 Income tax

Income tax on profit and loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity, or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 1.15 Provisions

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### 1.16 Impairment

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset is impaired, its recoverable amount is estimated. The recoverable amount is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its

recoverable amount. In assessing the value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of amortisation) had an impairment loss not been recognised in prior years.

### 1.17 Financial instruments

Financial assets are recognised when the company becomes a party to the contractual terms that comprise an asset. On initial recognition these instruments are recognised at fair value or for financial instruments not carried at fair value, the cost thereof, including transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

#### *Investments*

Investments are classified at fair value through profit or loss. The investments are managed and their performance evaluated and reported internally on a fair value basis in terms of a documented investment strategy. The fair value of listed investments is measured with reference to their quoted bid prices at the reporting date.

#### *Trade and other receivables/Other accounts payable*

Trade and other receivables/payables (which includes amounts due from/to reinsurance contracts/ retrocessionaires) are stated at amortised cost using the effective interest rate method, less any impairment losses.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Cash and cash equivalents are stated at amortised cost.

### **Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

### **Derecognition**

A financial asset is derecognised when the company loses control over the contractual rights that comprise an asset and consequently transfers the risks and benefits associated with the asset on trade date. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is legally extinguished.

### **Offset**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **1.18 Foreign currencies**

Assets and liabilities in foreign currencies are translated to South African Rand at rates of exchange ruling at the reporting date.

Foreign currency transactions during the year are recorded at rates of exchange ruling at the transaction date. Realised and unrealised gains or losses on exchange are accounted for in profit and loss during the period that they arise.

### **1.19 Retrocession**

The company retrocedes insurance risk in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risk. Retrocession arrangements do not relieve the company from its direct obligation to cedants. Amounts recoverable under retrocession contracts are recognised in the same year as the related claim. Amounts recoverable under retrocession agreements are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective

evidence, as a result of an event that occurred after its initial recognition that the company may not recover all amounts due.

Premiums retroceded, claims reimbursed and commission income are presented in the statement of comprehensive income and statement of financial position separately from the gross amounts. Deferred retrocession income is recognised on a basis consistent with the provision for earned premiums.

## **2 Reinsurance risk management**

### **2.1 Non-life reinsurance contracts**

#### **2.1.1 Risk management objectives and policies for mitigating reinsurance risk**

The company reactivated its underwriting non-life reinsurance business as of 1 January 2015 after having been in run off since 2002. The cover periods for all historical reinsurance contracts, which were annual in nature, had expired by the end of 2005. The company's exposure is therefore limited to the uncertainty surrounding the timing of payment and severity of claims already incurred under historical reinsurance contracts. This is commonly referred to as claims development risk.

Sound underwriting principles are applied when the reinsurance contracts are underwritten. In order to ensure that each contract was comprehensively evaluated for underwriting and rating purposes, strict underwriting guidelines, agreed to with the parent company, are followed. The underwriting guidelines stipulate the type of risks that could be underwritten, as well as the exposure per risk that was acceptable.

The reinsurance contracts underwritten by the company comprise:

- Property reinsurance: contracts that indemnify against physical loss or damage and the financial consequences from a loss or damage to land and buildings.
- Transport reinsurance: contracts that indemnify against losses from the possession, use or

ownership of a vessel, aircraft or other craft for the conveyance of persons or goods.

- Accident reinsurance: contracts that indemnify against losses from a variety of risks. These include:
  - Motor
  - Personal accident and health
  - Guarantee
  - Liability
  - Engineering
  - Miscellaneous

The claims liabilities recognised for each of these classes at year end are disclosed in note 6.

The largest claims development uncertainty is concentrated in those classes that are classified as long tail, such as liability and engineering. Long tail business is defined as reinsurance contracts under which claims are typically not settled within one year of the occurrence of the events giving rise to the claims. In long tail classes, there is still significant scope for future development, positive or negative, both in number of claims, as well as the value of the claims.

- GIC Re South Africa Limited commenced its operations from 01 January 2015 and is underwriting non-life reinsurance business emanating from Sub-Saharan Africa. In the month of October 2017, the company's territorial scope was widened to underwrite business from 5 North African Countries namely Algeria, Tunisia, Morocco, Sudan and South Sudan. As a result GIC Re South Africa has been underwriting business from the entire Africa continent except Egypt and Libya.
- The company has regarded its concentration in South Africa as a primary concern from the point of view of hailstorm and earthquake exposures. To mitigate the underwriting risk, it has in place a 70% Whole Account Quota Share Treaty from Sirius, Sweden. Further based on its internal assessment and a catastrophe model sourced from a third party, has calculated realistic disaster scenario in any one

catastrophe and as a matter of abundant precaution procured an excess of loss protection from GIC Re, India for US\$ 49 million Xs. US\$ 1 million for the year 2018-19. The cover is currently in place. These arrangements will protect the capital of the company in any catastrophe event.

- The company had launched two new products last year namely (1) Stand-alone Political Violence and Terrorism (PVT) and (2) Retakaful business.
- For PVT business, the company has obtained an Excess of Loss Protection for 12 months beginning 01 August, 2018 from the Lloyd's Market.
- The Retakaful business has been protected under the existing Whole Account Quota Share Treaty and Whole Account Excess of Loss Cover.

### 2.1.2 Concentrations of reinsurance risk

Concentrations of risk may arise with a particular event or series of events for example in one geographical location.

### 2.1.3 Claims development information

Consistent with practice in the reinsurance industry, quarterly statements received from insurers under proportional reinsurance contracts, do not detail the date of loss of reinsurance claims. Proportional reinsurance contracts make up the largest part of the company's business. The majority of the business underwritten is classified as "short-tail" meaning that claims are settled within a year after the loss date. In terms of IFRS 4, an insurer need only disclose claims run-off information where uncertainty exists about the amount and timing of claim payments not resolved within one year.

Claims development is monitored in aggregate for all loss years. Note 6 provides details of the overall changes in estimates of claims liabilities created in earlier years.

## 2.2 Life reinsurance contracts

### 2.2.1 Risk management objectives and policies for mitigating reinsurance risk

The company ceased underwriting life reinsurance

## Notes To The Financial Statements

business during 2002, and entered into a run-off phase. The company has recaptured the entire life business in the year ended 2018 and no liabilities are remaining at the year end related to this business.

### 3 Financial risk

Transactions in financial instruments result in the company assuming financial risks. These include market risk, liquidity risk and credit risk. Each of these risks is described below, together with ways in which the company manages these risks.

#### 3.1 Market risk

Market risk can be described as the risk of a change in the fair value of a financial instrument brought about by changes in interest rates, equity prices, or foreign exchange rates.

- Equity price risk

The portfolio of listed equities, which are stated at fair value at reporting date, has exposure to price risk, being the potential loss in market value resulting from adverse changes in prices. The company's objective is to earn competitive relative returns by investing in a diverse portfolio of securities. Portfolio characteristics are analysed on a regular basis. The portfolio is invested in various industries as detailed in note 10, and the largest investment in any one company comprises 0.56% (2018: 0.48%) of the total assets.

At 31 March 2019, the company's ordinary listed equities were recorded at their fair value of R141.63 million (2018: R89.10 million). A hypothetical 25% decline in each share's price would have decreased profit before taxation by R35.41 million (2018: R22.28 million).

- Interest rate risk

Fluctuations in interest rates impact on the value of government securities and corporate bonds and the interest returns from these investments. The maturity profile of these instruments is set out in note 10.

- Foreign currency risk

The company is exposed to foreign currency risk

for transactions that are denominated in a currency other than Rand. The company is writing business from whole of Africa, except Egypt and Libya. Initially the company's focus is to build foreign currency reserves and match ZAR, USD and EUR Liabilities with ZAR, USD and EUR assets.

#### 3.2 Liquidity risk

The company ensures that the solvency of the company meets the regulatory requirements at all times by maintaining a high level of liquidity.

The company follows the regulatory provisions, in conjunction with prudential norms laid out by the Board, with regard to the investment of its funds. The general investment strategy is to use cash as the default asset class. In the initial years of operations equity exposure will be maintained at lower levels.

#### Expected cashflows of liabilities:

	Carrying amount	1 year	2 years	More than 2 years
Deposits withheld from retrocessionaires	1,746,437,984	1,746,437,984	-	-
Amounts Payable to retrocessionaire contracts	366,629,601	366,629,601	-	-
Other accounts payable	12,517,452	12,517,452	-	-

Maturity of Technical liabilities under insurance contracts have been included in Note 6 - 9.

The company performs a currency-wise asset and liability management exercise every quarter and any decision on conversion of currencies is taken in ALCO (Asset Liability Committee).

For Rand funds, the fund managers are instructed to keep funds invested in such a way as to offer maximum flexibility and high liquidity.

Over and above these liquidity measures, a letter of comfort given by the parent company provides support to the company in order to maintain adequate capital, to meet solvency and policy holder liability requirements and financial obligations.

### 3.3 Credit risk

The company has several exposures to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the company is exposed to credit risk are:

- amounts due from reinsurance policyholders;
- amounts due from reinsurance contract intermediaries;
- investments excluding equities; and
- retroceded technical liabilities.

Exposure to individual policyholders and groups of policyholders are monitored as part of the credit control process. Reputable financial institutions are used for investing and cash handling purposes.

Under the terms of the retrocession agreements,

retrocessionaires agree to reimburse the ceded amount in the event that a gross claim is paid. However, the company remains liable to its cedants regardless of whether the retrocessionaire meets the obligations it has assumed. Consequently, the company is exposed to credit risk.

GIC Re South Africa Ltd reinsures with Sirius International Insurance Corporation which has been rated A (excellent) by A.M.Best and A- (Strong) by S&P Ratings.

From April 2018, Sirius International Insurance Corporation arranged a 70% whole account quota share treaty whereby 70% of the claims are recovered from Sirius International Insurance Corporation. In addition to this GIC Re South Africa Ltd continues to withhold 40% of the premium as premium reserve deposit and retain 100% of the outstanding claims reserve as an outstanding claims reserve deposit.

None of the company's financial assets exposed to credit risk are past 182 days due and are not impaired.

#### Age analysis of amounts due from companies on reinsurance contracts

	Total	Current	30 days	60 days	90 days	More than 120 days
Amounts due	<b>1,298,174,290</b>	1,131,250,234	27,641,629	29,596,205	48,874,576	60,811,646

#### Analysis of the credit quality of the company's assets

	AAA R	AA R	A R	BBB and lower R	Not Rated R	Total R
<b>2019</b>						
Technical assets under insurance contracts	-	-	1,766,300,091	-	61,056,303	1,827,356,394
Investments						
Government securities	-	-	-	97,278,812	-	97,278,812
Negotiable Certificate of Deposit	-	217,861,752	-	111,318,860	88,152,934	417,333,546
Fixed Deposits	-	-	-	1,684,041,892	-	1,684,041,892
Accounts receivable (Net)	-	-	137,922,210	864,973,529	305,276,624	1,308,172,363*
Cash and cash equivalents		10,759,520	5,431,187	82,682,024	402,123	99,274,855
	-	<b>228,621,272</b>	<b>1,909,653,488</b>	<b>2,840,295,118</b>	<b>454,887,984</b>	<b>5,433,457,862</b>



## Notes To The Financial Statements

	AAA R	AA R	A R	BBB and lower R	Not Rated R	Total R
<b>2018</b>						
Technical assets under insurance contracts	-	-	1,449,141,057	-	197,309,326	1,646,450,383
Investments						
Government securities	-	-	-	17,967,667	-	17,967,667
Negotiable Certificate of Deposit	-	213,060,682	-	143,427,439	-	356,488,121
Fixed Deposits	-	-	10,251,853	501,159,385	-	511,411,238
Accounts receivable (Net)	3,257,836	-	367,163,904	419,909,132	105,642,693	895,973,565*
Cash and cash equivalents	-	26,734,039	13,242,465	90,573,133	-	130,549,637
	<b>3,257,836</b>	<b>239,794,721</b>	<b>1,839,799,279</b>	<b>1,173,036,756</b>	<b>302,952,019</b>	<b>3,558,840,611</b>

The company's maximum exposure to credit risk is analysed in the tables above.

The assets as above are based on external credit ratings obtained from various reputable rating agencies like Fitch and Standard and Poor's. The international rating scales are based on long-term investment horizons under the following broad investment grade definitions:

- AAA The financial instrument is judged to be of the highest quality, with minimal credit risk and indicates the best quality issuers that are reliable and stable.
- AA The financial instrument is judged to be of high quality and is subject to very low credit risk and indicates quality issuers.
- A The financial instrument is considered upper-medium grade and is subject to very low credit risk although certain economic situations can more readily affect the issuers' financial soundness adversely than those rated AAA or AA.
- BBB The financial instrument is subject to moderate credit risk and indicate medium class issuers, which are currently satisfactory.

\* Amount receivable is net of provision for doubtful debts of R19.72 million (2018 : R5.08 million).

### Fair value hierarchy

The table below analyses assets carried at fair value, by valuation method. The different levels have been defined as follows:

#### Level 1

Quoted market price in an active market for an identical instrument.

#### Level 2

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.

#### Level 3

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a

significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant

unobservable adjustments or assumptions are required to reflect differences between the instruments.

2019	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	97,278,812	-	-	97,278,812
Financial assets mandatory at fair value through profit or loss	154,832,643	236,329,368	-	391,162,011
	252,111,455	236,329,368	-	488,440,823
2018	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	3,080,649	-	-	3,080,649
Financial assets mandatory at fair value through profit or loss	119,184,388	349,632,869	-	468,817,257
	122,265,037	349,632,869	-	471,897,906

Collective Investment schemes are valued based on its unit price or the net asset value (NAV), depending on the market value of the underlying investments in which the pool of money is invested. Its yield is calculated by taking the interest and income receivable of all the instruments in the fund divided by the net asset value, expressed as a nominal annual rate.

### Capital management

The company recognises equity and reserves as capital and Management closely monitors the company's capital position relative to the economic and regulatory requirements. The company submits quarterly and annual returns to the Prudential Authority in terms of the Insurance Act, 2017. The company is required to at all times to maintain a minimum capital adequacy requirement as defined in the Insurance Act, 2017. The company with the assistance of its consulting actuary, has addressed the capital needs under the new Solvency Assessment and Management (SAM) regime (from July 2018) and have complied with the transitional reporting requirements as communicated by the Regulator.

## 4 Technical provisions and liabilities under insurance contracts

Insurance risks are unpredictable and the company recognises that it is impossible to forecast with absolute

precision claims payable under insurance contracts. Over time, the company has developed a methodology that is aimed at establishing insurance provisions and liabilities that have a reasonable likelihood of being adequate to settle all its insurance obligations.

### 4.1 Non-life reinsurance contracts

#### 4.1.1 Claim provisions

The outstanding claims provisions include notified claims as well as incurred but not yet reported claims. Outstanding claims provisions are not discounted.

#### Notified claims

Claims notified by cedants are assessed with due regard to the specific circumstances, information available from the cedant and/or loss adjuster and past experience with similar claims. The company employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment.

The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about current circumstances. Estimates are therefore reviewed regularly and followed up with the cedant to ensure that it is still current.



## Notes To The Financial Statements

### 4.1.2 Premium provisions and deferred commission

Unearned premium provisions and deferred commission assets have been recognised. For Facultative 365th method is used, a blend of 8th method and 50% method is used for Proportional treaty business and for the Non-proportional treaty 8th method is used.

### 4.1.3 Assumptions

As a reinsurer it is necessary to estimate proportional premiums earned, but not yet reported by cedants (pipeline premiums estimates). The Pipeline premium is calculated separately for Facultative, Proportional Treaty and Non-proportional treaty business. For each, triangulation is done on an annual basis, separately for foreign and local business. The chain ladder method is then applied to determine the pipeline premium.

Assumptions based on actual claims experience to date have been used in determining the claim provisions.

Profit commissions are payable to cedants based on the performance of the contracts underwritten and are estimated with reference to premiums and claims recorded in the financial statements.

### 4.1.4 Recoverability of Insurance Receivables

Amounts due from cedants have been assessed for an indication of impairment due to significant financial difficulty, a breach of contract or other observable data indicating a measurable decrease in the future cash recoverable. This may include adverse changes in the payment status of cedants or economic conditions that may lead to default of amounts due.

The carrying amount of insurance receivables has been reduced by a provision for doubtful debts and the amount of the loss has been recognised in the statement of comprehensive income. If in future the amount becomes recoverable the previously recognised provisions for doubtful debts will be reversed through the statement of comprehensive income.

## 5 Equipment

Particulars	31 March 2019 R	31 March 2018 R
<b>At cost</b>		
Equipment	1,862,918	1,646,630
Furniture	766,151	749,463
Motor vehicles	2,256,564	1,602,689
	4,885,633	3,998,782
<b>Accumulated depreciation</b>		
Equipment	1,383,799	1,076,678
Furniture	522,143	426,172
Motor vehicles	1,116,992	665,679
	3,022,934	2,168,529
<b>Net book value</b>		
Equipment	479,119	569,952

Particulars	31 March 2019 R	31 March 2018 R
Furniture	244,008	323,291
Motor vehicles	1,139,572	937,010
	1,862,699	1,830,253
<b>Equipment</b>		
Net book value at beginning of year	569,952	485,960
Additions	216,288	464,225
Disposals	-	(24,999)
Depreciation	(307,121)	(355,234)
Net book value at end of year	479,119	569,952
<b>Furniture</b>		
Net book value at beginning of year	323,291	328,508
Additions	16,687	93,402
Disposals	-	(4,031)
Depreciation	(95,970)	(94,588)
Net book value at end of year	244,008	323,291
<b>Motor vehicles</b>		
Net book value at beginning of year	937,010	429,017
Additions	653,875	902,789
Disposals	-	(74,530)
Depreciation	(451,313)	(320,266)
Net book value at end of year	1,139,572	937,010
<b>Total</b>		
Net book value at beginning of year	1,830,253	1,243,485
Additions	886,850	1,460,416
Disposals	-	(103,560)
Depreciation	(854,404)	(770,088)
Net book value at end of year	1,862,699	1,830,253

## 6 Provision for outstanding claims

	31 March 2019			31 March 2018		
	Non-Life R	Life R	Total R	Non-Life R	Life R	Total R
Balance at beginning of the period	162,330,085	-	162,330,085	72,554,976	3,750	72,558,726
Gross	983,586,426	-	983,586,426	478,383,281	5,000	478,388,281
Retroceded	(821,256,341)	-	(821,256,341)	(405,828,305)	(1,250)	(405,829,555)
Amounts transferred (to)/from profit or loss	267,938,672	-	267,938,672	89,775,109	(3,750)	89,771,359
Gross	847,249,843	-	847,249,843	505,203,145	(5,000)	505,198,145
Retroceded	(579,311,170)	-	(579,311,170)	(415,428,036)	1,250	(415,426,786)
Balance at end of the period	430,268,757	-	430,268,757	162,330,085	-	162,330,085
Gross	1,830,836,269	-	1,830,836,269	983,586,426	-	983,586,426
Retroceded	(1,400,567,511)	-	(1,400,567,511)	(821,256,341)	-	(821,256,341)
Transportation	8,215,379			5,327,227		
Property	246,795,618			88,336,327		
Engineering	11,854,601			4,297,336		
Guarantee	10,725,818			410,512		
Liability	1,971,206			974,739		
Motor	100,931,042			34,137,210		
Miscellaneous	41,933,336			20,778,793		
Accident/Health	7,841,758			8,067,941		
	430,268,757			162,330,085		
<b>Estimated maturity profile:</b>						
Gross	1,830,836,269	-	1,830,836,269	983,586,426	-	983,586,426
Within one year	1,332,557,925	-	1,332,557,925	712,623,566	-	712,623,566
Thereafter	498,278,344	-	498,278,344	270,962,860	-	270,962,860
Retroceded	(1,400,567,511)	-	(1,400,567,511)	(821,256,341)	-	(821,256,341)
Within one year	(1,022,414,283)	-	(1,022,414,283)	(599,517,129)	-	(599,517,129)
Thereafter	(378,153,228)	-	(378,153,228)	(221,739,212)	-	(221,739,212)
Net	430,268,758	-	430,268,758	162,330,085	-	162,330,085
Within one year	310,143,642	-	310,143,642	113,106,437	-	113,106,437
Thereafter	120,125,116	-	120,125,116	49,223,648	-	49,223,648

As the company obtains further data on loss run-off, further information will be provided in future periods on claim development.

**7 Policyholder liabilities for life insurance contracts**

Particulars	31 March 2019 R	31 March 2018 R
Balance at beginning of year	-	<b>13,835,338</b>
Gross	-	16,894,528
Retroceded	-	(3,059,190)
Amounts transferred (to)/from profit and loss	-	<b>13,835,338</b>
Gross	-	16,894,528
Retroceded	-	<b>(3,059,190)</b>
Balance at end of year	-	-
Gross	-	-
Retroceded	-	-
<b>Estimated maturity profile:</b>		
Gross	-	-
Within one year	-	-
Thereafter	-	-
Retroceded	-	-
Within one year	-	-
Thereafter	-	-
Net	-	-
Within one year	-	-
Thereafter	-	-

**8 Unearned premium reserve**

Particulars	31 March 2019 R	31 March 2018 R
Balance at beginning of year	<b>208,072,972</b>	<b>44,359,644</b>
Gross	835,957,690	332,164,908
Retroceded	(627,884,718)	(287,805,264)
Amounts transferred through profit and loss	<b>(48,764,573)</b>	<b>163,713,328</b>
Gross	(310,916,711)	503,792,782
Retroceded	262,152,138	(340,079,454)
Balance at end of year	<b>159,308,399</b>	<b>208,072,972</b>
Gross	525,040,979	835,957,690
Retroceded	(365,732,580)	(627,884,718)

**9 Deferred acquisition costs**

Particulars	31 March 2019 R	31 March 2018 R
Balance at beginning of year	<b>20,655,984</b>	<b>3,611,205</b>
Gross	197,309,324	79,739,841
Retroceded	(176,653,340)	(76,128,636)
Amounts transferred through profit and loss	<b>6,451,772</b>	<b>17,044,779</b>
Gross	(136,253,021)	117,569,483
Retroceded	142,704,793	(100,524,704)
Balance at end of year	<b>27,107,756</b>	<b>20,655,984</b>
Gross	61,056,303	197,309,324
Retroceded	(33,948,547)	(176,653,340)

For the year ended 31 March 2019, Actuarial Methodology has been used to calculate Unearned premium reserve and Deferred Acquisition costs.

## 10 Investments

Particulars	31 March 2019		31 March 2018	
	R Cost	R Carrying Value	R Cost	R Carrying Value
Negotiable certificates of deposits	404,000,000	417,333,546	351,000,000	356,488,121
Treasury bills	-	-	14,887,018	14,887,018
Fixed deposits	1,684,041,892	1,684,041,892	501,365,028	511,411,238
Ordinary shares - listed	148,543,371	141,631,994	88,837,213	89,098,766
Collective investment schemes - listed	235,077,052	236,329,368	347,556,413	349,632,869
Preference shares - listed	16,203,959	13,200,649	15,793,596	15,198,604
Government bonds - listed	86,000,000	97,278,812	2,877,241	3,080,649
Total investments at fair value through profit or loss	<b>2,573,866,274</b>	<b>2,589,816,261</b>	<b>1,322,316,509</b>	<b>1,339,797,265</b>

### Listed ordinary shares portfolio analysis

	% 2019	% 2018
Basic materials	18	21
Consumer services	23	18
Financials	50	56
Industrials	9	5
	<b>100</b>	<b>100</b>

### Maturity profile of fixed interest securities

	Less than one year R	One to five years R	More than five years R	Total R
<b>2019</b>				
Negotiable certificates of deposits	417,333,546	-	-	417,333,546
Treasury bills	-	-	-	-
Fixed deposits	1,431,435,608	252,606,284	-	1,684,041,892
Government bonds	-	97,278,812	-	97,278,812
<b>2018</b>				
Negotiable certificates of deposits	356,488,121	-	-	356,488,121
Treasury bills	14,887,018	-	-	14,887,018
Fixed Deposits	440,878,433	70,532,805	-	511,411,238
Government bonds	-	3,080,648	-	3,080,648

Presented below are the effective interest rates of the company's interest bearing investments:

	31 March 2019	31 March 2018
Negotiable certificates of deposits	8.14%	7.86%
Fixed deposits	5.22%	4.66%
Government bonds	10.17%	6.75%

#### 11 Deferred taxation

	Non-Life R	Life R	Total R
<b>31 March 2019</b>			
Asset at beginning and end of year	5,425,210	-	5,425,210
<b>The year-end deferred tax balance comprises:</b>			
Unrealised loss on revaluation of investments	13,413,011	-	13,413,011
Provisions	(495,397)	-	(495,397)
S24 j interest adjustment	(13,037,094)	-	(13,037,094)
Calculated taxable profit	119,481	-	119,481
	-	-	-
<b>31 March 2018</b>			
Asset at beginning and end of year	5,425,210	545,985	5,971,195
<b>The year-end deferred tax balance comprised:</b>			
Unrealised gain on revaluation of investments	-	(249,729)	(249,729)
Provisions	138,711	-	138,711
S24 j interest adjustment	309,317	8,224	317,541
Calculated tax loss	4,977,182	241,505	5,218,687
	5,425,210	-	5,425,210

The deferred tax assets relating to tax losses raised in the prior year, and those tax credits previously unrecognised, have been utilised against current year profits

## 12 Other accounts payable

Particulars	31 March 2019 R	31 March 2018 R
Accrual for leave pay	625,074	495,397
Other	11,892,378	5,675,327
	<b>12,517,452</b>	<b>6,170,724</b>

## 13 Share capital

Particulars	31 March 2018 R	31 March 2017 R
<b>Authorised</b>		
1 500 000 000 ordinary shares of no par value		
<b>Issued</b>		
<u>At beginning of the year</u>		
421 856 675 ordinary shares of no par value	843,713,350	253,900,000
<u>Issued during the year</u>		
149 174 187 ordinary shares of no par value	298,348,375	589,813,350
<u>At end of the year</u>		
571 030 862 ordinary shares of no par value	1,142,061,725	843,713,350

The unissued shares are under the control of the directors.

## 14 Revaluation reserve

Particulars	31 March 2019 R	31 March 2018 R
Investments		
Opening Balance	141,956	1,733,310
Revaluation Gain/ (Loss)	(10,166,270)	(1,591,354)
Closing Balance	(10,024,314)	141,956

The revaluation reserve represents the revaluation of traded securities which is net of deferred tax.



**15 Net investment income**

	Non-Life R	Life R	Total R
<b>31 March 2019</b>			
Dividends received - listed	9,690,084	383,534	10,073,618
Interest income	106,834,264	1,679,648	108,513,912
Realised gain/ (loss) on disposal of investments	2,605,968	284,970	2,890,937
Net movement in unrealised gains and losses on revaluation and disposal of investments	(13,413,011)	(706,808)	(14,119,819)
	<b>105,717,305</b>	<b>1,641,344</b>	<b>107,358,649</b>
<b>31 March 2018</b>			
Dividends received - listed	1,138,913	140,124	1,279,037
Interest received	41,084,034	2,028,799	43,112,833
Realised gain/ (loss) on disposal of investments	2,423,901	(30,603)	2,393,298
Net movement in unrealised gains and losses on revaluation and disposal of investments	(2,544,031)	333,817	(2,210,214)
	<b>42,102,817</b>	<b>2,472,137</b>	<b>44,574,954</b>

**16 Claims incurred**

	Non-Life R	Life R	Total R
<b>31 March 2019</b>			
Claims paid	<b>(288,515,706)</b>	-	<b>(288,515,706)</b>
Gross	(1,172,817,195)	-	(1,172,817,195)
Retroceded	884,301,490	-	884,301,490
Change in provision for outstanding claims	<b>(267,938,673)</b>	-	<b>(267,938,673)</b>
Gross	(847,249,843)	-	(847,249,843)
Retroceded	579,311,170	-	579,311,170
Claims incurred	<b>(556,454,378)</b>	-	<b>(556,454,378)</b>

	Non-Life R	Life R	Total R
<b>31 March 2018</b>			
Claims paid	<b>(130,623,437)</b>	<b>(46,229)</b>	<b>(130,669,666)</b>
Gross	(740,056,477)	(61,639)	(740,118,116)
Retroceded	609,433,040	15,410	609,448,450
Change in provision for outstanding claims	<b>(89,775,110)</b>	<b>3,750</b>	<b>(89,771,360)</b>
Gross	(505,203,146)	5,000	(505,198,146)
Retroceded	415,428,036	(1,250)	415,426,786
Claims incurred	<b>(220,398,547)</b>	<b>(42,479)</b>	<b>(220,441,026)</b>

### 17 Commission

Particulars	31 March 2019 R	31 March 2018 R
<b>Commission expense</b>		
Gross commission and brokerage paid	(685,800,428)	(412,176,317)
Gross deferred acquisition cost	(136,253,022)	117,569,484
	<b>(822,053,450)</b>	<b>(294,606,833)</b>
<b>Commission income</b>		
Retrocession commission and brokerage received	535,890,480	366,734,485
Retroceded deferred commission revenue	142,704,794	(100,524,705)
	<b>678,595,274</b>	<b>266,209,780</b>

**18 Profit before taxation**

Particulars	31 March 2019 R	31 March 2018 R
Profit before taxation is stated after charging:		
Employee costs - salaries and bonuses	8,636,189	8,069,659
External auditor's remuneration		
– audit services	501,800	897,324
– non-audit services	-	15,000
	501,800	912,324
Consulting fees paid	2,214,524	2,489,529
Depreciation of equipment	854,404	770,088
Operating lease expense	1,807,872	2,436,811

**19 Taxation**

	Non-Life R	Life R	Total R
<b>31 March 2019</b>			
South African normal tax			
Current taxation			
– current year	(83,771,219)	(411,361)	(84,182,580)
– utilization of tax credit	29,810,867	-	29,810,867
Deferred taxation			
– current year	-	-	-
	(53,960,352)	(411,361)	(54,371,713)
<b>Tax rate reconciliation:</b>	%	%	
<b>Standard tax rate</b>	28	28	
Dividends received	(1)	(9)	

	Non-Life R	Life R	Total R
Return transfers previously not recognised and other four funds tax losses	-	-	
Assessed losses brought forward	(9)		
Other	0	15	
Effective tax rate	18	34	
<b>31 March 2018</b>			
South African normal tax			
Current taxation			
– current year	-	(545,985)	(545,985)
– utilization of tax credit		545,985	545,985
Deferred taxation	-		
– current year		545,985	545,985
	-	545,985	545,985
<b>Tax rate reconciliation:</b>	%	%	
<b>Standard tax rate</b>	28	28	
Dividends received	-	-	
Return transfers previously not recognised and other four funds tax losses	-	(18)	
Calculated tax loss for which no deferred tax asset is raised	(27)	(2)	
Other	(1)	(1)	
Effective tax rate	0	7	

Deferred tax has not been raised in respect of non-life business, Assessed losses of R 106.4 million (2017: R29.36 million & 2018: R77.1 million) have recognised and offset against 2019 tax on profit

## 20 Related party transactions

### 20.1 Identity of related parties

The current holding company is General Insurance Corporation of India (GIC Re India), which acquired 100% of the company's shares on 24 April 2014.

## 20.2 Transactions with key management personnel

The remuneration of the executive general management, who are key management personnel of the company, is set out below in aggregate.

Particulars		2019 R	2018 R
Directors emoluments are set out below:			
- Salaries and bonuses			
D Prasad	Managing director	-	1,948,542
CG Asirvatham	Managing director	2,027,698	
		<b>2,027,698</b>	<b>1,948,542</b>
- Fees			
S Bhikha	Non-executive director	380,000	360,000
CI Moosa	Non-executive director	300,000	255,000
J Bagg	Non-executive director	350,000	370,000
		<b>1,030,000</b>	<b>985,000</b>

Other non-executive directors of GIC Re South Africa Ltd are appointed by GIC Re India (parent company) and do not earn any remuneration for their services pertaining to the company.

Key personnel			
- Salaries and bonuses			
S Karmarkar	Chief Operating Officer	337,239 *	710,971
SK Jangir	Chief Finance Officer, Manager – HR	235,710 *	508,222
Z Ahmad	Chief Underwriting Officer	235,710 *	509,041
SKR Chintapalli	Chief Technology Officer	229,961 *	497,141
F Mosam	Chief Technical Accounts Officer	329,500	313,500
W Mwase	Public Officer, Company Secretary, Manager - Admin	325,000	310,500
S Shankar	Chief Operating Officer	341,239 **	
S Sapdhare	Chief Finance Officer, Manager – HR	312,803 ***	
C Verma	Chief Underwriting Officer	349,204 #	
A Tamhane	Chief Risk Officer	349,204 ##	
		<b>3,045,570</b>	<b>2,849,375</b>

Apart from above, R1,31 million (2018 : R1.23 million) was paid as rent for accommodation provided to executive officers.

\* From April 2018 to September 2018

\*\* Joined 18 July 2018

\*\*\* Joined 01 August 2018

# Joined 28 June 2018

## Joined 21 June 2018

### 20.3 Other related party transactions

The following transactions were entered with the current holding company:

	2019 R	2018 R
<b>Statement of comprehensive income effects :</b>		
Retroceded premiums to holding company	202,430,468	499,136,610
Retroceded claims from holding company	(358,281,105)	(512,458,497)
Retroceded commission from holding company	(41,945,973)	(152,513,943)
Interest paid on Reserve Deposits	(7,803,301)	(9,100,552)
<b>Statement of financial position effects :</b>		
Retroceded outstanding claims	581,408,674	490,038,499
Retroceded unearned premium provision	(22,378,180)	230,614,562
Retroceded deferred acquisition cost	6,704,898	(75,382,295)
Retroceded reserve deposit	383,492,862	653,274,462

### 21 Commitments and contingencies

Particulars	2019 R	2018 R
The company entered into a lease agreement for the rental of its premises for a period of three years with an escalation of 9% per annum. Future rentals payable under the operating lease as at year end is:		
Within one year	1,304,459	1,196,751
One to five years		1,304,459
	1,304,459	2,501,210

The operating lease expires on 31 March 2020.

### 22 Other company information

#### Business

The company is a composite reinsurer that was previously in run-off and as of 1 January 2015 began writing non-life reinsurance business. Company has recaptured the entire Life Run-off business in FY 2017-18.

#### Dividends

No dividends were paid during the year (2018 : Nil)

#### Going concern

The directors believe that the company will be a going concern in the future.

### 23 New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2017, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

#### IFRS 9: Financial instruments - periods beginning on or after 1 January 2018

On 24 July 2014, the IASB issued the final IFRS 9 Financial instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the

IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Company.

Considering that the wider GIC Re Group is not implementing IFRS 9 in 2018, GIC Re SA Ltd has the ability to defer implementation of IFRS 9 until 2022 when IFRS 17 will also go live. While the deferral exemption has been applied, some indicative disclosure for new categories of fair value have been reflected in notes 3 and 26.

#### IFRS 17: Insurance Contracts - effective for the financial year commencing 1 January 2022

The standard supersedes IFRS 4 Insurance Contracts.

IFRS 17 addresses the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features. The standard contains guidance on when to separate components in an insurance contract and account for them in terms of another standard. The components that have to be separated (subject to certain criteria) are embedded derivatives, distinct investment components and distinct goods and non-insurance services.

The standard requires an entity to identify portfolios of insurance contracts and to group them into the following groups at initial recognition:

- Contracts that are onerous
- Contracts that have no significant possibility of becoming onerous subsequently and
- The remaining contracts in the portfolio.

Groups of insurance contracts should be measured at initial recognition at the total of the following:

- The fulfilment cash flows which comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks and a risk adjustment for non-financial risk and

- The contractual service margin which represents the profit in the group of insurance contracts that will be recognised in future periods.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

- the liability for remaining coverage (fulfilment cash flows related to future service and the contractual service margin) and
- the liability for incurred claims (fulfilment cash flows related to past service).

An entity may simplify the measurement of a group of insurance contracts using the premium allocation approach if certain criteria is met.

The new standard will have a significant impact on the financial statements when it is initially applied which will include changes to the measurement of insurance contracts issued and the presentation and disclosure.

The standard is effective for annual periods beginning on or after 1 January 2022 and has to be applied retrospectively. Early adoption is permitted. The company is expecting to adopt IFRS 17 in its financial statements for the year ending 31 March 2023.

### IFRS 15: Revenue from Contracts with Customers – periods beginning on or after 1 January 2018

IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2018.

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

IFRS 15 replaces the following standards and interpretations:

IAS 11 *Construction contracts*

IAS 18 *Revenue*

IFRIC 13 *Customer Loyalty Programmes*

IFRIC 15 *Agreements for the Construction of Real Estate*

### *IFRIC 18 Transfers of Assets from Customers*

### *SIC-31 Revenue - Barter Transactions Involving Advertising Services*

The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

Although the new revenue standard does not apply to Re/Insurance contracts, it may apply to other non Re/Insurance contracts like asset management, insurance broking, claims handling or custody services, etc and impact the company. Insurance contracts, along with contractual rights or obligations in the scope of the financial instruments standard (IFRS 9), are fully or partly scoped out of the new revenue standard.

However, non -Re/insurance service contracts may fall entirely in the scope of the new standard. Contracts that are partly in the scope of another standards will be first subject to the requirements of the other standard (e.g. IFRS 9 Financial instruments), if that standard specifies how to separate and/or initially measure one or more parts of the project.

The impact of IFRS15 has not been material for the company for the year. Revenue caught within the scope of the standard is immaterial, and prior recognition and measurement practise for those revenues are in line with IFRS15.

### **IFRS 16: Leases – periods beginning on or after 1 January 2019**

IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019.

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.



## Notes To The Financial Statements

IFRS 16 replaces the following standards and interpretations:

IAS 17 *Leases*

IFRIC 4 Determining whether an Arrangement contains a Lease

SIC-15 Operating Leases - Incentives

SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

The impact on GIC Re SA Ltd of this standard is unlikely to be material as there are few operating leases in place. Management are still assessing the most appropriate transition option.

### 24 Revenue account split between non-life and life reinsurance contracts

Note	Total		Non-life		Life	
	31 March 2019 R	31 March 2018 R	31 March 2019 R	31 March 2018 R	31 March 2019 R	31 March 2018 R
Gross premiums written	2,935,603,723	1,641,253,719	2,935,603,723	1,649,181,344	-	(7,927,625)
Retroceded premiums	(2,120,305,206)	(1,267,664,011)	(2,120,305,206)	(1,269,884,198)	-	2,220,187
Gross UPR movement	310,916,711	(503,792,782)	310,916,711	(503,792,782)	-	-
Retro UPR movement	(262,152,138)	340,079,454	(262,152,138)	340,079,454	-	-
Net premiums written and earned	<b>864,063,090</b>	<b>209,876,380</b>	<b>864,063,090</b>	<b>215,583,818</b>	-	<b>(5,707,438)</b>
<b>Claims incurred</b>	<b>(556,454,378)</b>	<b>(220,441,026)</b>	<b>(556,454,378)</b>	<b>(220,398,547)</b>	-	<b>(42,479)</b>
Claims paid	16 (288,515,706)	(130,669,666)	(288,515,706)	(130,623,437)	-	(46,229)
Gross	(1,172,817,195)	(740,118,116)	(1,172,817,195)	(740,056,477)	-	(61,639)
Retroceded	884,301,490	609,448,450	884,301,490	609,433,040	-	15,410
Change in provision for outstanding claims	6 (267,938,672)	(89,771,360)	(267,938,672)	(89,775,110)	-	3,750
Gross	(847,249,843)	(505,198,146)	(847,249,843)	(505,203,146)	-	5,000
Retroceded	579,311,170	415,426,786	579,311,170	415,428,036	-	(1,250)
Net commission	<b>(143,458,176)</b>	<b>(28,397,053)</b>	<b>(143,458,176)</b>	<b>(28,514,414)</b>	-	<b>117,361</b>
Commissions (paid)/ received	(149,909,948)	(45,441,832)	(149,909,948)	(45,559,193)	-	117,361
Gross	(685,800,428)	(412,176,317)	(685,800,428)	(412,130,745)	-	(45,572)
Retroceded	535,890,480	366,734,485	535,890,480	366,571,552	-	162,933

## Notes To The Financial Statements

Note		Total		Non-life		Life	
		31 March 2019 R	31 March 2018 R	31 March 2019 R	31 March 2018 R	31 March 2019 R	31 March 2018 R
Net change in deferred acquisition cost	9	<b>6,451,772</b>	<b>17,044,779</b>	<b>6,451,772</b>	<b>17,044,779</b>		-
Gross		(136,253,021)	117,569,484	(136,253,021)	117,569,484		-
Retroceded		142,704,794	(100,524,705)	142,704,794	(100,524,705)		-
Change in provision for policyholder liabilities	7	-	<b>13,835,338</b>	-	-	-	<b>13,835,338</b>
Gross		-	16,894,528	-	-		16,894,528
Retroceded		-	(3,059,190)	-	-		(3,059,190)
Underwriting result		164,150,536	(25,126,361)	164,150,536	(33,329,143)	-	8,202,782
Gross		404,399,946	(385,567,630)	404,399,946	(394,432,322)	-	8,864,692
Retroceded		(240,249,410)	360,441,269	(240,249,410)	361,103,179	-	(661,910)
Management expenses		(31,283,486)	(25,991,898)	(31,052,821)	(23,948,387)	(230,666)	(2,043,511)
Net income/(loss) before other income and expenses		<b>132,867,049</b>	<b>(51,118,259)</b>	<b>133,097,715</b>	<b>(57,277,530)</b>	<b>(230,666)</b>	<b>6,159,271</b>
Net investment income	*	102,534,805	41,540,531	101,048,034	39,340,093	1,486,771	2,200,438
Interest paid on retrocession deposits		(35,531,226)	(9,953,112)	(35,531,226)	(9,953,112)	-	-
Increase in provision for doubtful debts		(14,639,867)	(3,168,950)	(14,639,867)	(3,168,950)	-	-
Foreign exchange gain/(loss)		123,742,368	(53,175,431)	123,742,368	(53,175,431)	-	-
Profit (Loss) before taxation	18	<b>308,973,129</b>	<b>(75,875,221)</b>	<b>307,717,024</b>	<b>(84,234,930)</b>	<b>1,256,105</b>	<b>8,359,709</b>
Taxation	19	(54,371,713)	(545,985)	(53,960,352)	-	(411,361)	(545,985)
Profit (Loss) after taxation		254,601,416	(76,421,206)	253,756,672	(84,234,930)	844,744	7,813,724

\* Net of investment management fees

## 25 Notes to the statement of cash flows

### 25.1 Cash utilised by operations

Particulars	31 March 2019 R	31 March 2018 R
<b>Profit/ (Loss) before taxation</b>	308,973,129	(75,875,221)
Adjustments for:		
– depreciation of equipment	854,404	770,088
– realised gain on disposal of investments	(2,890,937)	(2,393,298)
– interest income	(108,359,340)	(43,112,833)
– dividends received	(10,073,618)	(1,279,037)
– interest paid	35,531,226	9,953,112
– Increase/(decrease) in net provision for unearned premium	(48,764,573)	163,713,328
– Increase/(decrease) in net deferred acquisition costs	(6,451,772)	(17,044,779)
– Increase/(decrease) in net provision for outstanding claims	267,938,672	89,771,359
– Increase/(decrease) in net policyholder liabilities for life insurance contracts	-	(13,835,338)
– unrealised gain on revaluation of investments	14,119,819	2,210,214
<b>Cash generated by operations before working capital changes</b>	<b>450,877,010</b>	<b>112,877,595</b>
Increase/(decrease) in amounts receivable from insurance companies	(64,411,050)	(565,429,850)
Increase/(decrease) in other accounts receivable	3,163,837	(1,608,021)
Increase/(decrease) in amounts payable to insurance companies	(1,731,625)	7,233,052
Increase/(decrease) in other accounts payable	6,320,317	5,731,239
Increase/(decrease) in deposits withheld from retrocessionaires	455,453,622	671,572,931
	849,672,112	230,376,946

### 25.2 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts :

Cash on call and on deposit	17,692,677	43,320,138
Cash at bank	81,575,274	87,223,637
Cash on hand	6,904	5,862
	99,274,855	130,549,637

## Categorisation of Assets and Liabilities

### 26. Categorisation of assets and liabilities

2019	Note	Total	Financial assets and liabilities				Other non - financial assets and liabilities		Current/non - current assets and liabilities		Non - current assets and liabilities	
			Financial assets at fair value through profit and loss	Financial Assets at amortised cost	Financial liabilities at amortised cost		R	R	R	R	R	R
<b>ASSETS</b>												
Equipment	5	1,862,699	-	-	-	-	1,862,699	-	-	-	1,862,699	-
<b>Technical assets under insurance contracts</b>												
Retrospected outstanding claims	6	1,827,356,394	-	-	-	-	1,827,356,394	-	1,449,561,276	377,795,118	-	-
Retrospected unearned premium reserve	8	1,400,567,511	-	-	-	-	1,400,567,511	-	1,022,772,393	377,795,118	-	-
Gross deferred acquisition costs	9	365,732,580	-	-	-	-	365,732,580	-	365,732,580	-	-	-
Retrospected policyholder liabilities	7	61,056,303	-	-	-	-	61,056,303	-	61,056,303	-	-	-
<b>Investments</b>												
Government securities <sup>1</sup>	10	2,589,816,261	488,440,823	2,101,375,438	-	-	-	-	2,239,931,166	349,885,095	-	-
Fixed deposits	10	97,278,812	97,278,812	-	-	-	-	-	-	97,278,812	-	-
Negotiable certificates of deposits	10	1,684,041,892	-	1,684,041,892	-	-	-	-	1,431,435,608	252,606,284	-	-
Treasury bills <sup>2</sup>	10	417,333,546	-	417,333,546	-	-	-	-	417,333,546	-	-	-
Listed ordinary shares <sup>2</sup>	10	141,631,994	141,631,994	-	-	-	-	-	141,631,994	-	-	-
Listed preference shares <sup>2</sup>	10	13,200,649	13,200,649	-	-	-	-	-	13,200,649	-	-	-
Listed collective investments schemes <sup>2</sup>	10	236,329,368	236,329,368	-	-	-	-	-	236,329,368	-	-	-
<b>Deferred tax</b>												
Amounts due under reinsurance contracts	11	-	-	-	-	-	-	-	-	-	-	-
Amounts due from retrocession contracts		1,298,174,290	-	1,298,174,290	-	-	-	-	1,131,250,233	166,924,056	-	-
Other accounts receivable		9,662,590	-	9,662,590	-	-	-	-	8,420,138	1,242,452	-	-
Cash on call and on deposit		335,483	-	335,483	-	-	-	-	335,483	-	-	-
Cash at bank and on hand		17,692,677	-	17,692,677	-	-	-	-	17,692,678	-	-	-
<b>Total assets</b>		5,826,482,572	488,440,823	3,508,822,656	-	-	1,829,219,093	-	4,928,773,153	897,709,420	-	-
<b>LIABILITIES</b>												
<b>Technical liabilities under insurance contracts</b>												
Gross outstanding claims	6	2,389,825,794	-	-	-	-	2,389,825,794	-	1,891,547,451	498,278,344	-	-
Gross unearned premium reserve	8	1,830,836,269	-	-	-	-	1,830,836,269	-	1,332,557,925	498,278,344	-	-
Retrospected deferred acquisition cost	9	525,040,979	-	-	-	-	525,040,979	-	525,040,979	-	-	-
Gross policyholder liabilities	7	33,948,547	-	-	-	-	33,948,547	-	33,948,547	-	-	-
Deposits withheld from retrocessionaires		1,746,437,984	-	-	-	-	1,746,437,984	-	1,746,437,984	-	-	-
Amounts payable to retrocessionaire Contracts		366,629,601	-	-	-	-	366,629,601	-	366,629,601	-	-	-
Other accounts payable	12	12,517,452	-	-	-	-	11,892,378	625,074	12,517,452	-	-	-
Taxation		48,884,230	-	-	-	-	48,884,230	-	48,884,230	-	-	-
<b>Total liabilities</b>		4,564,295,062	-	-	-	-	2,173,844,193	-	4,066,016,718	498,278,344	-	-

<sup>1</sup> Designated at Fair Value

<sup>2</sup> Mandatory Fair Value

Note that these are indicative classifications under IFRS9 which has not been implemented in the current year.

## Categorisation of Assets and Liabilities

### Categorisation of assets and liabilities

	Note	Total	Financial assets and liabilities				Other non-financial assets and liabilities		Current/non-current assets and liabilities		Non-current assets and liabilities	
			Financial assets at fair value through profit and loss	Financial Assets at amortised cost	Financial liabilities at amortised cost		R	R	R	R	R	R
<b>2018</b>							R	R	R	R	R	R
<b>ASSETS</b>												
Equipment	5	1,830,253	-	-	-	-	-	1,830,253	-	-	-	1,830,253
Technical assets under insurance contracts		1,646,450,383	-	-	-	-	-	1,646,450,383	1,424,711,171	221,739,212	-	221,739,212
Retrospected outstanding claims	6	821,256,341	-	-	-	-	-	821,256,341	599,517,129	221,739,212	-	221,739,212
Retrospected unearned premium reserve	8	627,884,718	-	-	-	-	-	627,884,718	627,884,718	-	-	-
Gross deferred acquisition costs	9	197,309,324	-	-	-	-	-	197,309,324	197,309,324	-	-	-
Retrospected policyholder liabilities	7	-	-	-	-	-	-	-	-	-	-	-
<b>Investments</b>												
Government securities <sup>*1</sup>	10	1,339,797,265	471,897,906	867,899,359	-	-	-	-	1,266,183,811	73,613,454	-	73,613,454
Fixed deposits	10	3,080,649	3,080,649	-	-	-	-	-	-	3,080,649	-	3,080,649
Negotiable certificates of deposits	10	511,411,238	-	511,411,238	-	-	-	-	440,878,433	70,532,805	-	70,532,805
Treasury bills <sup>*2</sup>	10	356,488,121	-	356,488,121	-	-	-	-	356,488,121	-	-	-
Listed ordinary shares <sup>*2</sup>	10	14,887,018	14,887,018	-	-	-	-	-	14,887,018	-	-	-
Listed preference shares <sup>*2</sup>	10	89,098,766	89,098,766	-	-	-	-	-	89,098,766	-	-	-
Listed collective investments schemes <sup>*2</sup>	10	15,198,604	15,198,604	-	-	-	-	-	15,198,604	-	-	-
	10	349,632,869	349,632,869	-	-	-	-	-	349,632,869	-	-	-
<b>Deferred tax</b>												
Amounts due under reinsurance contracts	11	5,425,210	-	-	-	-	-	5,425,210	-	-	-	5,425,210
Amounts due from retrocession contracts		668,969,046	-	668,969,046	-	-	-	-	668,969,046	-	-	-
Other accounts receivable		223,505,199	-	223,505,199	-	-	-	-	223,505,199	-	-	-
Cash on call and on deposit		3,499,320	-	3,499,320	-	-	-	-	3,499,320	-	-	-
Cash at bank and on hand		43,320,138	-	43,320,138	-	-	-	-	43,320,138	-	-	-
<b>Total assets</b>		87,229,499	-	87,229,499	-	-	-	-	87,229,499	-	-	-
		4020,026,313	471,897,906	1,894,422,561	-	-	-	1,653,705,846	3,717,418,184	302,608,129	-	-
<b>LIABILITIES</b>												
<b>Technical liabilities under insurance contracts</b>												
Gross outstanding claims	6	1,996,197,456	-	-	-	-	-	1,996,197,456	1,725,234,596	270,962,860	-	270,962,860
Gross unearned premium reserve	8	983,586,426	-	-	-	-	-	983,586,426	712,623,566	270,962,860	-	270,962,860
Retrospected deferred acquisition cost	9	835,957,690	-	-	-	-	-	835,957,690	835,957,690	-	-	-
Gross policyholder liabilities	7	176,653,340	-	-	-	-	-	176,653,340	176,653,340	-	-	-
Deposits withheld from retrocessionaires		-	-	-	-	-	-	-	-	-	-	-
Amounts payable to retrocessionaire Contracts		1,290,984,362	-	-	-	-	-	1,290,984,362	-	-	-	-
Other accounts payable	12	17,436,052	-	-	-	-	-	17,436,052	-	-	-	-
<b>Total liabilities</b>		6,170,724	-	-	-	-	-	5,675,327	6,170,724	-	-	-
		3,310,788,594	-	-	-	-	-	1,314,095,741	3,039,825,734	270,962,860	-	270,962,860

<sup>\*1</sup> Designated at Fair Value

<sup>\*2</sup> Mandatory Fair Value

Note that these are indicative classifications under IFRS9 which has not been implemented in the current year.

Particulars	31 March 2019 R	31 March 2018 R
<b>27.1 Amounts due under reinsurance contracts</b>	1,298,174,290	668,969,046
<b>27.2 Amounts due from retrocessionaire Contracts</b>		
Amounts due from retrocession contracts	-	208,803,484
Provisional profit commission receivable from retrocession	9,662,590	14,701,715
	<b>9,662,590</b>	<b>223,505,199</b>
<b>27.3 Amounts Payable to retrocessionaires</b>		
Amounts Payable to retrocessionaires	353,832,497	-
Provisional profit commission payable to retrocessionaires	12,797,104	17,436,052
	<b>366,629,601</b>	<b>17,436,052</b>

**28** In the current year amounts reflected on the balance sheet in the prior year were grossed up to reflect balances payable to retrocessionaires separately from balances due from cedants.

The impact of these grossed up adjustments are shown below:

As disclosed in the prior year for March 18		As disclosed in the current year for March 18	
	R		R
Amounts due from companies on reinsurance contracts	909,050,084	Amounts due under reinsurance contracts	668,969,046
Amounts due to companies on reinsurance contracts	-34,011,891	Amounts due from retrocessionaire contracts	223,505,199
		Amounts payable to retrocessionaire contracts	-17,436,052
Net asset position remains consistent	875,038,193		875,038,193

The adjustments had no impact on the liquidity or solvency of the company nor were there any impacts on the profitability for that period.

# **GIC RE, INDIA, CORPORATE MEMBER LIMITED**

**Annual Report and Accounts  
31 December 2018**

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Corporate  
Member  
Limited

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# **GIC RE, INDIA, CORPORATE MEMBER LIMITED**

## **Directors and Administration**

### **Directors**

Alice Geevarghese Vaidyan  
Ramaswamy Narayanan (appointed 15 May 2018)  
Devesh Srivastava (resigned 15 May 2018)  
Radhakrishna Ganti

### **Secretary**

Callidus Solutions Limited  
54 Fenchurch Street  
London  
EC3M 3JY

### **Registered Office**

Suite 835 at Lloyd's  
One Lime Street  
London  
EC3M 7DQ

### **Registered Number**

07792458

### **Auditors**

PKF Littlejohn LLP  
1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

### **Tax Advisors**

Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

### **Banker**

Lloyds TSB  
113-116 Leadenhall Street  
London  
EC3A 4AX

The Directors submit their Strategic Report for GIC Re, India, Corporate Member Limited (the Company) for the year ended 31 December 2018.

### Principal Activities

The Company is incorporated in the United Kingdom ('U.K.') and is a corporate member of the Society of Lloyd's (Lloyd's). The Company underwrites (on a limited liability basis) on Lloyd's Syndicate 6118, Syndicate 6119, Syndicate 6126, Syndicate 2014, Syndicate 1492, Syndicate 1884, Syndicate 1947 and Syndicate 6133 ('the Syndicates'). The table below summarises the Company's insurance capacity on the Syndicates by underwriting year.

	Syndicate 6118 £000			Syndicate 6119 £000	Syndicate 6133 £000	Syndicate 6126 £000	
Year of Account	2016	2017	2018	2016	2018	2016	2017
Company insurance capacity	5,000	8,086	11,320	14,906	875	4,000	5,250
Total Syndicate insurance capacity	89,850	89,705	108,712	14,906	35,000	40,000	60,000
Percent of total	5.6%	9.0%	10.4%	100.0%	2.5%	10.0%	8.8%

	Syndicate 2014 £000			Syndicate 1947 £000	Syndicate 1884 £000		Syndicate 1492 £000	
Year of Account	2016	2017	2018	2018	2017	2018	2017	2018
Company insurance capacity	8,000	8,923	8,923	55,000	5,000	5,000	7,500	7,500
Total Syndicate insurance capacity	130,000	137,300	155,000	55,000	105,000	99,985	90,466	104,000
Percent of total	6.2%	6.5%	5.7%	100%	4.8%	5.0%	8.3%	7.2%

Syndicate 6118 was established since the 2014 Year of Account to provide a dedicated vehicle for external investors to participate on Barbican Syndicate 1955 via quota share reinsurance, net of quota share cession to Syndicate 6113.

Syndicate 6119 was established since the 2014 year of account as a 'Special Purpose Syndicate' to underwrite whole account quota share reinsurance of Catlin Syndicate 2003. This is the only inwards contract that the Syndicate writes.

Syndicate 6126 was established in the 2016 year of account as a 'Special Purpose Syndicate' to underwrite 90% quota share of Syndicate 1897's property classes.

Syndicate 2014 was previously a 'Special Purpose Syndicate' and became the first SPS in Lloyd's history to convert to a standalone Syndicate in 2014.

Syndicate 1492 was established in the 2015 year of account specialising in property, construction and casualty insurance and reinsurance solutions.

Syndicate 1884 was established in the 2015 year of account and provides a broad range of insurance covers to its clients and others in the wider marine and energy market

Syndicate 1947 was established in the 2018 year of account and underwrites on the property, agriculture and engineering lines of business. The Syndicate is backed solely by General Insurance Corporation of India and includes risks ceded from that company.

Syndicate 6133 was established in the 2013 year of account and provides general insurance and reinsurance business in the marine and property class.

General Insurance Corporation of India ('the Parent Reinsurer') proportionately reinsures 100% of all of the Company's underwriting business from the Syndicates.

## Business Review

### Key Financial Performance Indicators

In the opinion of the Directors, the key financial performance indicators below best represent the performance and position of the Company before reinsurance of all of its underwriting business from the Syndicate to the Parent reinsurer.

	2018 Syndicate Results £000	2018 Quota Share £000	2018 Technical Account £000
Gross written premiums	66,957	(66,957)	-
Outward reinsurance premiums	(16,303)	16,303	-
Loss for the financial year	(16,701)	16,626	(75)
Loss on capacity	19.5%		

### Non-financial Key Performance Indicators

Due to the nature of the Company's operations as a Lloyd's corporate member, the Syndicates carry out the majority of the Company's activities. The Company is not directly involved in the management of each Syndicate's activities, including the employment of staff. The Syndicate Managing Agents are responsible for the management of their Syndicates. The Managing Agents also have responsibility for the environmental activities of the Syndicates, though by their nature, insurers generally do not produce significant environmental emissions. Therefore, the Directors do not consider it appropriate to monitor and report any performance indicators for staff or environmental matters.

### Member Outward Reinsurance Arrangement

The Company proportionally reinsures all of its underwriting business from each Syndicate to the Parent Reinsurer. Outward reinsurance premiums equal the Company's share

of Syndicate gross premiums, less Syndicate outward reinsurance premiums; reinsured liabilities equal the Company's share of Syndicate losses and expenses, less investment income. The reinsurance contract limits the Company's net reinsurance recoveries to the reinsurer's related funds at Lloyd's. The Parent Reinsurer reimburses the Company for member administrative expenses (including audit and accounting fees and other expenses) up to a limit of £500,000.

## Risk Review

### Insurance risks

As a corporate member of Lloyd's, most of the significant insurance risks and uncertainties facing the Company arise from its participation on the Syndicates. The Company's role in managing these risks is limited to monitoring Syndicate performance. This starts in advance of committing support to each Syndicate for the following underwriting year, with a review of each Syndicate business plan as prepared by the Syndicate's Managing Agent. During the year, the Directors monitor and, if necessary, enquire into Syndicate quarterly reports and annual accounts together with any other information made available by the Managing Agents. If the Directors deem a particular risk in a Syndicate to be excessive, they will seek confirmation from the relevant Managing Agent that adequate management of the risk is in place and, if considered appropriate, may withdraw the Company's support from the next underwriting year if they are not satisfied with the Managing Agent's response.

The Annual Reports of the Directors of the Managing Agents on the audited annual accounts for each Syndicate detail the significant risks and uncertainties facing the Syndicates. The Managing Agents manage these risks together with the Syndicate service providers.

Since the Company proportionately reinsures all of its underwriting business from the Syndicates to the Parent Reinsurer, the risks it faces from its participation on the Syndicates are significantly reduced. The Company, however, faces the risk that the Parent Reinsurer will not meet its reinsurance obligations, though the Directors consider this risk remote, since the Parent Reinsurer provided a £24.2 million letter of credit to Lloyd's (Funds at Lloyd's) to

collateralise its reinsurance obligations to the Company and deposited an additional £98.1 million during the year.

### **Operational Risk**

Since the Company only undertakes in a few transactions of its own, it has limited systems and staffing requirements. Therefore, the Directors do not consider the Company's operational risks to be significant. Close involvement of the Directors in the Company's key decision making and the fact that the Syndicates conduct a majority of the Company's operations provides control over any remaining operational risk.

### **Foreign Exchange**

The Company is exposed to foreign exchange risk through the Syndicates' liabilities under policies of insurance denominated in currencies other than Sterling. The most significant currencies to which the syndicate is exposed are US Dollar, Canadian Dollar and the Euro. Where possible, the Syndicates seek to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency. There is a natural matching to currency risk as claims are normally paid in the currency of the original policy. The Company did not undertake any transactions of its own during the year except for administrative expenses and a payment to a broker made directly by the Corporate Member.

### **Market, Credit, and Liquidity Risk**

Other significant risks faced by the Company include its investment of available funds within its own custody. The elements of these risks are interest rate, investment price, and liquidity risk. Liquidity risk would arise if the Syndicates have inadequate liquid resources for a large claim and sought funds from the Company to pay the claim. In order to minimise interest rate, investment price, and liquidity risk, the Company is supported by the letter of credit and the funds provided by the Parent Reinsurer at Fund's at Lloyd's. Since the Company did not undertake many transactions of its own, the Directors do not consider currency or credit risk to be significant.

### **Regulatory and Compliance Risk**

The Company is subject to continuing approval by Lloyd's to be a corporate member of the Syndicates. The Company reduces the risk of this approval being revoked by monitoring and fully complying with all of its Lloyd's membership requirements.

The capital requirements to support the proposed amount of Syndicate insurance capacity for future years are set by Lloyd's. Lloyd's takes a variety of factors into account when setting these requirements including market conditions and Syndicate performance. Though Lloyd's intends for the process to be fair and reasonable, the requirements can fluctuate from one year to the next, which may constrain the amount of Syndicate insurance capacity that the Company can support going forward.

### **Future Developments**

The Company will be participating on the following Syndicates for the 2019 Year of Account:

- Syndicate 6133 – managed by Apollo Syndicate Management Ltd.
- Syndicate 1947 - managed by Pembroke Managing Agency Limited.
- Syndicate 2014 - managed by Pembroke Managing Agency Limited.
- Syndicate 1955 – managed by Barbican Managing Agency Limited.

Approved by the Board on  
And signed on its behalf by

1 May 2019

Ramaswamy Narayanan  
Director

Suite 835 at Lloyd's  
One Lime Street  
London  
EC3M 7DQ

## Director's Report

**Registered Number: 07792458**

**Director's Report**

**31 December 2018**

The Directors present their report below, together with the audited accounts for GIC Re, India, Corporate Member Limited, for the year ended 31 December 2018.

### Results

The Company underwrites on the Syndicates as outlined on page 2 of the Strategic report.

Profit for the year ended 31 December 2018 was £1,040,000 (2017: Loss of £22,000).

### Dividend

The Directors do not recommend the payment of a dividend (2017: Nil).

### Going Concern

On the basis of their assessment of the Company's financial position and after making appropriate enquiries, the Directors reasonably expect the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the annual accounts are prepared on a going concern basis.

### Directors

Below are the names of the people who were Directors of the Company during the period and to the date of this report.

Alice Geevarghese Vaidyan

Ramaswamy Narayanan (appointed 15 May 2018)

Radhakrishna Ganti

### Directors and Officers Liability Insurance

The Directors are covered against liabilities arising in relation to the Company through the global Directors and Officers policy in place by the Parent Reinsurer. This is limited to 500,000,000 Indian Rupees (£5,489,809).

### Donations

The Company made no political or charitable donations during the period.

### Disclosure of Information to Auditors

The Directors who held office at the approval date of this report confirm to the best of their knowledge, that there is no relevant audit information of which the Company's auditors are unaware, and they took all actions necessary as a Directors to become aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PKF Littlejohn will therefore continue in office.

On behalf of the Board

Ramaswamy Narayanan  
Director

1 May 2019

Suite 835 at Lloyd's  
One Lime Street  
London  
EC3M 7DQ

## Statement of Director's Responsibilities

# GIC RE, INDIA, CORPORATE MEMBER LIMITED

Registered Number: 07792458

### Statement of Director's Responsibilities in respect of the Strategic Report, the Director's Report and the Financial Statements 31 December 2018

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Company law the directors must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## Independent Auditor's Report

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GIC RE, INDIA, CORPORATE MEMBER LIMITED

#### Opinion

We have audited the Financial Statements of GIC Re, India, Corporate Member Limited (the "Company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters

in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Directors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

#### Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and



- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Coulson (Senior Statutory Auditor)	1 Westferry Circus
For and on behalf of PKF Littlejohn LLP	Canary Wharf
Statutory Auditor	London
1 May 2019	E14 4HD



## Profit and Loss Account Year Ended 31<sup>st</sup> December 2018

Particulars	Note	2018 £000	2017 £000
<b>Technical Account – General business:</b>			
<b>Earned premiums, net of reinsurance:</b>			
Gross premiums written	6	66,957	41,450
Outward reinsurance premiums		(66,957)	(41,450)
Net premiums written		-	-
Change in the gross provision for unearned premiums	14	(8,163)	(3,113)
Change in the provision for unearned premiums reinsurers' share	14	8,163	3,113
Net change in provision for unearned premiums		-	-
<b>Earned premiums, net of reinsurance</b>		-	-
<b>Allocated investment return transferred from the Non-technical Account</b>	7	-	-
<b>Claims incurred, net of reinsurance:</b>	6		
Claims paid:			
Gross amount		(28,846)	(10,982)
Reinsurers' share		28,846	10,982
Claims paid, net of reinsurance		-	-
Change in the provision for claims:	14		
Gross amount		(25,892)	(31,576)
Reinsurers' share		25,892	31,576
Change in provision for claims, net of reinsurance		-	-
<b>Claims incurred, net of reinsurance</b>		-	-
<b>Net operating expenses</b>	8, 11	(75)	(247)
<b>Balance on Technical Account - General business</b>		(75)	(247)
All operations relate to continuing activities.			
<b>Balance on the Technical Account – General business</b>		(75)	(247)
Investment income		1,120	-
Unrealised loss on investments		(240)	-
Foreign exchange gain		18	1
Other income		500	300
Other charges		(71)	(79)
(Loss)/profit on ordinary activities before tax	9	1,252	(25)
Tax on profit on ordinary activities	10	(212)	3
(Loss)/profit on ordinary activities after tax		1,040	(22)
<b>Profit/(loss) for the financial year</b>		1,040	(22)
All operations relate to continuing activities.			

## Balance Sheet As 31<sup>st</sup> December 20178

Particulars	Note	2018 £000	2017 £000
<b>Assets:</b>			
<b>Investments:</b>			
Other financial investments	12	13,273	5,869
<b>Reinsurers' share of technical provisions:</b>	14		
Provision for unearned premiums		22,548	15,227
Claims outstanding		86,790	59,515
		109,338	74,742
<b>Debtors:</b>			
Debtors arising out of direct insurance operations		5,293	4,232
Debtors arising out of reinsurance operations		50,935	41,186
Other debtors		1,089	1,148
Funds at Lloyd's	19	106,863	8,744
		164,180	55,310
<b>Other assets:</b>			
Cash at bank and in hand		3,356	984
Other		1,877	602
Deferred tax asset		-	11
		5,233	1,597
<b>Prepayments and accrued income:</b>			
Accrued interest		4	-
Deferred acquisition costs	14	5,430	3,496
Other prepayments and accrued income		264	181
		5,698	3,677
<b>Total assets</b>		<b>297,722</b>	<b>141,195</b>

The above assets comprise of the assets of the Syndicates participated upon and the Company's own assets. Note 16 provides an analysis of the Company's own assets.

Particulars	Note	2018 £000	2017 £000
<b>Liabilities:</b>			
<b>Capital and reserves:</b>	13		
Called up share capital		-	-
Profit and loss account		1,064	24
		1,064	24
<b>Technical provisions:</b>	14		
Provision for unearned premiums:			
Gross amount		27,978	18,723
Claims outstanding:			
Gross amount		86,790	59,515
		114,768	78,238
<b>Creditors:</b>			
Creditors arising out of direct insurance operations		564	531
Creditors arising out of reinsurance operations		62,046	50,309
Other creditors including taxation	15	117,229	11,738
		179,839	62,578
<b>Accruals and deferred income</b>		2,051	355
<b>Total liabilities</b>		297,722	141,195

The above liabilities comprise of the liabilities of the Syndicates participated upon and the Company's own liabilities. Note 16 provides an analysis of the Company's own liabilities.

The financial statements were approved by the Board of GIC Re, India, Corporate Member Limited on 1 May 2019 and signed on its behalf by:

Ramaswamy Narayanan

Director

Registered Number: 07792458

## Statement of Changes in Equity Year ended 31 December 2018

Particulars	Called up Share Capital £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2017</b>	-	46	46
Loss for the year	-	(22)	(22)
Total comprehensive income for the period	-	(22)	(22)
<b>As at 31 December 2017</b>	-	24	24
Profit for the year	-	1,040	1,040
Total comprehensive income for the period	-	1,040	1,040
<b>As at 31 December 2018</b>	-	1,064	1,064

## Statement of Cash Flows

Particulars	Note	2018 £000	2017 £000
<b>Cash flow from operating activities</b>			
(Loss)/profit before taxation		1,252	(25)
Movement in creditors		155,276	30,148
Movement in debtors		(145,871)	(26,448)
Tax paid		-	-
<b>Net cash generated from operating activities</b>		<b>10,657</b>	<b>3,675</b>
<b>Cash flow from investing activities</b>			
Net (outflow)/inflow from purchases and sales of investments	18	(8,285)	(2,825)
<b>Net cash outflow from investing activities</b>		<b>(8,285)</b>	<b>(2,825)</b>
Net increase/(decrease) in cash and cash equivalents		2,372	850
Cash and cash equivalents at the beginning of the year		984	134
<b>Cash and cash equivalents at the end of the year</b>		<b>3,356</b>	<b>984</b>

## Notes to the Annual Accounts

### (1) General Information

GIC Re, India, Corporate Member Limited ("the Company") is a limited company incorporated in the United Kingdom. The address of its registered office is Suite 835 at Lloyd's, One Lime Street, London, EC3M 7DQ. The nature of the Company's operations and its principal activities are set out in the Strategic report.

These financial statements have been presented in GBP as this is the Company's functional currency, being the primary economic environment in which the Company operates.

### (2) Basis of Preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), Financial Reporting Standard 103 – 'Insurance Contracts' ('FRS 103') and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The Company's functional currency is GBP.

The Directors, based on their assessment of the Company's financial position and after making appropriate enquiries, reasonably expect that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, these annual accounts are prepared on a going concern basis.

### (3) Basis of Accounting for Underwriting Activities

The Company underwrites insurance business on an underwriting year basis through its participation on Lloyd's Syndicate 6133, Syndicate 6118, Syndicate 6119, Syndicate 6126, Syndicate 2014, Syndicate 1492, Syndicate 1884 and Syndicate 1947 (the Syndicates) under agency agreements with the Syndicates; each underwriting year is a separate annual venture. Agency agreements grant underwriting control to the Managing Agent of the Syndicates, and the Company has no access to funds controlled by the Syndicates. The Syndicates release funds to the Company from the Syndicate

Premium Trust Funds when underwriting years close (normally after three calendar years). The Managing Agent assesses the result and net assets for each underwriting year based on the insurance policies incepting in that year for the membership of that year. The Syndicates may also release funds early on open underwriting years if the Managing Agent can determine the ultimate profitability of the year with enough accuracy (generally at the end of two calendar years).

The Company reports its share of Syndicate underwriting transactions, investment return, and operating expenses in its profit and loss account, and its share of the Syndicate assets and liabilities on its balance sheet. The Directors calculate these shares based on the Company's participation in the Syndicates as a percentage of the each Syndicate's total insurance capacity.

The Syndicates hold assets subject to trust deeds for the benefit of the Company's insurance creditors.

### (4) Accounting Policies

The Directors consistently applied the material accounting policies below in preparing these annual accounts.

#### (a) Gross Premiums Written

Gross premiums written consist of the Company's share of premiums on insurance contracts that each Syndicate bound during the year, together with any adjustments arising in the year to such premiums receivable in respect of business written in prior years. The Company shows premiums gross of commissions payable to intermediaries and excludes taxes and fees levied on them.

#### (b) Outward Reinsurance Premiums

Outward reinsurance premiums consist of (a) the Company's share of Syndicate reinsurance premiums on the outward reinsurance contract bound during the period and (b) the Company's reinsurance premiums on the outward reinsurance contracts that it has with its Parent reinsurer to proportionally reinsure all of its underwriting business from the Syndicates. Reinsurance transactions do not relieve the Company of its primary obligations to its policyholders.

The Company offsets actual or estimated assets and liabilities under the outward reinsurance contract with its Parent reinsurer that proportionately reinsures all of its underwriting business from the Syndicates into single net balances, because they do not represent separate assets and liabilities.

**(c) Provision for Unearned Premiums**

Unearned premiums represent the proportion of premiums written in the year that relate to the unexpired terms of policies in force at the Balance Sheet date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

**(d) Provision for Unexpired Risks**

At the balance sheet date, the Company makes a provision for unexpired risks where the value of claims and administrative expenses expected to arise after the balance sheet date from the insurance contracts entered into before the balance sheet date exceeds the provision for unearned premiums, the amount of premiums receivable under those contracts, after the deduction of any deferred acquisition costs.

No provision for unexpired risks was recorded in 2017 or 2018.

**(e) Closed Years of Account**

At the end of the third calendar year that an underwriting year is open, the year normally closes by way of reinsurance into the following open underwriting year. The Managing Agents determine the amount of the reinsurance to close premium payable, generally by estimating the cost of claims notified but not settled at 31 December, together with the estimated cost of claims incurred but not reported at that date, and an estimate of future claims handling expenses. The open underwriting year into which the closed underwriting year is reinsured bares the risk of any subsequent variation in the ultimate liabilities of the closed year.

The payment of a reinsurance to close premium does not relieve the closed year from its primary obligations for outstanding claims. If the reinsuring syndicate is unable to meet its obligations and the other elements of

Lloyd's chain of security failed, then the closed underwriting year would have to settle the outstanding claims. The Directors consider the likelihood of such a reinsurance to close failure to be remote and therefore deem reinsurance to close as settlement of the liabilities outstanding at the closure of an underwriting year. The Company includes its share of the reinsurance to close premiums payable in its technical provisions at the balance sheet date, and the Company makes no further provision for any potential risk of variation in the ultimate liability of closed years.

**(f) Run - Off Years of Account**

If an underwriting year is not closed at the end of the third calendar year that it is open (a "run-off" year), the Company makes a provision for the estimated cost of all known and unknown outstanding liabilities of that year. The Managing Agent first determines the provision on a similar basis to the reinsurance to close. The Company, however, determines any subsequent variation in the ultimate liabilities for that year. Therefore, the Company will continue to report movements in its results from any run-off year after the third calendar year until it secures reinsurance to close.

The Company had no run-off years at 31 December 2017 or 2018.

**(g) Claims Incurred, Net of Reinsurance**

Gross claims incurred consist of the estimated cost of settling all claims occurring during the period, whether reported or not, including related claims handling expenses. The Company anticipates subrogation recoveries when it sets provisions for reported claims. The Company accounts for reinsurance recoveries when it incurs the related losses.

The provision for claims outstanding includes the estimated cost of claims incurred but not reported ('IBNR') at the balance sheet date. A variety of estimation techniques are used generally based upon statistical analyses of historical experience and includes adjustments for catastrophes and other significant events, changes in historical trends, economic and social conditions, judicial decisions, and legislation, as necessary.

In evaluating the provision, the Directors use the findings of the Syndicate actuaries, which include an associated third party claims administrator's loss estimates for large catastrophes.

Large claims impacting each relevant business class are generally assessed separately, being measured on a case by case basis or projected separately in order to allow for the possible distorting effect of the development and incidence of these large claims.

Due to the Syndicates' limited history and small population of insured and reinsured claims, the provision for claims outstanding is subject to significant variability. While the Directors believe that the recorded provision for gross claims and reinsurance recoveries is adequate, establishing this liability is a judgmental and inherently uncertain process. Therefore, it is possible that actual losses may not conform to the assumptions that have been used in determining the amount of this provision. Accordingly, the ultimate provision may be significantly greater or less than the outstanding amount held at the balance sheet date. The Company recognises adjustments to the provision for claims outstanding in the profit and loss account when known. Due to its inherent nature Claims IBNR may not be apparent to the insurer until many years after the event giving rise to the claim has happened. Classes of business where the IBNR proportion of the total reserve is high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves. Classes of business where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility.

The Directors base the reinsurers' share of the provision for claims outstanding on the provisions for reported claims and IBNR, net of estimated irrecoverable amounts from potential reinsurer insolvencies based on the type of balance and security ratings of the involved reinsurers.

**(h) Acquisition Costs, Net of Reinsurance**

Acquisition costs consist of the Company's share of Syndicate related coverholder and ceding commissions (on inward reinsurance acceptances) primarily related

to the production of new and renewal business. The Company defers acquisition costs to the extent that they are attributable to unearned premiums at the balance sheet date and expenses them as it earns the underlying insurance contract premiums. The Company includes acquisition costs in net operating expenses. The Company defers recoveries of acquisition costs (ceding commissions) from outward reinsurers and includes them in accruals and deferred revenue. The Company earns ceding commissions as it expenses underlying reinsurance contract premiums and includes them in net operating expenses under reinsurance commissions and profit participation.

**(i) Investments**

Investments consist of the Company's share of the Syndicates' shares and other variable yield securities and debt securities and other fixed-income securities. The Company carries investments at current or market value.

**(j) Investment Return**

Investment return primarily consists of income from the Company's share of the Syndicates' investments, gains and losses on the realisation of investments, and movements in unrealised gains and losses on investments, net of investment management expenses. Income from investments consists of interest, which the Company recognises when earned. The Company bases realised gains and losses on investments on the difference between the sale proceeds and the cost of the investment. Movements in unrealised gains and losses on investments represent the difference between the carrying value of investments at the balance sheet date and the purchase price of investments in earlier accounting periods, after considering investment disposals. Investment management expenses consist of investment custodian and management fees.

The Company first records its investment return in the non-technical account. The Company then transfers this return to the general business technical account to reflect the investment return on funds supporting the Syndicates' underwriting business; no funds outside of those in the Syndicate support the Company's underwriting business.



**(k) Net Operating Expenses**

The Company recognises operating expenses when incurred. Operating expenses include acquisition costs and the change in deferred acquisition costs, administrative expenses, and reinsurance commissions and profit participation. Administrative expenses consist of:

- i. the Company's share of Syndicate operating costs,
- ii. Managing Agent fees and profit commissions,
- iii. Lloyd's membership costs, and
- iv. the reimbursement of administrative expenses from the Parent reinsurer that proportionately reinsures all of the Company's underwriting business from the Syndicate.

The Company also includes its share of the Syndicates' brokerage sharing from reinsurance brokers that place reinsurance coverage for the Syndicate in administrative expenses. The Company recognises brokerage sharing as revenue when brokers place the reinsurance coverage.

Reinsurance commissions and profit participation consist of (a) the Company's share of the Syndicates' ceding and contingent profit commissions from outward reinsurers and (b) the recovery of acquisition costs from the Parent reinsurer that proportionately reinsures all of the Company's underwriting business from the Syndicate.

**(l) Current Taxation**

The Company makes a provision for current U.K. taxes based on its taxable result for the period after considering permanent and timing differences between the treatment of certain items for book and tax. The Company also makes a provision for current U.S. federal tax where due based on U.S. taxable income for the period.

**(m) Deferred Taxation**

The Company makes a full provision for deferred taxation on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when these items reverse based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the annual accounts. The Company recognises deferred tax assets to the extent that it is probable that they will be recovered. The Company does not discount deferred tax assets and liabilities.

**(n) Foreign Currency Translation**

The Company's functional and reporting currency is GBP. The Company measures foreign currency monetary assets and liabilities at the closing exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities at the balance sheet date are maintained at the rate of exchange ruling when the contract was entered into except for non-monetary assets and liabilities arising out of insurance contracts which are treated as monetary items in accordance with FRS 103 Insurance Contracts ("FRS 103"). Foreign currency revenues and expenses are measured at the historical exchange rates in effect at the time of the related transactions.

**(o) Critical accounting judgements and key sources of estimation uncertainty**

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The management and control of each Syndicate the Company participates on is carried out by the managing agent of that Syndicate, and the Company looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate. The critical accounting judgements and key sources of estimation uncertainty set out below therefore relate to those made by the Directors in respect of the Company only, and do not include estimates and judgements made in respect of the Syndicates.

The critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

#### ***Assessing indicators of impairment***

In assessing whether there have been any indicators of impairment assets, the Syndicates have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

#### ***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### ***Recoverability of receivables***

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers. No provisions have been recognised at the year end.

#### ***(5) Management of Financial Risk***

The Company is exposed to the following financial risks in the course of its operating and financing activities:

- Credit risk
- Liquidity risk
- Interest rate risk; and
- Foreign exchange risk

The management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Company looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate, including those in respect of financial risk management. The following qualitative risk management disclosures made by the Directors relate to the Corporate activity only. The quantitative disclosures are made in respect of both the Corporate and the Syndicates.

#### ***Credit risks***

Credit risk is the risk that a counterparty to the Company's financial instruments will cause a loss to the Company through failure to perform its obligations. The key areas of exposure to credit risk for the Company result through its reinsurance programme, investments and bank deposits.

The risk of default by the Parent Reinsurer is mitigated by a £24.2m letter of credit and funds of £98.1m provided by the Parent to Lloyd's (Funds at Lloyd's) to collateralise its reinsurance obligations to the Company.

The Company manages credit risk at the Corporate level by ensuring that investments and cash and cash equivalent deposits are placed only with highly rated credit institutions. The carrying amount of the Company's financial assets represents the Company's maximum exposure to credit risk.

The tables below show the credit quality of financial assets that are neither past due or impaired.

	2018 Syndicate participation £000						
	AAA	AA	A	BBB	BBB or lower	Not rated	Total
Shares and other variable yield securities and unit trusts	2,613	-	1,189	-	-	18	3,820
Debt securities	2,708	1,949	3,941	262	-	-	8,859
Deposits with credit institutions	-	-	594	-	-	-	594
Overseas deposits as investments	1,058	250	142	100	78	249	1,877
Deposits with ceding undertakings	-	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	694	83,915	10	-	2,171	86,790
Reinsurance debtors	-	-	50,667	-	-	268	50,935
Cash at bank and in hand	-	2,747	609	-	-	-	3,356
<b>Total</b>	<b>6,379</b>	<b>5,640</b>	<b>141,057</b>	<b>372</b>	<b>78</b>	<b>2,706</b>	<b>156,232</b>

	2017 Syndicate participation £000						
	AAA	AA	A	BBB	BBB or lower	Not rated	Total
Shares and other variable yield securities and unit trusts	2	1,369	870	-	-	-	2,241
Debt securities	920	965	1,543	-	-	-	3,428
Deposits with credit institutions	-	-	200	-	-	-	200
Overseas deposits as investments	338	75	70	35	16	68	602
Deposits with ceding undertakings	-	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	1,568	56,004	4	796	1,143	59,515
Reinsurance debtors	-	2	41,184	-	-	-	41,186
Cash at bank and in hand	-	-	984	-	-	-	984
<b>Total</b>	<b>1,260</b>	<b>3,979</b>	<b>100,855</b>	<b>39</b>	<b>812</b>	<b>1,211</b>	<b>108,156</b>

The tables below show the ageing and impairment of financial assets by class on instruments.

	2018 Syndicate participation £000						
	Neither duenor impaired	Up to three months	Three to six months	Six Months to one year	Greater than one year	Financial assets that have been impaired	Total
Shares and other variable yield securities and unit trusts	3,820	-	-	-	-	-	3,820
Debt securities	8,859	-	-	-	-	-	8,859
Deposits with credit institutions	594	-	-	-	-	-	594
Overseas deposits as investments	1,877	-	-	-	-	-	1,877
Reinsurer share of claims outstanding	86,790	-	-	-	-	-	86,790
Reinsurance debtors	50,593	-	342	-	-	-	50,935
Cash at bank and in hand	3,356	-	-	-	-	-	3,356
Insurance debtors	4,310	532	274	118	58	-	5,292
Other debtors	(4,723)	4,814	943	35	20	-	1,089
<b>Total</b>	<b>155,476</b>	<b>5,346</b>	<b>1,559</b>	<b>153</b>	<b>78</b>	<b>-</b>	<b>162,612</b>

	2017 Syndicate participation £000						
	Neither duenor impaired	Up to three months	Three to six months	Six Months to one year	Greater than one year	Financial assets that have been impaired	Total
Shares and other variable yield securities and unit trusts	2,241	-	-	-	-	-	2,241
Debt securities	3,428	-	-	-	-	-	3,428
Deposits with credit institutions	200	-	-	-	-	-	200
Overseas deposits as investments	602	-	-	-	-	-	602
Reinsurer share of claims outstanding	59,515	-	-	-	-	-	59,515
Reinsurance debtors	41,165	-	8	7	6	-	41,186
Cash at bank and in hand	984	-	-	-	-	-	984
Insurance debtors	2,514	757	365	363	233	-	4,232
Other debtors	1,007	94	44	3	-	-	1,148
<b>Total</b>	<b>111,656</b>	<b>851</b>	<b>417</b>	<b>373</b>	<b>239</b>	<b>-</b>	<b>113,536</b>

At the Corporate level the Company is not exposed to significant credit risk. Consequently a sensitivity analysis for credit risk has not been presented for the Corporate.

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. At the Corporate level the Company manages liquidity by continuously monitoring forecast and actual cash flows.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date of which the Company can be required to pay.

	2018 Syndicate participation £000					
	No stated maturity	Less than 1 year	1 to 3 years	3 to 5 years	Greater than 5 years	Total
Derivatives	-	-	-	-	-	-
Deposits received from reinsurers	-	-	-	-	-	-
Claims outstanding	-	25,992	33,515	15,745	11,538	86,790
Creditors	(89)	117,318	-	-	-	117,229
Other	-	-	-	-	-	-
<b>Total</b>	<b>(89)</b>	<b>143,310</b>	<b>33,515</b>	<b>15,745</b>	<b>11,538</b>	<b>204,019</b>

	2017 Syndicate participation £000					
	No stated maturity	Less than 1 year	1 to 3 years	3 to 5 years	Greater than 5 years	Total
Derivatives	-	-	-	-	-	-
Deposits received from reinsurers	-	-	-	-	-	-
Claims outstanding	-	11,813	37,659	5,569	4,474	59,515
Creditors	605	2,389	-	-	8,744	11,738
Other	-	-	-	-	-	-
<b>Total</b>	<b>605</b>	<b>14,202</b>	<b>37,659</b>	<b>5,569</b>	<b>13,218</b>	<b>71,253</b>

At the Corporate level the Company is not exposed to significant liquidity risk. Consequently a maturity profile has not been presented for the Corporate.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to the risk of interest rate fluctuations in respect of cash and cash equivalents.

The table below shows the impact of changes in interest rates on the profit or loss for the period and on the equity of the Company.

	2018 £000	2017 £000
Impact of 50 basis points increase/(decrease) on result	-	-
Impact of 50 basis points increase/(decrease) on net assets	-	-

The impact of interest rates on the Company's share of the Syndicate results is nil as the Parent Reinsurer' proportionately reinsures 100% of all of the Company's underwriting business from the Syndicates.

#### (6) Segment Reporting

The tables below detail the Company's underwriting results before investment return by class of business.

	2018 £000					
	Gross premiums written	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance Balance	Total
Accident and health	100	641	(334)	(598)	293	2
Motor – third party liability	-	-	-	-	-	-
Motor - other classes	354	386	(236)	(143)	(8)	(1)
Marine, aviation and transport	2,386	2,836	(1,943)	(1,706)	818	5
Fire and other damage to property	28,307	20,185	(24,021)	(6,317)	10,305	152
Third party liability	10,011	8,593	(5,627)	(3,188)	206	(16)

At the Company level the Company is not exposed to significant cash flow interest, consequently a sensitivity analysis for interest rate risk has not been presented for the Corporate.

#### Currency risk

The Company holds both assets and liabilities denominated in currencies other than Sterling, its functional currency. It is therefore exposed to currency risk as the value of the foreign currency assets and liabilities will fluctuate in line with changes in foreign exchange rates.

At the Corporate level the Company manages currency risk by ensuring that exchange rate exposures are managed within the approved policy parameters.

The Company has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate and it has further undertaken not to interfere with the exercise of such management and control. The managing agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised. As such, disclosures in respect of the assumptions and judgements made, and the objectives, policies and processed for managing currency risk arising from assets and liabilities are only presented for the Corporate in these financial statements.

	2018 £000					
	Gross premiums written	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance Balance	Total
Credit and suretyship	896	934	(256)	(339)	(347)	(8)
Legal expenses	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Reinsurance	24,903	25,219	(22,321)	12,216	(15,323)	(209)
<b>Total</b>	<b>66,957</b>	<b>58,794</b>	<b>(54,738)</b>	<b>(75)</b>	<b>(4,056)</b>	<b>(75)</b>

	2017 £000					
	Gross premiums written	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance Balance	Total
Accident and health	1,875	4,028	(2,145)	(1,339)	(625)	(81)
Motor – third party liability	-	-	-	-	-	-
Motor - other classes	215	180	(264)	(54)	144	6
Marine, aviation and transport	2,569	3,246	(3,577)	(1,417)	1,806	58
Fire and other damage to property	4,526	6,860	(8,286)	(2,447)	4,026	153
Third party liability	6,202	3,772	(2,441)	(1,824)	459	(34)
Credit and suretyship	1,073	619	(366)	(282)	21	(8)
Legal expenses	6	5	(3)	(2)	-	-
Miscellaneous	-	-	-	-	-	-
Reinsurance	24,984	19,627	(25,476)	7,118	(1,610)	(341)
<b>Total</b>	<b>41,450</b>	<b>38,337</b>	<b>(42,558)</b>	<b>(247)</b>	<b>4,221</b>	<b>(247)</b>

Included in the reinsurance balance are reinsurance commissions and profit participation of £1,601k (2017: income of £1,429k). All insurance business is underwritten in the UK in the Lloyd's insurance market, which has been treated as one geographical segment for the purpose of Segmental Reporting.

#### (7) Investment Return

	2018 £000	2017 £000
Income from investments	495	508
Realised gains on investments	10	3
Unrealised loss on investments	(46)	(52)
<i>Investment expenses and charges</i>	(71)	(31)
Reinsurer share of investment return	(388)	(428)
	-	-

#### (8) Net Operating Expenses

	2018 £000	2017 £000
Acquisition costs	(12,539)	(7,404)
Change in deferred acquisition costs	1,940	63
Administrative expenses	(5,851)	(3,319)
Personal expenses	(1,484)	(755)
Reinsurance commissions and profit participations	17,859	11,168
Total	(75)	(247)

Net operating expenses represent the Company's share of expenses incurred directly by the Syndicates, less the recovery of these expenses from the Parent Reinsurer that proportionately reinsures all of the Company's underwriting business from the Syndicates.

During the year the Company paid brokerage fee of £75,000

(2017: £247,000) which is paid from the over-rider provided by the Parent Reinsurer.

#### (9) Profit on Ordinary Activities Before Tax

This table details the charges (credits) to profit on ordinary activities before taxation in the non-technical account under other income and charges.

	2018 £000	2017 £000
Professional fees	(71)	(78)
Foreign exchange gain	18	-
Investment income	1,120	-
Unrealised loss on investments	(240)	-
Other expenses	(75)	(247)
Reinsurer reimbursements of member expenses	500	300
	1,252	25

Agreed fees for the audit of these annual accounts are £5,880 (2017: £5,880). The total balance payable (including fees accrued but not yet due) to the Company's auditor at 31 December 2018 was £5,880 (2017: £5,880).

#### (10) Tax on Profit on Ordinary Activities

##### (a) Analysis of Tax Charge During the Period

This table summarises the tax charge/ (credit) on the Company's profit on ordinary activities during the period.

	2018 £000	2017 £000
Current tax:		
UK corporation tax	225	-
Foreign tax	(24)	-
Total current tax	201	-
Deferred tax: (Note 17)	11	(3)
Tax on profit on ordinary activities	212	(3)



**(b) Factors Affecting the Tax for the Period**

This table summarises why the current tax charge/ (credit) for the period is different than the tax from applying the main U.K. corporation tax rate to the Company's profit on ordinary activities.

	2018 £000	2017 £000
Profit / (loss) on ordinary activities before tax	1,252	(25)
Effects of: Corporation tax in the UK of 19% (2017: 19.25%)	238	(5)
Effect of change in tax rates	(2)	2
Double tax relief	(24)	-
Total charge for the year	212	(3)

**(c) Factors Affecting Tax Charges in Future Years**

The UK corporation tax rate for the year ended 31 December 2018 was 19% (2017: 19.25%). Further reductions have been made, to 17%, with effect from 1 April 2020. These changes in the tax rate will reduce the Company's future current tax charge accordingly.

**(11) Directors' Compensation and Staffing**

The Directors did not receive any compensation for their services during 2018 (2017: £Nil).

The Company has no employees.

**(12) Other Financial Investments**

	2018 £000		2017 £000	
	Marketvalue	Cost	Marketvalue	Cost
Shares and other variable yield securities	3,820	3,820	2,241	2,241
Debt securities and other fixed income securities	8,859	8,950	3,428	3,462
Deposits with credit institutions	594	594	200	200
Total	13,273	13,364	5,869	5,903

All shares and other variable yield securities are listed.

The investments held at 31 December 2018 are carried at fair value through profit and loss and have been categorised between the three levels of the fair value hierarchy that reflects the observability and significance of inputs used when establishing the fair value.

**Level 1**

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Examples are listed debt securities in active markets or listed equities in active markets or listed deposits held with credit institutions in active markets.

**Level 2**

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and fair value is determined through the use of models or other valuation methodologies. Level 2 inputs include quoted prices for similar (i.e. not identical) assets in active markets, quoted prices for identical or similar assets in markets that are not active or in which little information is released publicly, unlisted deposits held with credit institutions in active markets, low volatility hedge funds where tradeable net asset values are published.

**Level 3**

Inputs to Level 3 fair values are inputs that are unobservable for the asset. Unobservable inputs have been used to measure

fair value where observable inputs are not available, allowing for situations where there is little or no market activity. Unobservable inputs reflect assumptions that the Society considers that market participants would use in pricing the

asset and have been based on a combination of independent third party evidence and internally developed models.

The table below sets out the Company's financial investments held at fair value through profit and loss by level of hierarchy.

2018 Fair value hierarchy	Level 1 2018 £000	Level 2 2018 £000	Level 2018 £000	Held at Amortised Cost 2018 £000	Total 2018 £000
Shares and other variable yield securities	3,820	-	-	-	3,820
Debt securities and other fixed income securities	8,859	-	-	-	8,859
Overseas deposits	594	-	-	-	594
	13,273	-	-	-	13,273

2017 Fair value hierarchy	Level 1 2017 £000	Level 2 2017 £000	Level 2017 £000	Held at Amortised Cost 2017 £000	Total 2017 £000
Shares and other variable yield securities	2,241	-	-	-	2,241
Debt securities and other fixed income securities	3,428	-	-	-	3,428
Overseas deposits	200	-	-	-	200
	5,869	-	-	-	5,869

### (13) Capital and Reserves

The Company had one authorised, issued, and fully paid up ordinary share with a nominal value of £1 at the balance sheet date. At 31 December 2018 this share was issued and paid.

This table reconciles the movement in the profit and loss account during the period.

	2018 £000	2017 £000
Profit and loss account at beginning of year	24	46
(Loss)/profit for the financial year	1,040	(22)
Profit and loss account at end of year	1,064	24

### (14) Technical Provisions and reinsurance share of Deferred Acquisition Costs

	2018 £000	
	Provision for unearned premiums	Claims outstanding
Gross technical provisions:		
At 1 January 2018	18,723	59,515
Foreign exchange differences	1,092	1,383
Movement in provision	8,163	25,892
At 31 December 2018	27,978	86,790

	2018 £000	
	Provision for unearned premiums	Claims outstanding
Reinsurers' share of technical provisions:		
At 1 January 2018	(15,227)	(59,515)
Foreign exchange differences	842	(1,383)
Movement in provision	(8,163)	(25,892)
At 31 December 2018 (i)	(22,548)	(86,790)
Deferred acquisition costs:		
At 1 January 2018	(3,496)	-
Foreign exchange differences	(1,934)	-
At 31 December 2018	(5,430)	-
Total	-	-

(i) The reinsurance share of the deferred acquisition costs is included within the reinsurance share of technical provisions of unearned premium.

This table summarises the gross and reinsurers' share of claims outstanding by category.

	2018 £000		
	Gross	Reinsurers' share	Net
Claims notified	33,542	33,542	-
Claims IBNR	53,248	53,248	-
Total	86,790	86,790	-

### (15) Other Creditors

	2018 £000	2017 £000
US federal excise taxes and other taxes payable	-	-
Amounts owed to associated and group companies	113,724	8,744
Amounts recoverable from Syndicate	-	-
Amounts owed to others	3,505	2,994
Total	117,229	11,738

The amount of £106,724k is due to the Company's Parent Company which has been used to provide Funds at Lloyd's ("FAL") (Note 19). These funds are not readily accessible and repayment of this liability will not be possible until the FAL is released. Therefore this liability is not readily repayable within a year.

### (16) Corporate assets and liabilities

The majority of the assets and liabilities shown in the balance sheet arise from the Company's share of the assets and liabilities of the Syndicates on which it participates.

The following table shows the assets and liabilities that relate to the Company itself:

	2018 £'000	2017 £'000
<b>Assets</b>		
Reinsurers' share of technical provisions:		
Provision for unearned premiums	17,155	10,387
Claims outstanding	64,533	38,550
Debtors arising out of reinsurance operations	345	45
Cash at bank and in hand	949	137
Deferred tax asset	-	3
Total assets	82,982	49,122

	2018 £'000	2017 £'000
<b>Liabilities</b>		
Creditors arising out of reinsurance operations	54,829	38,611
Amounts owed to associated and group companies	106,724	-
Corporation tax	200	-
Other creditors	148	149
Accruals and deferred income	24	23
Total liabilities	161,925	38,783

**(17) Deferred tax asset**

The asset recognised for deferred tax in the financial statements is as follows:

	2018 £'000	2017 £'000
<b>Asset recognised in the balance sheet</b>		
Opening balance at the start of the year	11	9
(Charge) / credit for the year	(11)	2
Total deferred tax asset	-	11

The deferred tax asset has been used in the current year.

**(18) Net Portfolio Investment**

2018 Movement in net portfolio investment	At 1 January 2018 £000	Change in Market Value £000	Cash Flow £000	At 31 December 2018 £000
Shares and other variable yield securities	2,241	-	1,579	3,820
Debt securities and other fixed income securities	3,428	-	5,431	8,859
Overseas deposits	602	-	1,275	1,877
	6,271	-	8,285	14,556
2017 Movement in net portfolio investment	At 1 January 2017 £000	Change in Market Value £000	Cash Flow £000	At 31 December 2017 £000
Shares and other variable yield securities	1,351	-	890	2,241
Debt securities and other fixed income securities	1,855	-	1,573	3,428
Overseas deposits	240	-	362	602
	3,446	-	2,825	6,271

**(19) Funds at Lloyd's**

The Company's Parent company proportionately reinsures all of the Company's underwriting results from the Syndicate and provided a £24.2 million (2017: £24.2 million) letter of credit to Lloyd's to collateralise its reinsurance obligations to the Company. During the year the Parent company contributed £98.1m towards the Funds at Lloyd's, in the form of cash, included under creditors on the Company balance sheet.

**(20) Immediate and Ultimate Parent**

The Company's immediate and also its ultimate parent is the General Insurance Corporation of India, a company registered in India. The ultimate controlling party is the Government of India. Copies of the group's consolidated financial statements can be obtained at [www.gicofindia.com](http://www.gicofindia.com).

**(21) Related Parties**

The Parent Company, General Insurance Corporation of India (wholly owned by the Government of India), proportionally reinsures all of the Company's Underwriting results arising from the Syndicates. The company is not required to disclose related party transactions as they are with companies that are wholly owned within the group.

**(22) Contingent Liabilities*****Legal Proceedings***

The Syndicates and wider group are regularly involved in various legal proceedings in the ordinary course of their insurance business. The Directors believe the outcome of these proceedings will not have a material adverse effect on the Company's financial position or future profitability.



## Notice of Annual General Meeting

### GENERAL INSURANCE CORPORATION OF INDIA

(A Government of India Company)

**Regd. Office:** 'Suraksha', 170, J. Tata Road, Churchgate, Mumbai

**Tel:** +91-22-2286 7000 **Fax:** +91-22-2288 4010 **Website:** www.gicofindia.com

**CIN:** L67200MH1972GOI016133 **IRDAI REG. NO.:** 112

#### NOTICE

**NOTICE** is hereby given that the **47<sup>th</sup> ANNUAL GENERAL MEETING** of the members of the **GENERAL INSURANCE CORPORATION OF INDIA** will be held at the "Y. B. Chavan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400021 (Maharashtra) on Tuesday, the 27<sup>th</sup> August 2019 at 3.00 p.m. to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Corporation for the Financial Year ended 31<sup>st</sup> March 2019, the Consolidated Financial Statements for the said Financial Year and the Reports of the Board of Directors and the Auditors thereon.
2. To declare the dividend of ₹ 6.75 per equity share for the Financial Year 2018-19, as recommended by the Board of Directors.
3. To authorize the Board of Directors to fix the remuneration of the Joint Statutory Auditors appointed by the Comptroller and Auditor General of India (C&AG) for the Financial Year 2019-20.
4. To consider an increase in the remuneration payable to the Joint Statutory Auditors for Financial Year 2018-19 from ₹ 38,20,000/- approved by the Shareholders in 46<sup>th</sup> Annual General Meeting, to ₹ 60,00,000/- and if thought fit, pass with or without modification the following as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 142 of the Companies Act, 2013 and with the prior approval of the Board, the Shareholders in modification of the earlier resolution with respect to fixing of remuneration of Auditors for the year 2018-19, hereby accord their consent to increase the remuneration payable to Joint Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AG), for the year 2018-19 from ₹ 38,20,000/- to ₹ 60,00,000/- excluding taxes applicable thereon, to be shared equally by them for the audit carried out by them of Standalone and Consolidated financial accounts for the year 2018-19 (including quarterly and half yearly review)."

**"FURTHER RESOLVED THAT** no travelling, halting, out of pocket expenses etc. shall be paid to the Auditors as per terms of appointment letter issued by C&AG for the year 2018-19."

5. To appoint a Director in place of Shri Ravi Mital (DIN: 06507252), who retires by rotation and being eligible, offers himself for reappointment.

**Date:** Monday, 29<sup>th</sup> July 2019

#### **Registered Office:**

"Suraksha", 170, J. Tata Road,  
Churchgate, Mumbai – 400 020

**By the Order of the Board of Directors**  
For General Insurance Corporation of India

**Sd/-**  
**(Suchita Gupta)**  
**Company Secretary**

### NOTES:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE CORPORATION.**
2. The proxy form in order to be valid and effective must be delivered at the registered office of the Corporation as per attached format, duly filled, stamped & signed not later than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.
3. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Corporation, carrying the voting rights. In case a member holding more than ten percent (10%) of the total share capital of the Corporation carrying the voting right may appoint a single person as proxy and such person cannot act as a proxy for any other shareholder.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting either to the Corporation in advance or submit the same at the venue of the Annual General Meeting.
5. Pursuant to Section 143(5) of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C & AG) and in terms of subsection (1) of Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in General Meeting may determine. Accordingly, the members are requested to authorize the Board of Directors of the Corporation to fix the remuneration of the Joint Statutory Auditors duly appointed by the Comptroller and Auditor General of India for the financial year 2019-20.
6. As required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of Shri Ravi Mital (DIN: 06507252), Director retiring by rotation and seeking re-appointment under Item no. 5 of the notice on the same terms and conditions as earlier approved by the President of India is as under:  
  
Ravi Mital, Non-Executive Director holds a bachelor's degree in engineering (Mechanical Engineering). Shri Mital, Additional Secretary, Department of Financial Services, Ministry of Finance, is a 1986 batch Indian Administrative Services Officer of Bihar Cadre. Previously, he has worked as Principal Secretary (Finance), Government of Bihar.  
  
He does not have any relationship with other Director's inter-se; Key Managerial Personnel and their immediate relatives. Further, he does not hold any shares in the Corporation.  
  
He is on the Board of Punjab National Bank, a listed company and is a member of the Audit Committee and Nomination and Remuneration Committee.
7. **Record date for Dividend:**  
  
The Corporation has announced Record date of Monday, 22<sup>nd</sup> July 2019 and accordingly Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2018-19, if approved would be paid on or after 28<sup>th</sup> August 2019, to those eligible members whose name appeared:
  - i. As Beneficial Owners, as on Monday, 22<sup>nd</sup> July 2019 as per the list furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in Dematerialized form, and

- ii. As Members in the Register of Members of the Corporation as on Monday, 22<sup>nd</sup> July 2019 in respect of shares held in Physical Form, after giving effect to all valid share transfers in physical form lodged with the Corporation or its Registrar & Transfer Agent (R&TA) on or before 22<sup>nd</sup> July 2019.

### 8. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

- a. Members are hereby informed that Dividends which are not encashed or remain unclaimed for a period of seven years have to be transferred by the Corporation to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 125 of the Companies Act, 2013.

We give below the details of Dividend paid by the Corporation and respective due date of transfer to the Fund of the Central Government if they remain unclaimed/un-encashed/unpaid:

Date of Declaration of Dividend	Dividend for the Financial Year	Proposed Month and Year of Transfer to the Fund
05.09.2018	2017-18	October 2025

It may please be noted that under the provisions of Section 125 (4) of the Companies Act, 2013, any person claiming to be entitled to the amount referred to subsection 2 of Section 125 may apply to authority constituted under sub-section 5 for refund of dividends from IEPF.

- b. Pursuant to Section 124 (6) of Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the shares in respect of which dividend is unclaimed for a period of seven consecutive years are required to be transferred by the Company to IEPF Authority.

In view of above provisions, members are requested to kindly ensure updation of their bank details and also encash their dividend warrants/demand drafts.

### 9. **Payment of Dividend through electronic means:**

Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of dividend directly to the bank account of the members. Hence, members are requested to opt for **Electronic Credit** of dividend payment and ensure registration/updation of their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR code & 11 digit IFSC), in respect of shares held in dematerialized form with their respective Depository Participant i.e. the agency where the demat account has been opened and in respect of shares held in physical form with the RTA at the address given in 15(ii) below or at the registered office of the Corporation.

### 10. **Transfer of Shares:**

In terms of Regulation 40(7) read with Schedule VII of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is mandatory for the transferor and the transferee(s) to furnish copy(ies) of their PAN card(s) for registration of transfer of shares.

In case where PAN card is not available i.e. in case of residents of Sikkim, the identity proof shall be submitted for registration of such transfer of securities.

SEBI has recently amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from 1<sup>st</sup> April 2019. Accordingly, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository, except in case of transmission or transposition of shares or Deletion of Name due to death.



### 11. **Nomination:**

Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members/Beneficial Owners are entitled to make nomination in respect of Shares held by them in Form No. SH-13. Shareholders holding shares in single name and physical form are advised to make nomination in respect of their holding in the Corporation by submitting duly completed Form No SH-13 with the Corporation and to their respective Depository Participant in case of shares held in electronic form. Joint Holders can also use nomination facility for shares held by them.

The Nomination form can be downloaded from the Corporation's website [www.gicofindia.com](http://www.gicofindia.com) under Section "Investors".

### 12. **Members' holding shares in Multiple Folios:**

Members holding shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Transfer Agent, M/s. Karvy Fintech Private Limited for consolidation into a single folio. Members holding shares in Dematerialized form are also requested to consolidate their shareholding.

### 13. **Green Initiative:**

In support of the "Green Initiative" measure taken by Ministry of Corporate Affairs, Government of India, New Delhi, enabling electronic delivery of documents and also in line with circular Ref. No. CIR/CFD/DIL/7/2011 dated 5<sup>th</sup> November 2011 issued by Securities and Exchange Board of India (SEBI) and as prescribed under the relevant provisions of the Companies Act, 2013 and the Rules made thereunder, Corporation has sent Annual Reports in Electronic Mode to the Members who have registered their E-mail IDs either with the Registrar and Transfer Agent or with the Respective Depositories unless any member has requested for a physical copy of the same.

However, an option is available to the Members to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No./Client ID & DP ID to Corporation or to Registrar and Transfer Agent (R&TA). For Members who have not registered their e-mail address, physical copies of the Annual Report are being sent by the permitted mode.

The Annual Report duly circulated to the members of the Corporation, is also available on the Corporation's website at [www.gicofindia.com](http://www.gicofindia.com).

14. Relevant documents referred in the accompanying notice are open for inspection by the members at the Registered Office of the Corporation on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the Annual General Meeting.

15. Members may send their requests for change / updation of Address, Bank A/c details, ECS mandate, E-mail, Nominations:

- i. For shares held in dematerialised form - to their respective Depository Participant
- ii. For shares held in physical form - to the R&TA, M/s. Karvy Fintech Private Limited, Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032. Tel. No.: (040) 67161562; Fax No.: (040) 23001153; E-mail Address: [einward.ris@karvy.com](mailto:einward.ris@karvy.com) or at the registered office of the Corporation.

### **Non-Resident Members:**

Non-Resident Indian Members are requested to inform Registrar and Transfer Agent, immediately of:

- a. Change in their local address in India for correspondence and e-mail ID for sending all e-communications

- b. Change in their residential status on return to India for permanent settlement.
- c. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC, MICR No. and address of the bank, if not furnished earlier, to enable Corporation to remit dividend to the said Bank Account directly.

16. Members / Proxies attending the Meeting should bring the Admission Slip, duly filled, for handing over at the venue of the meeting.

### 17. Webcast Facility

The Corporation will be providing the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of Karvy at <https://evoting.karvy.com/> using their secure login credentials. Members are encouraged to use this facility of webcast.

### 18. Web check-in

To facilitate smooth registration / entry at the AGM, the Corporation is providing a web check-in facility, which will help the Members enter the AGM hall expeditiously.

The Procedure for web check-in for the AGM is as follows:

- Log in to <https://karisma.karvy.com> and click on the AGM Web Check-in link.
- Select the Company name, 'General Insurance Corporation of India'.
- Enter the security credentials as directed and click on 'Submit'.
- After validating the credentials, click on 'Generate my Attendance Slip'.
- The Attendance Slip in PDF format shall appear on the screen. Select the print option for printing or download the Attendance Slip for future reference.
- Upon successful registration, you are requested to bring the hardcopy or downloaded version of the Attendance slip along with the photo identity proof at the venue of the AGM.

19. In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporation is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.

The cut-off date to be eligible to vote by electronic means is Tuesday, 20<sup>th</sup> August 2019.

### 20. Facility for E-Voting

- a) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
  - by email to those members whose email ID is registered with the Corporation / Depository Participant.
  - by post to those members whose email ID is not registered with the Corporation / Depository Participant.
- b) The instructions and other information relating to e-voting are as under:
  - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
    - For first time users:

- Enter the login credentials i.e. User ID and Password mentioned in the notice.
- After entering these details appropriately, Click on "LOGIN".
- You will now reach password change Menu wherein you are required to mandatorily change your password with a password of your choice that meets the criteria stated on the webpage.
- You need to login again with the new password.
- For existing users already registered with Karvy for e-voting: Please use your existing User ID and password for logging in.

**It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

- ii. On successful login, the system will prompt you to select the "EVEN" i.e. **General Insurance Corporation of India.**
  - iii. On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR /AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".
  - iv. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as "ABSTAIN".
  - v. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
  - vi. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
  - vii. A confirmation box will be displayed Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
  - viii. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., to the Scrutinizer at email ID: [scrutinizer@snaco.net](mailto:scrutinizer@snaco.net) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format **"GIC RE 47 AGM"**.
21. The e-voting would commence on Thursday, 22<sup>nd</sup> August 2019 at 09:00 A.M. (IST) and end on Monday, 26<sup>th</sup> August, 2019 at 05.00 P.M (IST). During this period, the eligible members of the Corporation may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter.
  22. Facility for voting would also be made available at the AGM venue. Members who cast their votes electronically should not vote at the AGM. However, in case a member votes electronically as well as at the AGM, the vote cast at the AGM will be ignored.
  23. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>.
  24. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Corporation, as on the cut-off date.

25. The Corporation has appointed Shri S. N. Ananthasubramanian, FCS and in his absence Smt. Alpana S. Pobi, FCS from S.N. Ananthasubramanian & Co., Company Secretaries as Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.
26. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least 2 (two) witnesses not in the employment of the Corporation and submit not later than 48 hours of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Corporation or such other officer authorized by the Chairman.
27. The results on resolutions shall be declared within 48 hours of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
28. The results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Corporation ([www.gicofindia.com](http://www.gicofindia.com)) and on Service Provider's website (<https://evoting.karvy.com>) immediately after the declaration of the results and would also be communicated simultaneously to the BSE Limited and the National Stock Exchange of India Limited.
29. The route map showing directions to reach the venue of the Annual General Meeting is annexed.

**Date:** Monday, 29<sup>th</sup> July 2019

**Registered Office:**

"Suraksha", 170, J. Tata Road,  
Churchgate, Mumbai – 400 020

**By the Order of the Board of Directors  
For General Insurance Corporation of India**

**Sd/-  
(Suchita Gupta)  
Company Secretary**

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING



## Glossary

1	Acquisition Costs	That portion of an insurance premium which represents the cost of obtaining the insurance business: it includes the agency commission, the company's marketing expense and other related expenses.
2	Assume	To accept an obligation to indemnify all or part of a risk or exposure subject to the contract terms and conditions.
3	Asset-liability management (ALM)	Management of an insurance business in a way that coordinates investment-related decisions on assets and liabilities.
4	Aviation insurance	Insurance of accident, liability risks, as well as hull damage, connected with the operation of aircraft.
5	Bordereaux	A report provided periodically by the ceding company detailing the reinsurance premiums and/or reinsurance losses and other pertinent information with respect to specific risks ceded under the reinsurance agreement. This report typically includes the insured's name, premium basis, policy term, type of coverage, premium and the policy limit.
6	Broker	An intermediary who negotiates reinsurance contracts between the ceding company and the reinsurer(s). The broker generally represents the ceding company and receives compensation in the form of commission, brokerage and/or other fees, for placing the business and performing other necessary services.
7	Burning Cost (also known as Pure Loss Cost)	The ratio of the reinsurance losses incurred to the ceding company's subject premium based upon historical experience for a proposed reinsurance agreement.
8	Business interruption	Insurance covering the loss of earnings resulting from, and occurring after, destruction of property; also known as "loss of profits" or "business income protection insurance".
9	Capacity	The largest amount of insurance or reinsurance available from a company or the market in general, based on financial strength or regulatory limitations.
10	Catastrophe Reinsurance	A form of excess of loss reinsurance which, subject to a specific limit, indemnifies the ceding company in excess of a specified retention with respect to an accumulation of losses to multiple insureds and/or policies resulting from an occurrence or series of occurrences arising from one or more disasters.
11	Cede	This action is described as transferring the risk or a part of the risk from the insurer to the reinsurer.
12	Cedent (also known as Ceding Company, Reassured, Reinsured)	The issuer of an insurance contract that contractually obtains an indemnification for all or a designated portion of the risk from one or more reinsurers.
13	Ceding Commission	An amount deducted from the reinsurance premium to compensate a ceding company for its acquisition, other overhead costs, including premium taxes, and occasionally a margin of profit.

14	Cession	The passing of the insurer's risks to the reinsurer against payment of a premium.
15	Claim	Demand by an insured for indemnity under an insurance contract.
16	Claims handling	Activities in connection with the investigation, settlement and payment of claims from the time of their occurrence until settlement.
17	Claims incurred	All claims payments (including claim adjustment expenses) plus the outstanding claims provision of a business year.
18	Claims ratio	Sum of claims paid and change in the provisions for unpaid claims and claim adjustment expenses in relation to premiums earned.
19	Coinsurance	Arrangement by which a number of insurers share a risk.
20	Combined Ratio	The combined ratio is calculated by taking a percentage of claims incurred (net) divided by premiums earned (net) plus percentage of expenses of management and net commission and then dividing the quotient by net premium.
21	Commission	Remuneration paid by the insurer to its agents, brokers or intermediaries, or by the reinsurer to the insurer, for costs in connection with the acquisition and administration of insurance business.
22	Commutation Agreement	An agreement between the ceding insurer and the reinsurer that provides for the valuation, payment and complete discharge of some or all current and future obligations between the parties under particular reinsurance contract(s).
23	Cover Note	A written statement issued by an intermediary, broker or direct writer indicating that the coverage has been effected and summarizing the terms.
24	Credit insurance	Insurance against financial losses sustained through the failure, for commercial reasons, of policyholders' clients to pay for goods or services supplied to them.
25	Cut-Through Endorsement	An endorsement to an insurance policy or reinsurance contract which provides that, in the event of the insolvency of the insurance company, the amount of any loss which would have been recovered from the reinsurer by the insurance company (or its statutory receiver) will be paid instead directly to the policyholder, claimant, or other payee, as specified in the endorsement, by the reinsurer.
26	Deposit Premium	The amount of premium (usually for an excess of loss reinsurance contract), that the ceding company pays to the reinsurer on a periodic basis (usually quarterly) during the term of the contract. This amount is generally determined as a percentage of the estimated amount of premium that the contract is expected to produce.
27	Directors' and Officers' Liability Insurance (D&O)	Liability insurance for Directors and Officers of an entity, providing cover for their personal legal liability towards shareholders, creditors, employees and others arising from wrongful acts such as errors and omissions.
28	Earned Reinsurance Premium	A reinsurance term that refers to either 1) that part of the reinsurance premium applicable to the expired portion of the policies reinsured, or 2) that portion of the reinsurance premium which is deemed earned under the reinsurance contract.

29	Excess of Loss Reinsurance (also known as Non-Proportional Reinsurance)	A form of reinsurance, which, subject to a specified limit, indemnifies the ceding company for the amount of loss in excess of a specified retention. It includes various types of reinsurance, such as catastrophe reinsurance, per risk reinsurance, per occurrence reinsurance and aggregate excess of loss reinsurance.
30	Ex-Gratia Payment	A voluntary payment made by an insurer or reinsurer in response to a loss for which it is not technically obligated under the terms of its contract.
31	Expense ratio	Sum of acquisition costs and other operating costs and expenses, in relation to premiums earned.
32	Facultative Reinsurance	Reinsurance of individual risks by offer and acceptance wherein the reinsurer retains the ability to accept or reject and individually price each risk offered by the ceding company.
33	Fair value change account	Unrealised gains/ losses arising due to changes in the fair value of listed equity shares and mutual funds.
34	Follow the Fortunes	Follow the fortunes generally provides that a reinsurer must follow the underwriting fortunes of its reinsured and therefore, is bound by the decisions of its reinsured in the absence of fraud, collusion or bad faith.
35	Gross Line	The total limit of liability accepted by an insurer on an individual risk (net line plus all reinsurance ceded).
36	Gross Net Earned Premium Income (GNEPI)	GNEPI represents the earned premiums of the primary company for the lines of business covered (Net, meaning after cancellation, refunds and premiums paid for any reinsurance protecting the cover being rated, but Gross, meaning before deducting the premium for the cover being rated).
37	Gross Net Written Premium Income (GNWPI)	It is the amount of an insurance company's premiums that are used to determine what portion of premiums is owed to a reinsurer. Generally GNWPI are gross written premium less returned premiums, less premiums paid for reinsurance that inure to the benefit of the cover in question.
38	Ground Up Loss	The total amount of loss sustained by the ceding company before taking into account the credit(s) due from reinsurance recoverable(s).
39	Health Insurance	Generic term applying to all types of insurance indemnifying or reimbursing for losses caused by bodily injury or sickness or for expenses of medical treatment necessitated by sickness or accidental bodily injury.
40	Hull Insurance	Insurance protecting the owners against loss caused by damage or destruction of waterborne craft or aircraft.
41	Incurred But Not Reported (IBNR)	An actuarial estimate of amounts required to pay ultimate net losses that refers to losses that have occurred but have not yet been fully and finally settled/paid.



42	Incurred But Not Enough Reported (IBNER)	IBNER is a provision in claims and losses already reported but which have not yet been paid in full for potential increases in the value of these claims when they are ultimately paid.
43	Incurred Loss (also known as Loss Incurred)	For a specific reinsurance period (typically annual) incurred loss is calculated as paid losses during the period, plus outstanding loss at the end of the period, minus outstanding losses at the beginning of the period irrespective of when the loss actually occurred or when the original policy attached.
44	Layer	Section of cover in a non-proportional reinsurance programme in which total coverage is divided into a number of consecutive layers starting at the retention or attachment point of the ceding company up to the maximum limit of indemnity.
45	Liability Insurance	Insurance for damages that a policyholder is obliged to pay because of bodily injury or property damage caused to another person or entity based on negligence, strict liability or contractual liability.
46	Life Insurance	Insurance that provides for the payment of a sum of money upon the death of the insured, or upon the insured surviving a given number of years, depending on the terms of the policy.
47	Line of Business	The general classification of business in the insurance industry to identify the major segments of policies that are sold to the general public, i.e., fire, marine, motor, health, liability, agriculture etc.
48	Loss Development	The process of change in the value of claims over time until the claims are fully settled and paid.
49	Losses Occurring During	The provision in a reinsurance contract that designates that the losses to which the reinsurance applies are those losses that actually happen during the term of the reinsurance even if the original policies that cover the losses are issued prior to the inception of the reinsurance contract.
50	Marine Insurance	Line of insurance which includes coverage for property in transit (cargo), means of transportation (except aircraft and motor vehicles), offshore installations and valuables, as well as liabilities associated with marine risks and professions.
51	Maximum Foreseeable Loss / Probable Maximum Loss (PML)	The worst loss that is foreseeable or probable to occur because of a single event. This term is typically used in property reinsurance.
52	Minimum Premium	An amount of premium which will be charged (usually for an excess of loss reinsurance contract), notwithstanding that the actual premium developed by applying the rate to the subject premium could produce a lower figure.
53	Motor insurance	Line of insurance which offers coverage for property, accident and liability losses involving motor vehicles.

54	Net Retained Liability	The amount of insurance that a ceding company keeps for its own account and does not reinsure in any way. It is the amount of loss that a cedent retains after all available reinsurance recoveries.
55	Net Loss	The amount of loss sustained by an insurer after making deductions for all recoveries, salvage and all claims upon reinsurers.
56	Non-life insurance	All classes of insurance business excluding life insurance.
57	Non-proportional reinsurance	Form of reinsurance in which coverage is not in direct proportion to the original insurer's loss; instead the reinsurer is liable for a specified amount which exceeds the insurer's retention; also known as "excess of loss reinsurance".
58	Obligatory Treaty	A reinsurance contract under which the subject business must be ceded by the insurer in accordance with contract terms and must be accepted by the reinsurer.
59	Occurrence	A frequently used term in reinsurance referring to an incident, happening or event which triggers coverage under an occurrence-based reinsurance agreement.
60	Occurrence Limit	A provision in most property per risk reinsurance contracts that limits the reinsurer's liability for all risks involved in one occurrence.
61	Operating margin ratio	The operating margin is calculated as operating result divided by total operating revenues. The operating result is before interest expenses, taxes and net realised gains/losses.
62	Operating revenues	Premiums earned plus net investment income plus other revenues.
63	Operational risk	Risk arising from failure of operational processes, internal procedures and controls leading to financial loss.
64	Outstanding Loss Reserve (OSLR)	For an individual claim, an estimate of the amount the insurer expects to pay for the reported claim, prior to the final settlement of the claim. May include amounts for loss adjustment expenses.
65	Overriding Commission	In reinsurance or retrocession business (typically proportional treaties) an allowance paid to the ceding company over and above the actual acquisition and related cost to produce and underwrite the original business.
66	Placement Slip	A temporary agreement outlining reinsurance terms and conditions for which coverage has been effected, pending replacement by a formal reinsurance contract. Also known as a binder, confirmation, slip and in some circumstances, cover note.
67	Portfolio	Portfolio reinsurance is a type of contract in which an insurer has a large block of insurance policies reinsured. It may involve shifting risk from the insurer to the reinsurer for a particular type of policy (such as property, life, marine, etc.), or all policies within a geographic area, or for a book of business.
68	Premium	The payment, or one of the periodical payments, a policyholder agrees to make for an insurance policy.

69	Premiums earned	Premiums an insurance company has recorded as revenues during a specific accounting period.
70	Premiums written	Premiums for all policies sold during a specific accounting period.
71	Premium Deficiency Reserve	When the anticipated losses, loss adjustment expenses, commissions and other acquisition costs, and maintenance costs exceed the recorded “unearned premium reserve”, a premium deficiency reserve is recognized by recording an additional liability for the deficiency, with a corresponding charge to operations.
72	Priority	The retention of the primary company in a reinsurance agreement.
73	Product Liability Insurance	Insurance covering the liability of the manufacturer or supplier of goods for damage caused by their products.
74	Professional Indemnity Insurance	Liability insurance cover which protects professional specialists such as physicians, architects, engineers, lawyers, accountants and others against third-party claims arising from activities in their professional field.
75	Profit Commission (P.C.)	A commission feature whereby the cedent is allowed a commission based on the profitability of the reinsurance contract after an allowance for the reinsurer’s expense and profit margin.
76	Property Insurance	Collective term for fire and business interruption insurance as well as burglary, fidelity guarantee and allied lines.
77	Pro Rata Reinsurance (also known as Proportional Reinsurance)	A generic term describing all forms of quota share and surplus reinsurance in which the reinsurer shares a pro rata portion of the losses and premiums of the ceding company.
78	Quota Share Reinsurance	A form of pro rata reinsurance (or proportional reinsurance) indemnifying the ceding company for an established percentage of loss on each risk covered in the contract in consideration of the same percentage of the premium paid to the ceding company.
79	Rate	The percent or factor applied to the ceding company’s subject premium that results in the reinsurance premium for excess of loss reinsurance.
80	Rate On Line (ROL)	A percentage derived by dividing reinsurance premium by reinsurance limit; the inverse is known as the payback or amortization period.
81	Rating/Pricing	There are two basic approaches for pricing of reinsurance contracts: exposure rating and experience rating. Both methods can be used as separate rating approaches or may be weighted together to calculate the expected loss for a contract that is then used as the basis for pricing the reinsurance.
82	Reinstatement Clause	A provision in a reinsurance contract stating that, when the amount of reinsurance coverage provided under a contract is reduced by the payment of loss as the result of one occurrence, the reinsurance coverage amount is automatically reinstated for the next occurrence, sometimes subject to the payment of a specified reinstatement premium.

83	Reinstatement Premium	An additional reinsurance premium that may be charged for reinstating the amount of reinsurance coverage reduced as the result of a reinsurance loss payment under a reinsurance contract.
84	Reinsurance	The transaction whereby the assuming insurer ("reinsurer"), in consideration of premium paid, agrees to indemnify another insurer ("ceding company") against all or part of the loss which the latter may sustain under a specific policy or group of policies which it has issued.
85	Reinsurance ceded/accepted	An insurance risk that is transferred by the ceding company to reinsurer for sharing premiums and claims as per agreed terms and conditions is considered as reinsurance accepted by the reinsurer and reinsurance ceded by the ceding company.
86	Reinsured	See Cedent.
87	Reinsurer	The insurer that assumes all or a part of the insurance or reinsurance risk written by another insurer.
88	Reserves	Amount required to be carried as a liability in the financial statements of an insurer or reinsurer to provide for future commitments under outstanding policies and contracts.
89	Retention	The amount of risk the ceding company keeps for its own account or the account of others.
90	Retrocede	The action of a reinsurer of reinsuring another reinsurer for its liability assumed under one or more reinsurance contracts with primary insurance companies or with other reinsurers.
91	Retrocedent	A reinsurer who reinsures all or part of its assumed reinsurance with another reinsurer.
92	Retrocession	A reinsurance transaction whereby a reinsurer, known as a retrocedent, cedes all or part of the reinsurance risk it has assumed to another reinsurer, known as a retrocessionaire.
93	Retrocessionaire	A reinsurer who assumes reinsurance from another reinsurer.
94	Return on equity (ROE)	Net income as a percentage of time-weighted shareholders' equity.
95	Risk	Condition in which there is a possibility of injury or loss; also used by insurance practitioners to indicate the property insured or the peril insured against.
96	Risk management	Management tool for the comprehensive identification and assessment of risks based on knowledge and experience in the respective fields.
97	Run-Off	A termination provision of a reinsurance contract that stipulates that the reinsurer remains liable for loss as a result of occurrences taking place after the date of termination for reinsured policies in force at the date of termination until their expiration or for a specified time period.
98	Sliding Scale Commission	A commission adjustment on earned premiums whereby the actual commission varies inversely with the loss ratio, subject to a maximum and minimum.
99	Solvency Ratio	This is a regulatory measure of capital adequacy, calculated by dividing available solvency margin by required solvency margin, each as calculated in accordance with the guidelines of the IRDAI on a standalone restated basis. The IRDAI has set a minimum solvency ratio of 1.50.

100	Stop-loss reinsurance	Form of reinsurance that protects the ceding insurer against an aggregate amount of claims over a period, in excess of either a stated amount or a specified percentage of estimated benefit costs.
101	Subrogation	The assignment of a contractual right of an insured or reinsured by terms of the policy or a contract or by law, after payment of a loss, of the rights of the insured to recover the amount of the loss from one legally liable for it.
102	Surplus Reinsurance (also known as Surplus Share Reinsurance or Variable Quota Share Reinsurance)	A form of pro rata reinsurance under which the ceding company cedes that portion of its liability on a given risk which is greater than the portion of risk the cedent retains (i.e., net line), and the premiums and losses are shared in the same proportion as the ceded amount bears to the total limit insured on each risk.
103	Syndicate	Lloyd's Syndicate refers to an entity composed of corporate and/or individual members formed for the purpose of underwriting insurance and/or reinsurance at Lloyd's, London.
104	Treaty	A reinsurance contract under which the reinsured company agrees to cede and the reinsurer agrees to assume a portfolio of risks of a particular class or classes of business.
105	Ultimate Net Loss (UNL)	The loss amount, including covered Loss Adjustment Expenses (LAE), against which the retention and the reinsurance limits apply.
106	Unearned Premium Reserve (UPR)	Unearned premiums are the sum of all the premiums representing the unexpired portions of the policies or reinsurance agreements which the insurer or reinsurer has on its books as of a certain date.
107	Underwriting Capacity	The maximum amount of money an insurer or reinsurer is willing to risk in a single loss event on a single risk or in the aggregate on all risks in a given period.
108	Working Cover	A contract covering an amount of excess reinsurance in which frequency of loss is anticipated, usually attaching over a relatively low retention and usually providing a relative low limit of reinsurance coverage per loss or risk.





## GENERAL INSURANCE CORPORATION OF INDIA

(A Government of India Company)

**Regd. Office:** 'Suraksha', 170, J. Tata Road, Churchgate, Mumbai

**Tel:** +91-22-2286 7000 **Fax:** +91-22-2288 4010

**Website:** www.gicofindia.com

**CIN:** L67200MH1972GOI016133 **IRDAI REG. NO.:** 112

### ATTENDANCE SLIP

Regd. Folio No.: \_\_\_\_\_

DP ID: \_\_\_\_\_

Client ID: \_\_\_\_\_

Name of the Member: \_\_\_\_\_

Name of the Joint holder (if any): \_\_\_\_\_

Name of the Proxyholder: \_\_\_\_\_

Number of shares held: \_\_\_\_\_

Signature of the Member/Proxyholder: \_\_\_\_\_

Signature of the Joint holder (if any): \_\_\_\_\_

Registered Address: \_\_\_\_\_

I hereby record my presence at the 47<sup>th</sup> Annual General Meeting of the Corporation on Tuesday, 27<sup>th</sup> August 2019 at 3.00 P.M., at "Y. B. Chavan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400021 (Maharashtra).

#### Note:

(1) Members/Proxyholders are requested to produce the attendance slip duly signed for admission to the Meeting hall.







**FORM NO. MGT 11  
PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]**

**GENERAL INSURANCE CORPORATION OF INDIA**

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**CIN:** L67200MH1972GOI016133 **IRDAI REG. NO.:** 112

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./Client ID & DP ID	

I/We being the Member(s) holding \_\_\_\_\_ equity shares of ₹ 5/- each of General Insurance Corporation of India, hereby appoint:

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47<sup>th</sup> Annual General Meeting of the Corporation, to be held on Tuesday, 27<sup>th</sup> August 2019 at 3.00 p.m., at "Y. B. Chavan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021 (Maharashtra) and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements of the Corporation for the Financial Year ended 31 <sup>st</sup> March 2019, the Consolidated Financial Statements for the said Financial Year and the Reports of the Board of Directors and the Auditors thereon.		
2	To declare the dividend of ₹ 6.75 per equity share for the Financial Year 2018-19, as recommended by the Board of Directors.		

Resolution No.	Resolutions	Optional*	
		For	Against
3	To authorize the Board of Directors to fix the remuneration of the Joint Statutory Auditors appointed by the Comptroller and Auditor General of India (C&AG) for the Financial Year 2019-20.		
4	To consider an increase in the remuneration payable to the Joint Statutory Auditors for Financial Year 2018-19 from ₹ 38,20,000/- approved by the Shareholders in 46th Annual General Meeting, to ₹ 60,00,000/-.		
5	To appoint a Director in place of Shri Ravi Mital (DIN: 06507252), who retires by rotation and being eligible, offers himself for reappointment.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Member(s): \_\_\_\_\_

Signature of the Proxyholder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp ₹ 1/-

**Note:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Corporation, not less than 48 hours before the commencement of the Meeting.
- (2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- \*(3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) Please complete all details including details of member(s) in above box before submission.





आपत्काले रक्षिष्यामि

**GIC Re**

## **General Insurance Corporation of India** **भारतीय साधारण बीमा निगम**

**Global Reinsurance Solutions**

"Suraksha", 170, Jamshedji Tata Road, Churchgate, Mumbai 400020, India.

**Telephone (Board): +91 22 2286 7000 Email: [info@gicofindia.com](mailto:info@gicofindia.com)**

**visit us at [www.gicofindia.com](http://www.gicofindia.com)**

CIN : L67200MH1972GOI016133 & IRDAI Registration No: 112