

A D E C A D E O F E X C E L L E N C E



years of



SBI General
INSURANCE

A N N U A L R E P O R T 2 0 1 8 - 1 9

CORPORATE INFORMATION

Board of Directors

Rajnish Kumar Director
Parveen Kumar Gupta Director
Dinesh Kumar Khara Director
Duncan Victor Brain Director
Jonathan Guy Delalande Director
Ashok Purushottam Pradhan Independent Director
Mahender Kumar Garg Independent Director
Damodarannair Sundaram Independent Director
Smeeta Bhatkal Independent Director
Pushan Mahapatra Managing Director & CEO

Management Team

Pushan Mahapatra Managing Director & CEO
Lisa Jeffery Dy. CEO
Rikhil K. Shah Chief Financial Officer
Amar Bakul Joshi Chief Business Officer
Atul Suresh Deshpande Chief Operating Officer
Mahendra Kumar Tripathi Head-Compliance, Legal & Company Secretary
Gayle Adams Appointed Actuary
Ganesh Prasad Chief Investment Officer
Shirish Thatte Head Internal Audit
Avez Sayed Chief Risk Officer

Corporate & Registered Office

‘Natraj’, 301, Junction of Western Express Highway & Andheri-Kurla Road,
Andheri (East), Mumbai 400 069
Fax: +91 22 42412070
Phone: + 91 22 42412071

Bankers

State Bank of India
HDFC Bank Ltd.
Standard Chartered Bank

Auditors (2018-19)

M/s. SARC & Associates
M/s. Chaturvedi & Shah LLP, Mumbai



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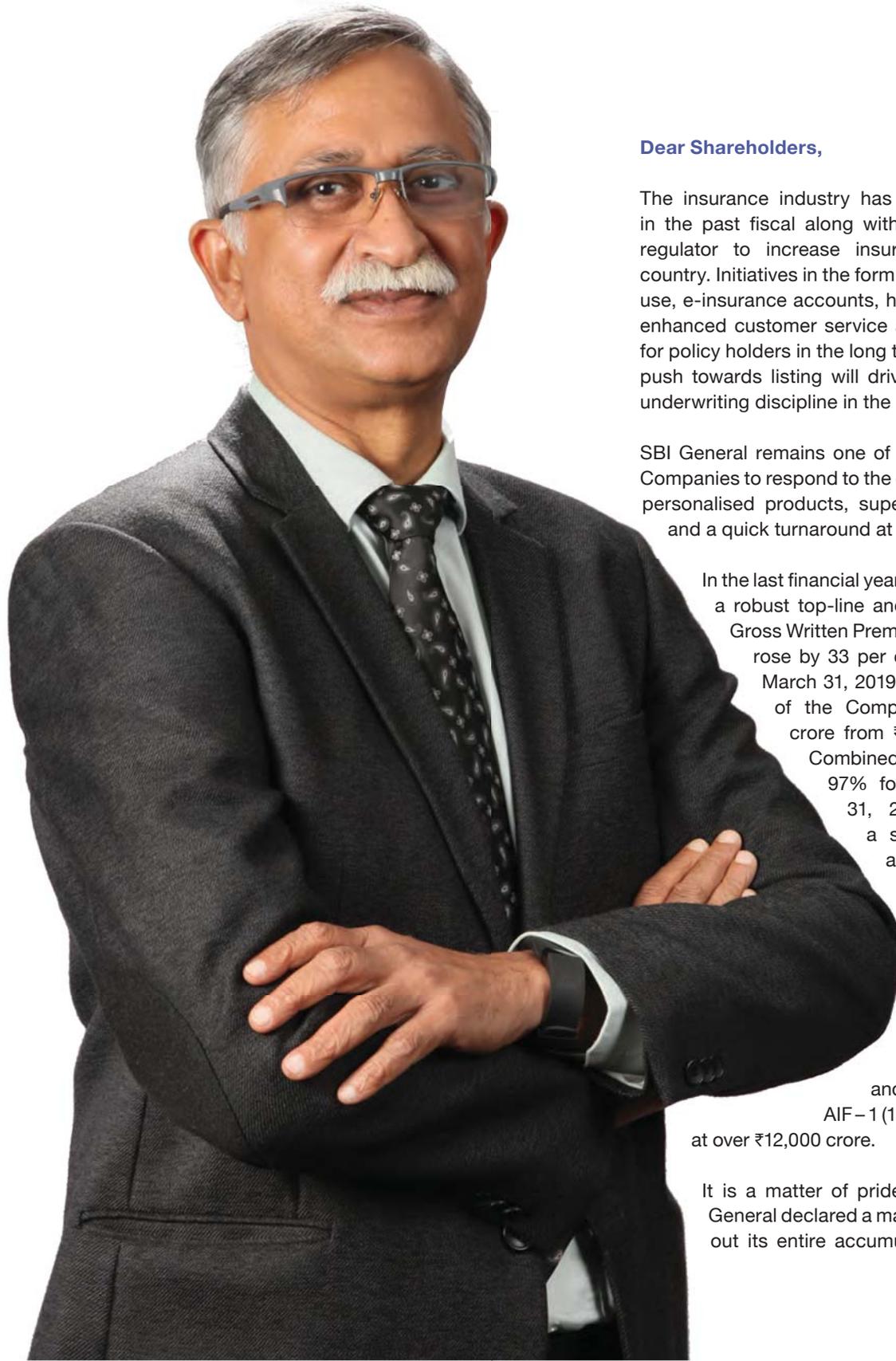
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Cover Design and Report Theme: A Decade of Excellence

In December 2019, SBI General will complete 10 years of service to the nation. In this decade of excellence, it has delivered a strong performance, built a robust network and developed a comprehensive product suite that serves both India and Bharat. Inspired by the 10-year milestone, this

annual report lays out the Company's consistent growth over the years. The theme, depicted by a fleet of ten paper planes, is established via the cover design and this visual mnemonic runs through the pages of the report. For SBI General, this is truly the time to soar to new heights.

FROM THE DESK OF The Managing Director & CEO



Dear Shareholders,

The insurance industry has seen significant changes in the past fiscal along with a renewed focus by the regulator to increase insurance penetration in the country. Initiatives in the form of Digi-lockers, pay as you use, e-insurance accounts, hospital grading will lead to enhanced customer service and a secure environment for policy holders in the long term. The strong regulatory push towards listing will drive more transparency and underwriting discipline in the industry.

SBI General remains one of the top non-life insurance Companies to respond to the changing environment with personalised products, superior customer experience and a quick turnaround at the time of claims.

In the last financial year, SBI General has recorded a robust top-line and bottom-line growth. The Gross Written Premium (GWP) of the Company rose by 33 per cent to ₹4,717 crore as on March 31, 2019. The Net Earned Premium of the Company increased to ₹2,388 crore from ₹1,842 crore in FY18. The Combined Operating Ratio was at 97% for the year. As on March 31, 2019, the Company had a solvency ratio of 2.34 as against the minimum regulatory requirement of 1.50.

During the year, State Bank of India (SBI) sold a 4% stake in the Company to PI Opportunities Fund (2.35%) and Axis New Opportunities AIF – 1 (1.65%), valuing the Company at over ₹12,000 crore.

It is a matter of pride to us, that in FY19, SBI General declared a maiden dividend while wiping out its entire accumulated losses till date and



SBI General Insurance emulates trust and confidence which along with our unmatched presence; gives us the ability to reach out to the right segment with the right product while offering superior experience to all our customers.

offered Long Term Incentive Plan as well as ESOPS to the Company's employees. For the second year in a row, SBI General has been one of the few multiline general insurers to have positive underwriting results.

We have continued to maintain a well distributed segment wise business mix across various channels, which protects us from concentration risks in any particular line of business. We continue to maintain our share in the Fire and Personal Accident lines of business. Home, Health & SME have been the growth drivers for SBI General which will power us in the new fiscal as well. The Rural and Agriculture channel has contributed ₹1,500 crore this year in line with the growth of the portfolio in the Industry. The Company has also achieved the rural business obligations mandated by IRDAI.

In the Insurance Industry, the "Moment of Truth" is when an unfortunate event strikes a Policy holder and a claim is made. This is when an Insurer's promise, process and reputation are put to test. SBI General's Claim-paying abilities were similarly tested during the recent natural disasters that hit our Country. SBI General handled 23,208 claims in Commercial Line Claims, out of which about 7,000 were catastrophic event related claims, reported during the Kerala Floods, Titli Cyclone, Gaja Cyclone and Assam Floods.

In CAT losses, all claims upto ₹10 lakh have been settled through a Fast Track process that has special waivers on documents with clearly defined methodology on assessment. Simplification of processes helped us to settle over 80% of all claims within 30 days and achieve a settlement ratio of about 99% on all catastrophic-related claims. We remain committed to our promise of getting our customers back to their feet and to their business as quickly as possible.

SBI General continues to maintain its credit rating of "iAAA" awarded by ICRA for claims paying ability by the Company. The rating confirms that the Company has the highest claims paying ability and has a

fundamentally strong position for meeting its obligations to policyholders.

SBI General's major thrust has been on core five themes – Presence, Performance, Productivity, People and Processes. This will encompass customer-centricity, expansion of distribution capacity, improvement in effectiveness and efficiency across functions, enhanced product portfolio, better digital footprint and control over expenses while building the capacity for sustained profitable growth.

Our project Sparsh, in the last one year, has enabled us to take a giant leap in digital transformation enabling us to work more productively and achieve our real potential. Some of the core functions like Claims, Customer service and Channel Partner Management have transformed immensely resulting in happier and more satisfied customers.

Some of our digital initiatives include live streaming of motor claims, increase in customer service efficiency and one click renewals. A complete refresh of the Customer and Intermediary facing portals has been achieved to provide many self-service options to both our customers and intermediaries respectively.

SBI General Insurance emulates trust and confidence which along with our unmatched presence; gives us the ability to reach out to the right segment with the right product while offering superior experience to all our customers.

On behalf of all my colleagues, I would like to thank you for your support and assure you of our commitment to delivering value in the coming years as well.

Best regards,

Pushan Mahapatra
Managing Director & CEO

About SBI General

SBI General Insurance is a joint venture between the State Bank of India (SBI) and Insurance Australia Group (IAG). SBI owns **70%** of the total capital, IAG owns **26%** and the remaining **4%** is owned by PI Opportunities Fund (2.35%) and Axis New Opportunities AIF-I (1.65%).

The **Total Capital** invested as on date is **₹15,481 mn** with a **Book Value Per Share** of **₹84.63** and a **Net Worth** of **₹18,238 mn**.

SBI General follows a robust **multi-channel distribution model** encompassing **Agency, Auto Manufacturing, Bancassurance, Broking, Digital, Corporate and Retail Direct Channels**.



Marquee Parentage



State Bank of India is the country's largest retail banker and a premier financial services company.

SBI Group has the unrivalled strength of over **22,000 branches** across the country as well as overseas branches in **36 countries**.



Insurance Australia Group (IAG) is a general insurance group with operations in **Australia, New Zealand and Asia**.

IAG's businesses underwrite over **A\$12 billion (₹550,000 mn)** of **premium per annum** and **employ over 15,000 people**.



Vision

Our vision is to become the most trusted general insurer for a transforming India.



Mission

Our mission is to provide simple and innovative general insurance solutions, be responsive to our customers' needs and build a sustainable business for the future.

Values

TRANSPARENCY

We strive to be fair, dependable and trustworthy in all our interactions.

EMPATHY

We understand and are supportive of our customers' needs, helping them get back on their feet when needed.

AGILITY

We are innovative in reacting quickly and positively to all our stakeholders.

MOTIVATION

We are always eager to do our best for our customers, our people and our business.

SERVICE

We provide the highest levels of service with dedication and consistency.

Board of Directors



Rajnish Kumar
Director



Parveen Kumar Gupta
Director



Dinesh Kumar Khara
Director



Duncan Victor Brain
Director



Jonathan Guy Delalande
Director



Ashok Purushottam Pradhan
Independent Director



Mahender Kumar Garg
Independent Director



Damodarannair Sundaram
Independent Director



Smeeta Bhatkal
Independent Director



Pushan Mahapatra
Managing Director & CEO



Key Management Team



Pushan Mahapatra
Managing Director & CEO



Lisa Jeffery
Deputy CEO



Rikhil K. Shah
Chief Financial Officer



Amar Joshi
Chief Business Officer



Atul Suresh Deshpande
Chief Operating Officer



Mahendra Tripathi
Head – Compliance, Legal & Company Secretary



Gayle Adams
Appointed Actuary



Ganesh Prasad
Chief Investment Officer



Shirish Thatte
Head – Internal Audit

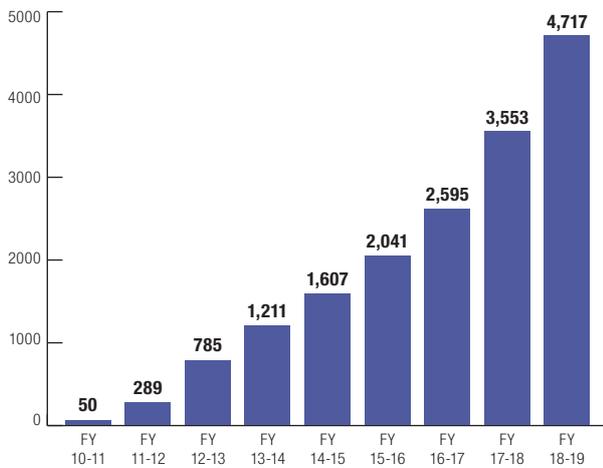


Avez Sayed
Chief Risk Officer

A Decade of Growth

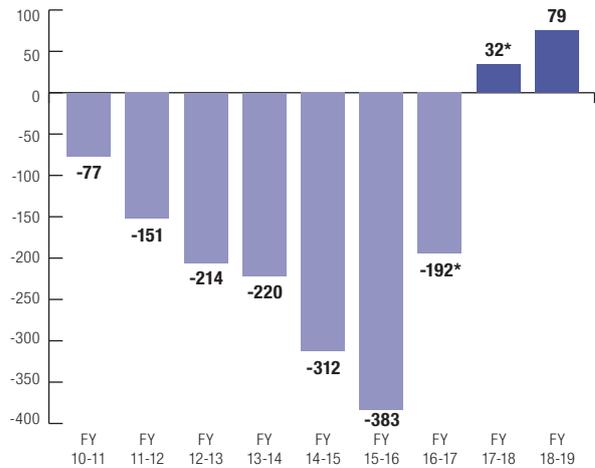
Over the course of its 10-year journey, a focused approach and strong understanding of risk has enabled the Company to cross many milestones

GROSS WRITTEN PREMIUM (GWP)
(incl RI accepted) (in ₹ crore)



- The Company was the **fastest to cross GWP** of ₹1000 crore in its fourth year of operation

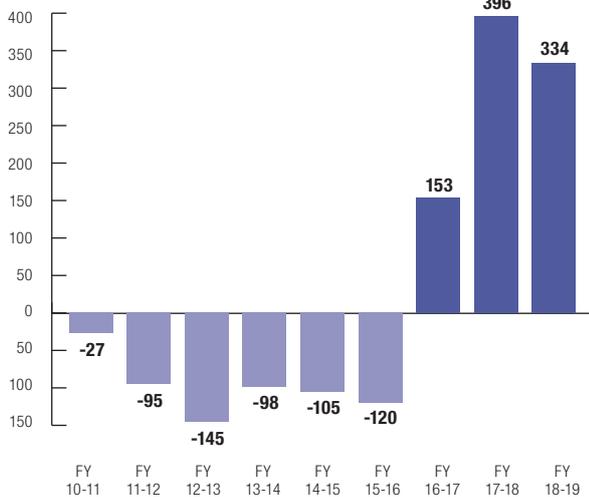
UNDERWRITING PROFIT/(LOSS)
(in ₹ crore)



- The Company has a **diversified segment mix** focused on overall profitability and top-line growth

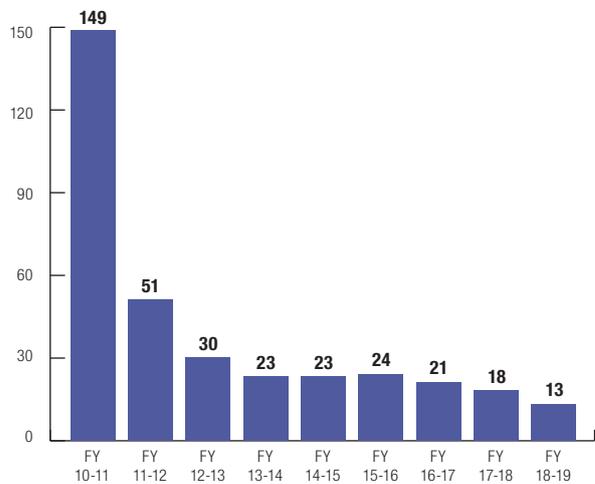
* Without considering EOM Regulation impact

PROFIT/LOSS AFTER TAX
(in ₹ crore)



- The Company **broke even in FY17** and has reported profits every quarter since

OPERATING EXPENSE TO GWP

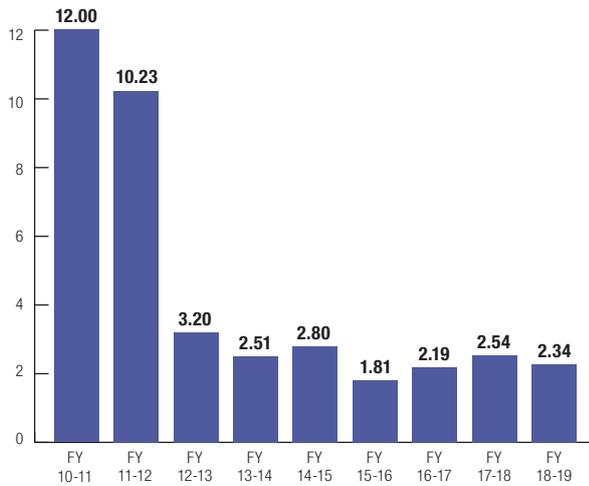


- Consistent **decrease in Expense to GWP ratio**



The Company began operations in FY11 and is one of the fastest growing insurers in the Industry.

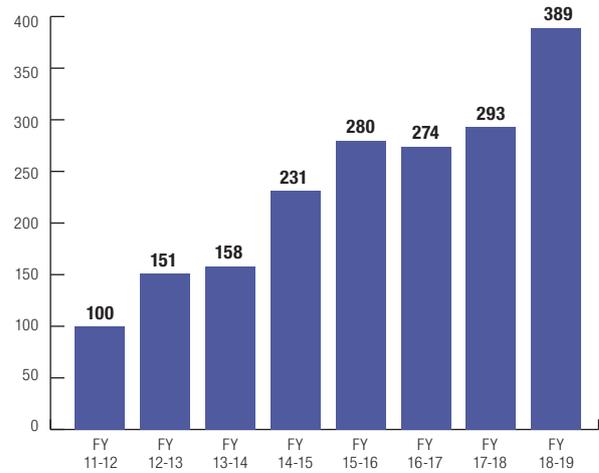
SOLVENCY



- Solvency Ratio at par or higher as compared to the regulatory prescription of 1.50
- It has an AUM of ₹6,357 crore and has witnessed an ROE of 20.1%

CORPORATE

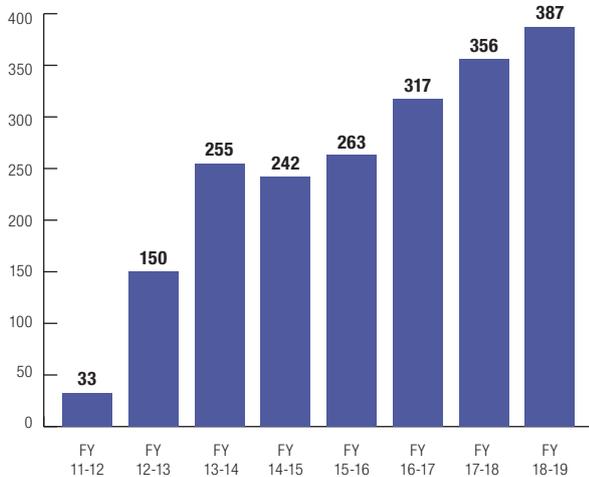
(in ₹ crore)



- Clear focus on risk based pricing spread across multiple distribution channels to reduce concentration risk

SME

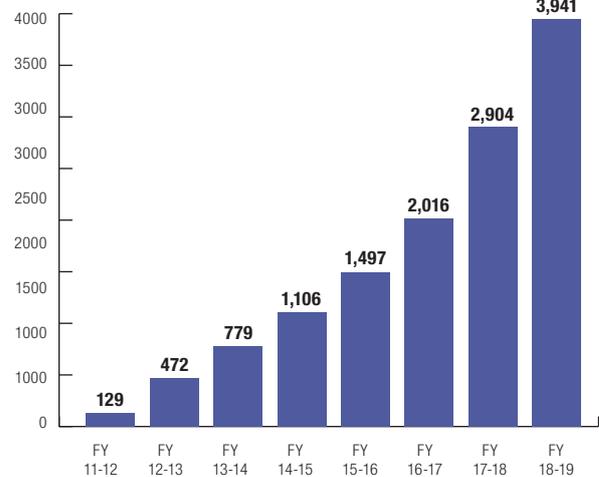
(in ₹ crore)



- Continuous expansion of distribution network across various channels such as SME, Corporate and Retail
- Top Bancassurance insurer in the country

RETAIL

(in ₹ crore)



Key Drivers of the Performance Trajectory

SBI General has outperformed the industry and has improved overall profitability

Reputed brand with extended reach

Wide distribution reach with over **113 branches**, access to the largest banking distribution franchise (SBI), RRBs sponsored by SBI, network of SBI Cards and SBI SSL, **21000+ IRDAI certified specified persons** including **10,000+ Agents**, presence through major Brokers and tie-ups with **top 3 Auto Manufacturers**.

Solid technology backbone with process-oriented functioning



Improved organisational efficiencies



Faster processes



A seamless experience for customers



Customer service improvements



Increased Employee productivity



Better channel partner management

Continuous investments in technology in the form of a robust, scalable architecture and digital transformation initiatives have helped us achieve success in key areas.

A balanced and diversified product suite that meets the needs of customers in every segment

Retail

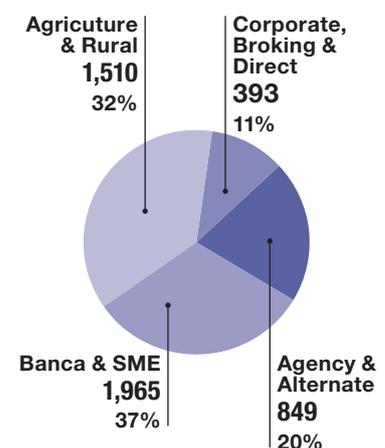
- Motor Insurance
- Home Insurance
- Personal Accident Insurance
- Travel Insurance
- Health Insurance

Corporate

- Aviation Insurance
- Fire Insurance
- Marine Insurance
- Package Insurance
- Rural Insurance
- Construction & Engineering Insurance
- Liability Insurance
- Cyber Insurance

Channel Mix

FY 2018-19 (Amounts in ₹ crore)





Focus on Profitable Segments and Channels



Balanced distribution across all lines of business as compared to Industry and top Private Insurers



Participation in the **Crop Insurance schemes** contributes to the **overall growth story**



Participation in **Terrorism and Nuclear Liability Pool**



Highest Rural Premium (**32% of total GWP in FY18-19**) amongst large private sector insurers

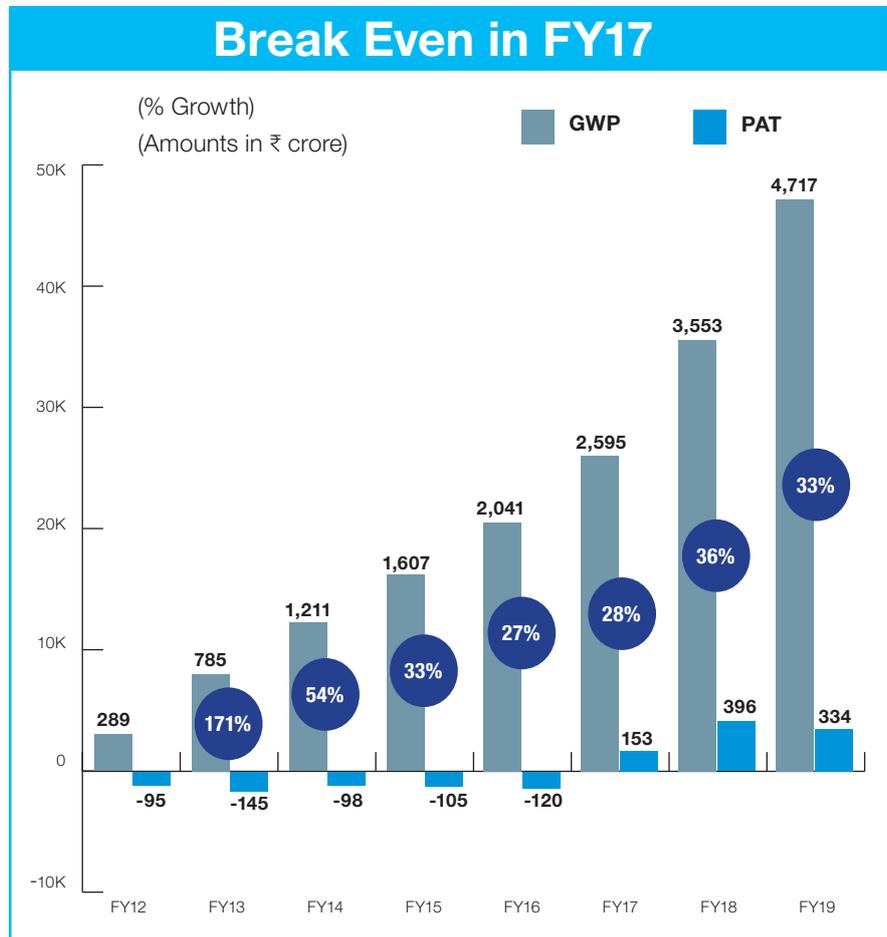


Product-specific arrangements, with **Reinsurers rated A-and above** helping us to grow new lines, provide **better spread and adequate protection**

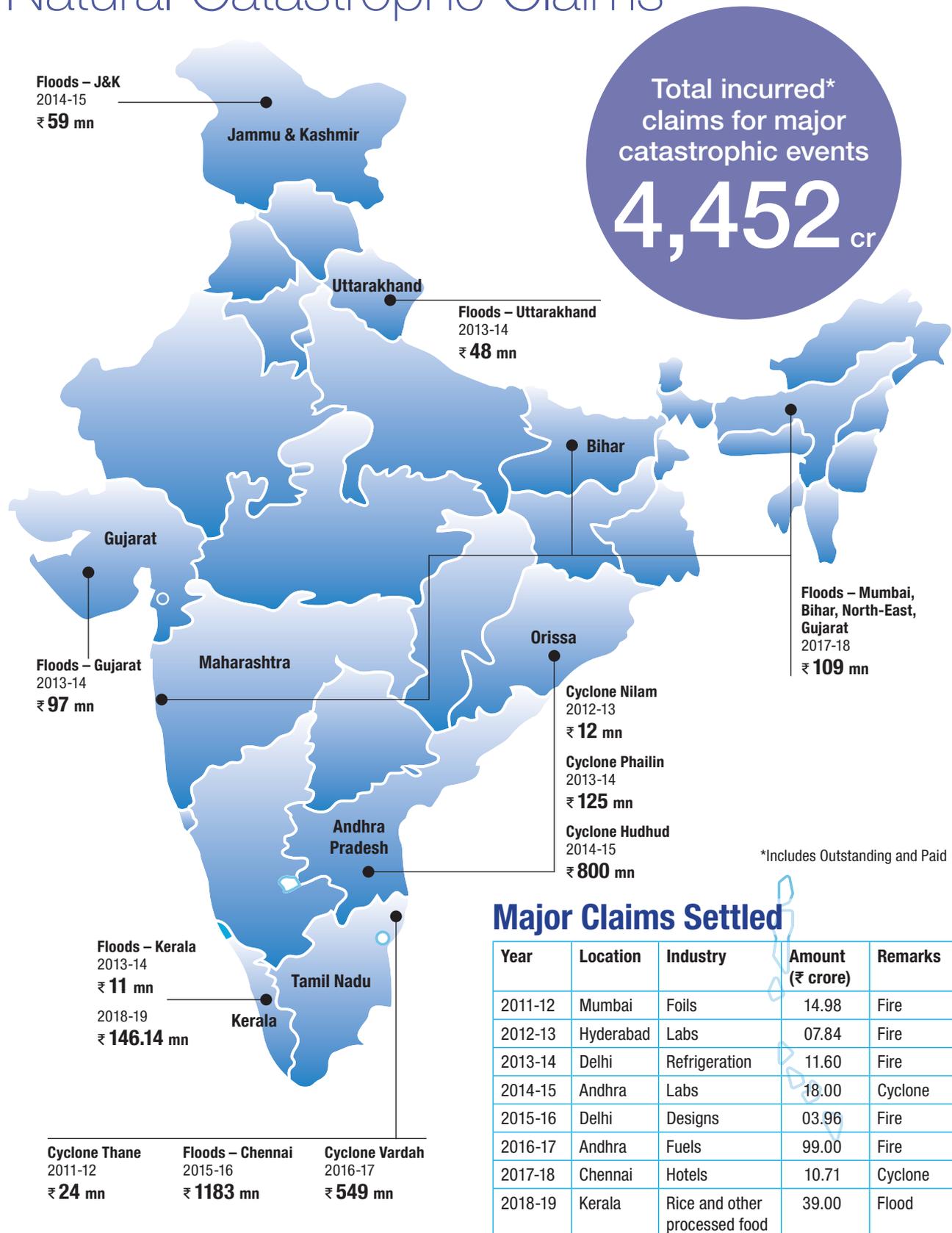
Amongst top Bancassurance Insurers in the country

Highest growth amongst peers with focus on risk-based pricing

After the initial stages when the Company was investing in building up the business, SBI-GI broke even in FY17, becoming one of the fastest to break even, and since then, it has been profitable every quarter.



Natural Catastrophe Claims



DISCLAIMER: THIS MAP IS A GENERALIZED ILLUSTRATION ONLY, AND IS NOT INTENDED TO BE USED FOR REFERENCE PURPOSES.



A Record of Paying Claims

The Commercial claims team has introduced a 'Fast-Track' system for paperless claims processing, which enables online claims approval, faster settlement and provision to record and act upon customer feedback

Live Streaming of Motor OD Claims

Motor Own Damage (OD) claims team has initiated the process of 'Live Streaming' for garages on claims below a predefined value. Live streaming enables the surveyor to remotely assess the loss of the damaged vehicle through live video streamed from the garage by the garage employee. Survey, assessment of loss and approval of repairs will be given by the Insurer within 30-40 mins of claim intimation with the help of live streaming, which otherwise would take more than 24 hours.

Dedicated centres are in place pan India for processing of claims through live streaming.

Health and PA Claims

In an industry first, we have introduced the concept of document procurement through external agency for Personal Accident (PA) claims. This will help beneficiaries in remote locations, given the gap in the understanding of the required documents and lack of awareness on how and from where to procure the required claim documents.

In Health claims we have tied up with 6000+ hospitals for availing cashless facility.



Motor TP claim settlements

SBI General proactively settles Motor Third Party (TP) compensation claims through conciliations. The objective of conciliation settlements is to alleviate the sufferings of the dependents of the victims killed/injured in road accidents in a short span of time rather than making the claimants go through a long drawn legal battle.

The Company's focus on Motor TP claim

conciliations settlements is a two-pronged strategy:

- Proactively reach out to the claimants and provide just compensation in a faster manner.
- Reduce the number of litigations and control the inventory of outstanding claims through a better management of TP claims.

Settled about 50% of the total claims on conciliation basis, in line with the above strategy.

Technology Initiatives through the Decade

The Digital Transformation effort is speeding up processes and increasing productivity



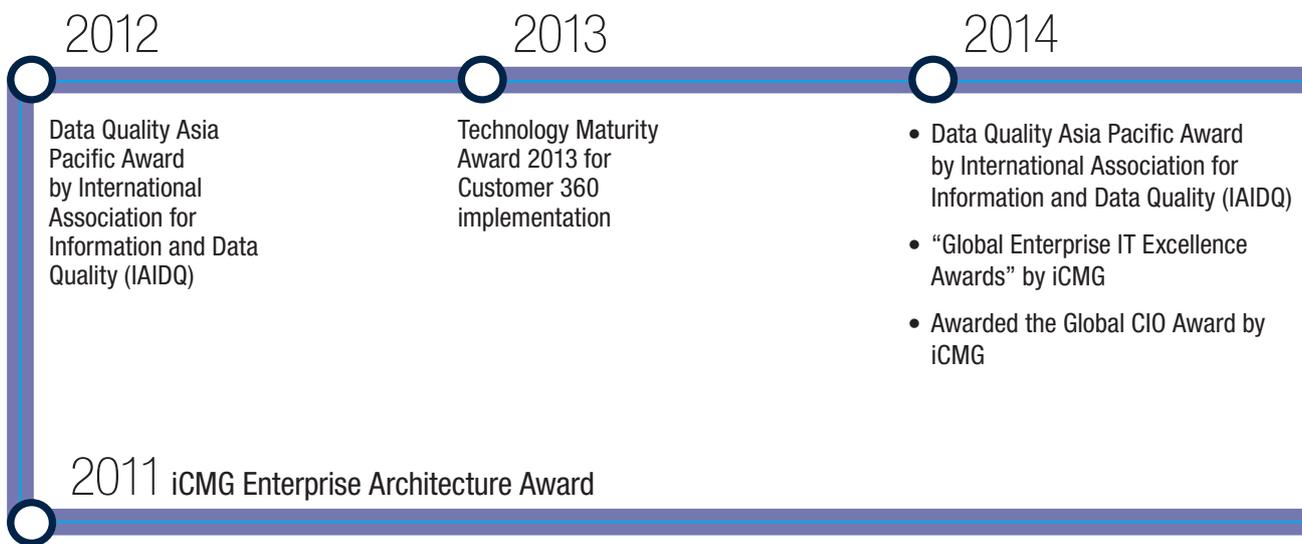
Customer Service

- Customers can now call us on our toll-free number to get the claims status of Personal Accident and Health Policies instantly
- On an average, over 5,000 policy copies are generated every month via QuickAssist, the self service portal for customers
- First call resolution is 85%, leading to better customer satisfaction



Renewals

- Customers can digitally renew their policies with one click payment link sent on their registered contact number and email ID with instant policy issuance after successful payment



10th March 2011 • **1st Policy Issued** • SBI General Enterprise Architecture showcased at the Oracle Openworld in San Francisco

Go-Live with Integrated Suite of Applications

- Policy Administration
- Claims
- Reinsurance
- CRM
- GL & Accounting Systems
- Document Management
- Ops Mail Room Solution
- Master Data Management
- Enterprise Service Bus

Infrastructure

- Data Center Operations
- Call Center Set up
- Branch Rollout
- Network Operations
- Security Operations



TECH JOURNEY



Motor OD claims

- We now have SMS based live video streaming of claims survey
- The system is integrated with all OEMs right from intimation to settlement of claim

2019

- SBI General launches travel policy on Policy Bazaar
- Cattle Claims Application live
- Data Centre Migration successfully completed
- OmniDocs new document management system live
- 50 Ancillary Applications live as of 2019
- Advanced Master Data Management Application live
- Fastest BPM roll-out by Newgen Technologies
- POC on Blockchain for Asset Management successfully completed
- Insurance middle office on cloud to enhance digital partnerships

2016

- Integration with Maruti (OEM) established
- SBI General Website live
- DWBI revamp

2017

- Policy Issuance through Customer Portal live
- Support Partner Transition from HCL to CTS, HCL and CMS
- HRMS Solution on cloud commenced
- MS Office 365 live

2018

- Intermediary Portal live
- Bima Sahayogi Mobile App for Intermediary live
- Integration with SBI Cards live
- Insta Renewals Application live

- IT Department shifted to Thane Hub
- Complete Hardware Refresh for Data Centre and Disaster Recovery Site done successfully
- Integration with SBI YONO live

2010

18th March 2010 • Contract signed with Technology Partner for a period of 5 years which included procurement, implementation and servicing of:

Applications

- Policy Administration
- Claims
- Reinsurance
- CRM
- GL & Accounting Systems
- Document Management
- HRMS
- Ops Mail Room Solution
- Datawarehouse & Analytics
- Master Data Management
- Enterprise Service Bus
- Investment Management
- SMS Integrations

Infrastructure

- Data Center Operations
- Disaster Recovery
- Call Center Set up
- Branch Rollout
- Network Operations
- Security Operations

Facilities Management (BAU for 5 Years)

- Application Support
- Infrastructure Support

Risk Management Framework

General insurance business is peculiar in many ways and the products that we write, the investments that we hold to meet our obligations and the environment in which we operate give rise to a broad range of risks.

At SBI General, risk management is central to the sustainability of the Company's business and our decision-making process. We are continually advancing our risk management practices, building a strong foundation of risk and opportunity identification, protection and compliance which focus on different risk factors that impact strategic decision-making and operational performance.

A data-driven risk selection framework, adequate reserving and quality reinsurance are at the heart of our governing principles. Our risk based selective underwriting approach by continuous risk measurement and monitoring has helped us avoid adverse selections. Our insurance risk is spread among a high-quality panel of re-insurers rated A- or above. We test our reserves regularly based on new loss experience, claim inflation and other factors. Our Investment Policy lays down the asset allocation strategy to ensure financial liquidity, security and diversification. Our claims fraud detection is based on investigative techniques utilizing advanced technologies and algorithms based on machine learning and Artificial Intelligence in identifying fraudulent triggers

SBI General is moving toward an insight-driven and performance-oriented approach to risk management; one that creates a culture where everyone factors risk into their decision-making process.

and activities. The IT systems of the Company are compliant to security best practices as laid down by ISO 27001:2013 Standard. The Company does Business Continuity planning to ensure resilience and continuity of key processes at a minimum acceptable level during crisis situations. Further, regular compliance testing is done on a periodic basis and the Risk Management Committee is kept apprised of the outcome of the same.

Integrated Risk Management

Our Enterprise Risk Management framework is designed to assure the Board and Risk Committee that risks are being appropriately identified and managed in line with our defined risk appetite and risk tolerance limits.

Pillars of governance: The Risk Management Framework of the Company is defined in line with the Corporate Governance Guidelines issued by the regulator and is benchmarked with global best practices laid down by ISO 31000:2018 Standard.

Risk policies and control: The Company has Board approved policies for the management of credit, market, underwriting, liquidity, outsourcing, reinsurance, asset liability management, business continuity, operational and fraud risk amongst others. These policies specify our overall strategies for ensuring each risk type is managed in line with our organisational objective.

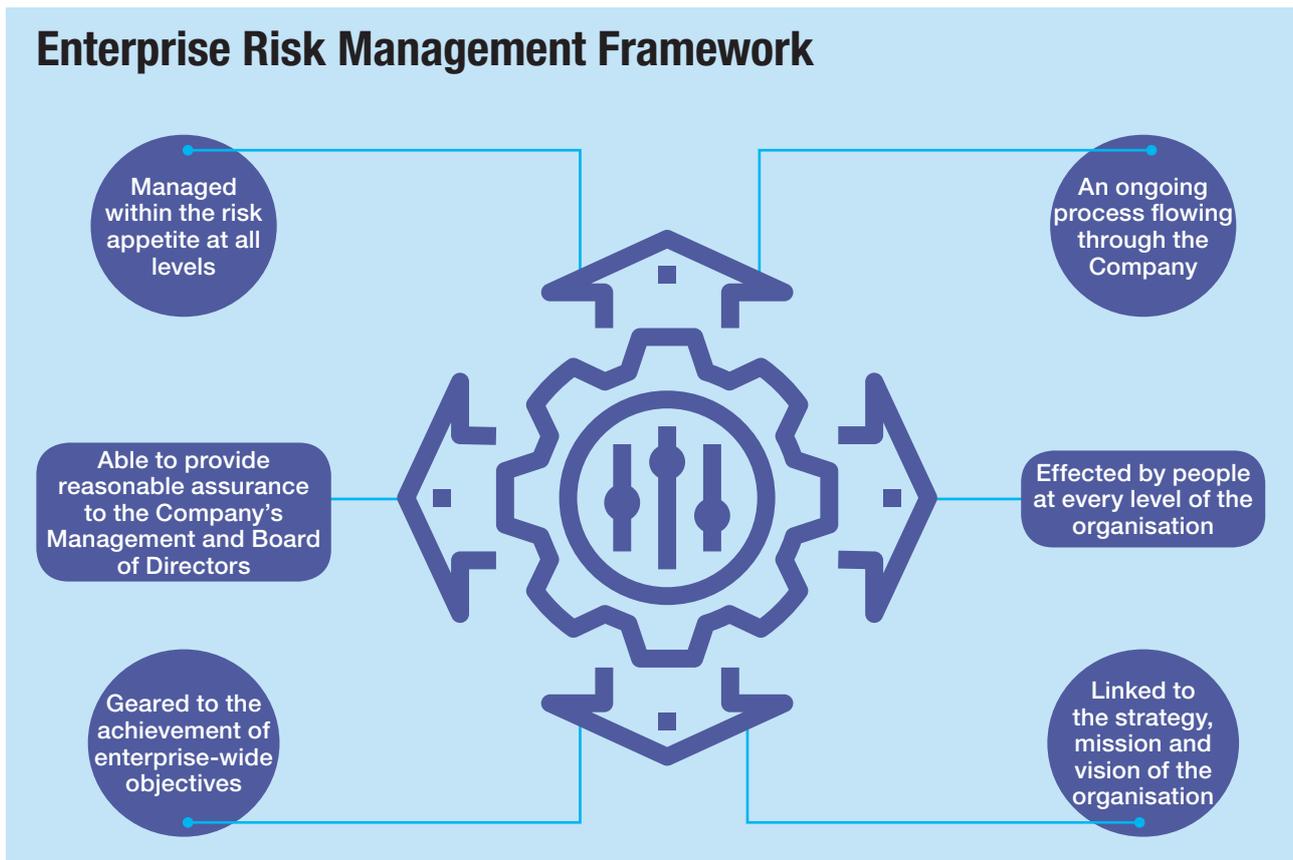
Risk mitigation: We deploy a range of risk management techniques to manage and mitigate risks in line with our risk appetite and risk limits which is periodically reviewed.

Risk identification and review: We operate a risk identification and assessment process under which all our businesses regularly consider changes in the profile of existing and emerging risks through periodic reviews and senior management intervention. The Company has a unique online portal for risk reporting where employees across locations and departments can report risk incidents and near misses.





Enterprise Risk Management Framework



Over the course of the year, we had in-depth discussions with our senior management on emerging risks. We also conducted an internal study that included polling, surveys and workshops to update our enterprise-level risk universe.

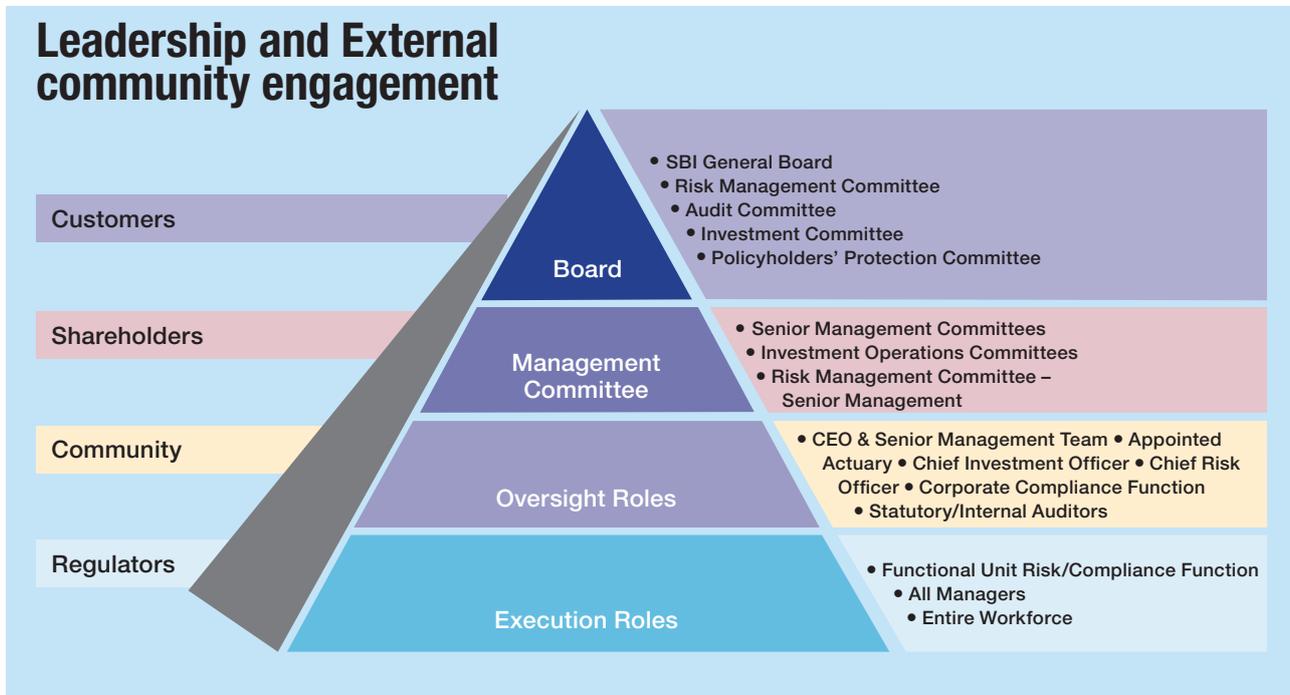
Risk management information: Our risk management information is structured to assess ongoing and emerging risks and maintain an aggregated view on the risk profile of the Company for all categories of risk.

The periodic management information received by Board and the Risk Management Committee includes organizational overview for the period, our risk dashboard of enterprise profile, competitor analysis, concentration risk, emerging risk, operational risk incidents, information and cyber security risk, fraud risk incidents etc.

Risk oversight: It is overseen by the Risk Management Committee of Senior Management and of the Board. The Company also has a Chief Risk Officer who is responsible for the implementation and monitoring of the framework.

Risk culture: The essence of culture in SBI General is jointly learned values and beliefs. Risk culture is promoted by leadership and behaviours demonstrated by Management through periodic skills and capability development and by having a remuneration system which incorporates incentives/ disincentives for Management and staff to optimize risk mitigation and returns.

SBI General has engaged with academia, external risk management thought leaders and associations to help advance the risk management acumen for current and future business leaders.



Risk Universe

The Company has defined a risk universe which helps our quantitative and qualitative expressions for the types of risk to which we are prepared to be exposed. The risk universe is further categorised based on financial control, operational efficiency, reputational exposure, enterprise activities etc.

Credit risk or the risk of default of counter parties is sought to be mitigated by investing in securities with minimum acceptable credit rating as laid down by the regulator and by periodically conducting scenario analysis and review of changes in credit ratings for all the companies we invest. The Company also seeks to deal with financially sound reinsurers reducing our exposure to credit risk on account of reinsurer default.

Market risk arises from unexpected losses arising due to changes in market prices or from changes to the net worth of assets and liabilities. The risk is mitigated by maintaining a desired mix between debt and equity subjected to investment regulations by IRDAI guidelines and active asset management based on asset and liability duration matching which limits the impact of interest rate changes.

Liquidity risk is monitored on a regular basis to ensure that adequate liquidity is maintained to meet short-term obligations by timing the cash inflows and outflows through cash flow matching and by maintaining a mix of liquid assets.

The Company has in place Capital Adequacy, Liquidity Management and Asset Liability Management Policies which ensure maintenance of adequate level of capital to meet diverse risks related to market and operations.

Underwriting risk is the risk that the total cost of claims, claims adjustment expenses, commissions and premium acquisition costs will exceed premiums received. To address this, the Company's Board and senior Management periodically reviews underwriting and pricing strategy as part of yearly planning process and by taking steps for risk mitigations as:

- Periodic review of pricing and portfolio performance for various lines of business and appropriate corrective action where required
- Monitoring of product and distribution channel & geography mix to ensure desired top and bottom-line achievement with lower concentration risk
- Maintaining optimum balance between new and renewal business portfolio
- Monitoring Catastrophe risk accumulation



Risk Universe



- Established limits for underwriting authority and requirements for specific approvals
- Reinsurance programme with defined retention limit for various classes of products

Reserving risk arises if actual claims experience differs adversely from the assumptions used in setting the reserves. Our reserving philosophy ensures total claim provisions are set in such a manner that in aggregate, they are expected to be enough to meet unpaid claim liabilities as they fall due. Additionally, a risk margin is held to increase the probability of the provisions being adequate. A multi-disciplinary internal Reserving Review Committee meeting is held periodically to debate and understand trends prior to final decision on the assumptions.

Operational risk: Our business processes having significant reliance upon combination of IT systems and manual processes exposes us to operational risks. To mitigate this, we have adopted an Operational Risk Management framework, systems of internal audit and fraud prevention which flags off areas where risks are identified and monitored. There is also a Whistle Blower framework to raise concerns internally about possible irregularities, governance weakness, financial reporting issues, fraud and violation of the Company's code of conduct or ethics.

To manage our information and cyber security exposure, we have Information Security and Cyber Security policy in-line with the IRDAI guidelines. Our threat landscape is periodically reviewed by the internal Information Security Forum. Periodic employee awareness is created through regular awareness campaigns using multiple aids.

Digital risk: We continue to make investments in our IT systems to improve our operational efficiency, customer service and decision-making process and to reduce the risk of system failures. The Company has gone through a digital and automation journey as part of business transformation where projects are run on an agile project management principal in collaboration with the project management office for tracking and monitoring of organisational projects.

Strategic risk: Business risk of not achieving strategic goals due to events such as competitor activities, economic/ market conditions, not enough capital etc. The Company has a rigorous strategic planning program with progress tracking against strategic priorities regularly reviewed by the senior Management leading to informed decisions on the allocation of assets in the most efficient way.

Corporate Social Responsibility

Mission Statement To serve the most vulnerable communities and people at risk with sustainable interventions that help transform lives.

While we have been contributing to causes since inception, in 2018 we formally launched our CSR programme with a focused strategy. In the first year itself, we have impacted 10,000 beneficiaries across 40 locations. We want to reach more geographies, engage deeper with communities, and help our partners scale up their operations. In an effort to reach the grassroots, we have joined hands with several programme partners that are founder-led and have a structured strategy to contribute to our selected causes.

Our CSR programme has positively impacted the areas of education, sanitation, mental health, skilling, road safety and financial inclusion. Here is a snapshot from some of our projects.

A call for mental health

The lion's share of CSR funds in India goes to education, healthcare and rural development. Mental health, however, is stigmatised in personal and professional settings.

Sangopita was founded by Ravindra and Sujata Sugwekar, after they became parents to a beautiful baby with cerebral palsy. This event inspired them to help others with similar ailments. Sangopita offers lifetime residential care to the physically, mentally and sensory-impaired, and for those with Autism. The beneficiaries are taught many life skills, such as weaving, making agarbattis, stitching bags and moulding candles. This has a two-fold benefit: it teaches them constructive activities and expends energy, which if not utilised, could lead to destructive behaviour. SBI General supports the complete care of 57 residential and 20 day-care beneficiaries at Sangopita, as well as the cost of physiotherapy, speech therapy and occupational therapy for 27 beneficiaries. SBI General has also enabled Sangopita to purchase a vehicle for emergency transportation and to serve as an ambulance.





5,000 girls in rural Maharashtra will have access to hygienic washrooms

1,500 youth in night-schools in Maharashtra provided with extra educational support

1,400 people in Rajasthan trained on road safety measures



The importance of road safety

Despite India having one of the highest road accident rates in the world, road safety often remains overlooked. In order to change this, we have partnered with **Muskaan Foundation** and **Rajasthan Police** in making Rajasthan's roads safer.

Spread across 15 regions in Rajasthan, this is a unique initiative on road safety awareness. Under the programme, workshops were conducted on skills like defensive driving, riding attitudes, braking, turning and negotiating corners. The workshops also covered the Good Samaritan Law guidelines, post-accident care training with practical demonstration of CPR and transporting of accident victims. The programme has educated over 1,400 police personnel and school transport drivers through trainings and workshops. These two demographics are most present on the road, and therefore, are most likely to help accident victims.

Providing access to education

SBI General has partnered with the NGO **Masoom** to provide education to migrants and the less fortunate. Masoom partners with night schools to carry out the "Night School Transformation Programme", designed to reach people who work all day but are keen to complete their education. Our funding has helped 1,500 students in 24 night schools get the additional tutoring support they needed to appear for their final examinations in March 2019.

In partnership with the **Learning Space Foundation**, SBI General funded the construction of five restrooms for girls in schools of rural Maharashtra. These restrooms are likely to be used by over 5,000 girls. Not only will it create qualitative change in their hygiene habits, but will also increase the attendance of girls at the schools. In addition to this, special workshops on hygiene and sanitation were also conducted for the girls.

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Tenth Annual Report of SBI General Insurance Company Limited ("SBI General" or "Company") along with the audited financial statements for the year ended March 31, 2019 (FY2018-19).

1. General Insurance Industry

The General Insurance industry premium in FY19 grew from ₹1.51 lakh crore in FY18 to ₹1.70 lakh crore, with a growth rate of 12.6%. The Industry growth rate has stabilised after the aggressive growth observed last year. This is primarily due to rationalisation of growth in Crop Insurance, which was an aggressive component in two previous financial years. The Indian General Insurance Industry now constitutes of 34 players (21 Private General Insurers, 4 PSU General Insurers, 7 Standalone Health Insurers, and 2 Specialised Insurers) as of 31st March 2019.

Insurance penetration, though, continues to be low. The estimated General Insurance Penetration (Premium/GDP) is at 0.91%. While on one hand this could be looked at as a poor show by the industry, on the other hand it depicts the huge opportunity in underserved market.

In FY19, SBI General GDPI (Gross Direct Premium Income) increased from ₹3,553 crore during the FY18 to ₹4,717 crore, a growth of 33% compared to the industry growth of 12.6% (including Crop Insurance business). The Company has also surpassed the premium growth rate of Private insurers (including Standalone Health Insurers) that has registered an average growth rate of 26.06% in FY19. Excluding Crop Insurance growth, SBI General has recorded a growth rate of 12.4% in FY19.

2. Financial Results

Financial Highlights for the FY ended 31st March 2019 is as under.

| Particulars | (₹ in crore) | |
|--|--------------|----------|
| | 2018-19 | 2017-18 |
| Gross Written Premium | 4,717.26 | 3,553.21 |
| Insurance Profit/(Loss) | 82.22 | 94.34 |
| Total Income from Investments and Other Income | 387.57 | 328.05 |
| Profit/(Loss) before Tax | 469.79 | 422.39 |
| Provision for Taxation | (135.80) | (26.69) |
| Profit/(Loss) after Tax | 333.99 | 395.70 |
| EPS-Basic | 15.50 | 18.36 |
| EPS-Diluted | 15.48 | 18.36 |
| Solvency Ratio (times) | 2.34 | 2.54 |

FY18-19 was the 10th full year of operation. It was also the 3rd straight year of post-tax profits. The Company went on to record a positive underwriting margin for the second consecutive year, a rare feat across the industry. Better claims management, efficient expense controls and an effective reinsurance programme were the main ingredients.

A comparison with FY17-18 shows a drop in Profit after tax during the current year. The downward trend is attributable to a one-time net inflow arising out of a reinsurance arrangement in FY17-18.

3. Reserves & Dividend

The Board of the Company at its meeting held on 12th March 2019 has declared and paid a maiden Interim dividend of ₹1/- (per equity share of ₹10/- each) aggregating to ₹215,500,000/- (Rupees Twenty One Crore Fifty Five Lakh only) on equity share capital of the Company. The Interim Dividend may be treated as Final Dividend for the year ending March 31, 2019.

The Board does not propose to carry any amount to General Reserve from profits of the Company on account of declaration of Dividend.

In line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations (Second Amendment) Regulations, 2016, your Company has formulated a Dividend Distribution Policy which is available at the Company's website i.e. <https://www.sbigeneral.in/SBIG/important-links>.

Pursuant to Section 124 & 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, there was no unpaid/unclaimed dividend to be transferred to Investor Education and Protection Funds in FY2018-19.

4. Risk Management

The Company recognises the criticality of robustness of risk management practices to meet its objectives. The Company is committed to an effective and robust Risk Management Framework, which addresses operational and financial risks. Accordingly, the Company has developed a comprehensive Risk Management Framework to identify, monitor and manage the risks. Risk Management is a concurrent process within the Company. Under the Risk Management Framework, risks associated with the business are identified and prioritised based on the impact and likelihood of its occurrence. All key risks are reviewed by the Senior



Management on a quarterly basis. Risk owners are identified for each risk for monitoring and reviewing the risk mitigation. The Company has constituted a Risk Management Committee comprising members of the Board of Directors. The Risk Management Committee is responsible for monitoring the Risk Management Framework of the Company and implementation of the Risk Management Strategy.

The Risk Management Committee inter-alia:

- a. Assists the Board in effective operation of the risk management system by ensuring performance of specialised analysis and quality reviews;
- b. Advises 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;
- c. Reports to the Board, details of the risk exposures and the actions taken to manage the exposures, at its quarterly meetings; and
- d. Reviews and monitors risks pertaining to the business on a regular basis.

5. Internal Audit and Compliance Framework

Internal Audit:

The Company has an internal audit system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is properly defined. Internal Audit assignments are executed based on a risk based audit plan developed annually and approved by the Audit Committee. The audit plan is designed to address the most significant risks identified. The Internal Audit Department monitors and evaluates the design, efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company i.e. head office and branches. The Company's Internal Audit function has Head- Internal Audit with a dedicated internal audit team based at the head office as well as in regions. The Company also engages external specialised professional firms to support internal audits in specialised areas and in concurrent audit. Based on the report of internal audit function, process owners undertake corrective as well as preventive action in their respective areas and thereby strengthen the controls. Significant audit observations along with Management response thereon are presented to the Audit Committee of the Board on quarterly basis.

Compliance:

The Audit Committee of the Company has laid down governing principles for managing the compliance framework of the Company. The Company has also formulated various internal policies and procedures to define a framework for the working of various functions to ensure compliance. The Compliance function identifies and communicates regulatory requirements to relevant functions in a timely manner and monitors critical compliance risks based on suitable monitoring mechanism. The Compliance function works in liaison with the regulators and provides clarifications to various functions on applicable laws, regulations and circulars

issued by the regulatory authorities. A compliance certificate signed by the Managing Director & CEO is placed at the Board Audit Committee on a quarterly basis.

6. Management Report

In accordance with the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, the Management Report is placed separately.

7. Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

8. Public Deposits

During the year under review, your Company has not accepted any deposits under Section 73 of the Companies Act, 2013 nor within the meaning of the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions 1998, vide notification no.DFC118/DG(SPT).98 dated 31st January,1998.

9. Capital

The shareholding pattern during the year under review is in compliance with the statutory requirement. There was no fresh capital infusion by the promoters in the Company during FY2019.

During the year under review, there has been no change in the Authorised Share Capital of the Company. The issued, subscribed and paid up capital of the Company is ₹215.5 crore. The shareholding pattern is provided as a part of Form No. MGT-9 which is annexed to this Report.

The net worth of the Company increased from ₹1,494 crore on March 31, 2018 to ₹1824 crore on March 31, 2019. The solvency position of the Company on March 31, 2019 was 2.34 times as against the minimum of 1.50 times prescribed by the IRDAI.

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

10. Employee Stock Option Scheme 2019

Your Company, with the objective of introducing a long term incentive tool to attract, motivate, retain talent and reward loyalty, formulated the "SBI General Insurance Employee Stock Option Scheme – 2019" for

grant of a maximum of 64,65,000 stock options to the eligible employees of the Company. The Nomination and Remuneration Committee of Directors of the Company at its meeting held on March 11, 2019 approved the grant of the employee stock options (“Options”) under the provisions of ESOS- 2019. The Information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished herewith:

| Details | ESOP-2019 |
|--|--|
| Options granted during the year | 47,41,900 (Forty Seven Lakhs Forty One Thousand Nine Hundred) stock options convertible into 47,41,900 (Forty Seven Lakhs Forty One Thousand Nine Hundred) Equity shares of the Company, having nominal value of ₹10/- (Rupees Ten only) per equity share. |
| Options vested | 0 |
| Options exercised | 0 |
| Total number of shares arising as a result of exercise of option | 0 |
| Options Lapsed/Forfeited | 0 |
| Exercise price (in ₹) | Options are granted at the last evaluated transaction value i.e ₹559/- per share |
| Money realised by exercise of options (in ₹) | 0 |
| Total number of options in force as on March 31, 2019 | 4,741,900 |

There are no employees who have received a grant of options during the year amounting to 5% or more of total options granted. There are no employees who were granted options, during the year, equal to or exceeding 1% of the issued capital, of the Company at the time of grant.

11. Stake Sale

During the year under review, State Bank of India (SBI) has sold 2.35% of its stake to PI Opportunities fund–I, AIF and 1.65% to Axis New Opportunities Fund–I, AIF respectively totaling to 4% for ₹482 crore. All the necessary approvals of Regulators were taken before the execution of the said transaction. After the sale, IAG continues to hold a 26 per cent stake while SBI’s stake in the venture has come down to 70%. The transaction placed a value of ₹12,000 crore (approximately) on the Company.

12. Alteration of Articles of Association of the Company

During the year under review, the Shareholders in a meeting held on 5th September 2018 and 19th December 2018 approved the amendments in the Articles of Association of your Company to align them to the duly amended Joint Venture Agreement dated 24th November 2008 (as Novated and Amended from time to time), entered into between the shareholders of the Company and the Company (“Joint Venture Agreement”).

13. Change in Registered Office of the Company

The Board of Directors had approved the change in Registered Office of the Company from its present address being “Natraj” 101, 201 & 301, Junction of Western Express Highway & Andheri-Kurla Road, Andheri (East), Mumbai – 400 069 to “Natraj” 301, Junction of Western Express Highway & Andheri-Kurla Road, Andheri (East), Mumbai – 400 069 with effect from the beginning of the business hours on 20th October 2018.

14. Registration

Insurance Regulatory and Development Authority of India (IRDAI) issued a Circular dated 7th April, 2015 which states that Section 3A of the Insurance Act 1938 has been amended by the passing of the Insurance Laws (Amendment) Act 2015 to remove the process of annual renewal of the Certificate of Registration issued to the Insurers under Section 3 of the Insurance Act, 1938. The Insurers however, continue to pay such annual fees as may be prescribed by the Regulations. Thus w.e.f. 26th December 2014 insurers shall not be issued the Renewal Certificate of Registration (IRDAI/R6) on an annual basis.

Accordingly the Certificate of Registration of the Insurers renewed in 2014 shall continue to be in force from 1st April 2015, subject to the provisions of Section 3A read with Section 3 of the Insurance Act, 1938. The requisite renewal fee has been remitted to the IRDAI timely and the registration of the Company is in force.

In view of the same, the Company is in compliance with the provisions of Section 3A read with Section 3 of the Insurance Act, 1938.

15. Accolades

The Company has won several awards during the year, some of which are highlighted below:

- Won the ‘**Gold Award**’ in the category ‘**Non Life Insurance Company of the Year 2018**’ at Outlook Money Awards
- Won the ‘**General Insurance Company of the Year**’ at India Insurance Summit and Awards 2019
- Won the ‘**Best Digital Innovation Award**’ for Customer Retention Analytics organised by Express Computers
- Won the ‘**Best Use of Content Marketing in Communication Strategy**’ at Corporate Communication and PR Summit 2019, organised by Kamikaze
- Won the ‘**CRO of the year**’ in the 2nd Edition CRO Leadership Summit and Awards 2019
- Won the ‘**Silver Award**’ for **Emailer Campaign** at Association of Business Communicators of India (ABCI) Awards 2019
- Won the ‘**Bronze**’ for the **best e-zine** at the 12th Global Communication Conclave organised by Public Relation Council of India
- Won the ‘**Best Content**’ in **Email Marketing Campaign** for E-Newsletters at India Content Leadership Awards by InksPELL Media



- Won the 'Best ET BFSI Brands Award 2018' by Economic Times

We believe that each of the awards demonstrates the Company's commitment to achieve excellence, across all spheres of its activities and operations. We owe these awards to the constant support and trust reposed by our Policyholders and Stakeholders and the hard work and dedication of our work force.

16. Credit Rating

During the year, your Company maintained its credit rating of "iAAA" awarded by ICRA for claims paying ability by the Company. This indicates that the Company has the highest claims paying ability, has a fundamentally strong position and prospect of meeting policyholders' obligations is the best.

17. Directors & Key Managerial Personnel

The Board of Directors of SBI General as on March 31, 2019 consisted of ten Directors, out of which four (4) are Independent Directors, five (5) are non-executive non independent Directors and one (1) is Executive Director. None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013, and Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Shri Pushan Mahapatra was re-appointed as Managing Director & CEO of the Company w.e.f. 1st January 2019 for a term of two years.

During the year under review, Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from the Board w.e.f. the closing hours of 19th December 2018.

Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on the Board of the Company w.e.f. 20th December 2018.

The Board of Directors of the Company placed on record its sincere appreciation for the invaluable support provided by Shri Alp Altun during his tenure as Nominee Director of the Company.

A detailed report on composition of the Board and mandatory Board Committees is provided in the Corporate Governance Report forming part of this Report.

As per the requirements of Section 203 of the Companies Act, 2013 and the rules made thereunder the following persons have been appointed as the Key Managerial Personnel's of the Company;

1. Shri Pushan Mahapatra – Managing Director and CEO
2. Shri Mahendra Kumar Tripathi – Head-Compliance, Legal & CS
3. Shri Rikhil K. Shah – Chief Financial Officer

Further, in accordance with the Corporate Governance Guidelines issued by the IRDAI, the Company has

eight (8) Key Management Persons including the above mentioned KMPs. The details are as under:

1. Shri Amar Joshi- Chief Business Officer
2. Shri Shirish Thatte- SVP & Head- Internal Audit
3. Ms. Gayle Adams- Appointed Actuary
4. Shri Ganesh Prasad- Chief Investment Officer
5. Shri Avez Sayed- Chief Risk Officer

Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act 2013.

Retirement by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Jonathan Guy Delalande is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

18. Annual evaluation of Directors, Committee and Board

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Company engaged M/s. PwC, external consultants, to conduct Board Evaluation for the Financial Year 2018-19. The evaluation of all the Directors Committees, Chairman of the Board and the Board as a whole was conducted, based on the criteria and framework adopted by the Board. The Evaluation process focused on Board Dynamics and softer aspects. The process involved independent discussions with all the Board Members. Further, the Evaluation process was based on the affirmation received from the Independent Directors that they met the Independence criteria as required under the Companies Act, 2013.

The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board in their respective meetings.

19. Investor Relations

The Company continuously strives for excellence in its Investor Relations engagement with International and Domestic investors. It believes in adopting the emerging best practices in Investor Relations and building a relationship of mutual understanding with investor/analysts.

The Managing Director & CEO, Executive Directors, Chief Financial Officer and other Senior Management members participate in structured conference calls and periodic investor/analyst interactions including one-on-one meeting, investor conferences & quarterly earnings calls. The Company conducted various meetings with

Indian and overseas investors and analysts during the financial year.

The Company ensures that the financial information of the Company is available to all the stakeholders by uploading it at the Company's website. The financial information includes Financial Statement and Annual Report.

20. Disclosures related to Board and Board Committees

The Board of Directors met 9 times during the financial year ended 31st March 2019 in accordance with the provisions of the Companies Act, 2013, and Rules made thereunder.

The dates on which the Board of Directors met during the financial year under review are as under:

| | |
|---|--|
| 64 th BM : 26 th April 2018 | 69 th BM : 20 th October 2018 |
| 65 th BM : 11 th June 2018 | 70 th BM : 19 th December 2018 |
| 66 th BM : 27 th July 2018 | 71 st BM: 16 th January 2019 |
| 67 th BM : 5 th September 2018 | 72 nd BM: 12 th March 2019 |
| 68 th BM : 26 th September 2018 | |

The Details of the Board Committees is mentioned in the Corporate Governance Report in details.

21. Remuneration Policy for Directors/ KMPs

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the criteria for determining qualifications, positive attributes, independence of a Director and policies relating to remuneration for Directors, Key Managerial Personnel. The remuneration policy for KMPs and Directors was reviewed annually by the Board in its 72nd meeting held on 12th March 2019.

The objective of the Remuneration Policies is inter-alia to ensure that (i) the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay; (ii) we retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; (iii) to have performance measurement parameters in place to assess the overall performance of Directors, KMPs, Members of Senior Management and other employees; and (iv) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

In respect of Directors Nominated by the SBI/Managing Director, the remuneration shall be governed by the

terms of his nomination by State Bank of India and to that extent this policy shall not be applicable to MD & CEO.

The said Policies are available on the website of the Company (www.sbigeneral.in).

22. Corporate Social Responsibility

The Company has constituted the Corporate Social Responsibility Committee (CSR) of the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules 2014, which drives the CSR programme of the Company.

The CSR Committee of the Board confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

CSR Mission Statement

To serve the most vulnerable communities and people at risk with sustainable interventions that help transform lives.

Background on CSR programme

India is one of the few countries in the developing world where you see skyscrapers casting shade on slum developments. Wealth and poverty live side by side and this presents to us the proximity needed to impart immediate positive change. The government is responsible for the well-being of its citizens. But, with a population like ours, it is corporate onus to share in this endeavour, since they can get a first-hand view of the social needs around them. Social responsibility is a duty and every corporate body is obliged to serve the community around it, which in turn serves them. SBI General, as a responsible corporate, has distributed its social resources with range both geographically, as well as thematically.

From road safety to sanitation, SBI General has strategically chosen areas to extend its CSR programme for maximum impact. The funds have been distributed evenly, attesting and testifying to the integrity of all its partners. The CSR programme has positively impacted the areas of education, sanitation, transport, mental health and financial inclusion in communities across India. SBI General has strived to reach the grassroots levels, often overlooked, and delivers resources to genuine organisations that need it most.

A call for mental health

The lion's share of CSR funds in India goes to education, healthcare and rural development. Mental health, however, is stigmatised in personal and professional settings, and SBI General has done its best to change this.

Parenthood can be a profound, life changing experience. And it was, for Ravindra and Sujata Sugwekar, who became parents to a beautiful baby with cerebral palsy. This birthed in them a burning desire to help others with similar ailments; they were driven to start



Sangopita, an organisation that exemplifies compassion and understanding for special needs. Sangopita offers lifetime residential care to the physically, mentally and sensory-impaired, and for those with Autism. The beneficiaries are taught many life skills, such as weaving yarn, making agarbatties, stitching bags, and moulding candles. This has a two-fold benefit: it teaches them constructive things and expends energy, which if not utilised, leads to destructive behaviour. SBI General is supporting the complete care of 57 residential and 20 daycare beneficiaries at Sangopita, as well as the cost of Physiotherapy, Speech therapy and Occupational therapy for 27 beneficiaries. SBI General has also enabled Sangopita to purchase a vehicle for emergency transportation, which serves the purpose of an ambulance.

The importance of road safety

Road safety in India is an area much overlooked; we have one of the highest road accidents rates in the world. SBI General wanted to make a positive impact here, for which we have partnered with Muskaan Foundation, which is striving to make Rajasthan's roads safer.

Spread across 15 regions in Rajasthan, SBI General's programme is in collaboration with Muskaan Foundation and the Rajasthan police; a first-of-its-kind initiative on road safety awareness. The workshops conducted provided useful information on defensive driving, riding attitudes, braking and turning skills and negotiating corners among many other things. They also covered the Good Samaritan Law guidelines, post-accident care training with practical demonstration of CPR and the transporting of the victim. The programme has educated over 1,400 police personnel and school transport drivers through training and workshops. These are the two demographics most present on the road, and therefore, have the highest chance of helping accident victims.

Dignity of migrant labour

Industries such as construction, manufacturing, domestic work and hospitality function primarily because of migrant labour. Innumerable people move from their rural homes to the city in search of work and a better life. In fact, most of our great cities, such as Mumbai, Bengaluru and Delhi, have been built by the hands of labourers from distant villages and towns. But they are not lauded for this, nor are they afforded much dignity. They are excluded from formal financial services due to low incomes, risky jobs and their constant movement between source (villages) and destination (cities). As a result of this, migration, which was supposed to grant them a better life, lowers their standard of living further.

After much research, SBI General partnered with the NGO Shram Sarathi, an organisation established to address the financial needs of migrant workers and create greater visibility about their challenges in the financial sector. The programme has reached out to 3,000 migrant families around Rajasthan through workshops on financial inclusion. In the future, the plan is to fund projects in new regions and create a revolving fund grant to offer credit to migrants.

Besides knowledge on financial inclusion, labourers must develop skill sets to take up blue collar jobs that will connect them to the system and also give them the education and confidence to build their careers. To help them achieve this, SBI General partnered with the St. Joseph Industrial Training Institute to conduct technical trainings for 1,000 migrant workers to develop skills in refrigeration, air conditioning, plumbing and car mechanics in Delhi, Indore and Mumbai.

Providing access to education

SBI General has made inroads into the education of migrants and the lesser fortunate sections. The NGO Masoom, partners with night schools to carry out the "Night School Transformation Programme", which is designed to reach people, who work all day but are keen to complete their education. The SBI General funding helped 1,500 students in 24 night schools get the additional tutoring support they needed to appear for their final examinations in March 2019.

In partnership with the Learning Space Foundation, SBI General funded the construction of 5 restrooms for girls around schools in rural districts of Maharashtra. These restrooms will be used by over 10,000 girls in the coming 5 years. This will have a two-fold impact: not only will it create a sense of ownership and qualitative change in their hygiene habits, but also increase the attendance of girls at the schools. In addition to this, special workshops on hygiene and sanitation were also conducted for the girls.

Way forward

We have contributed to organisations and causes since our inception, but it is only in 2018 that we formally set up our CSR programme with a focused strategy.

In the first year of our CSR programme, we have impacted 10,000 beneficiaries across 40 locations. We want to reach more geographies, engage deeper with communities, and help our partners scale their operations. Our aim is to be present in every state and impact every Indian city. In effort to reach the grassroots, we have joined with NGOs that do not have access to large corporate funds. Our programme partners are founder-led and have a sure strategy to contribute to the varied causes we want to impact. Every journey starts with a step, and it's a centillion drops that make the ocean, and we have stepped into our journey with a drop of good.

The brief outline of CSR Policy, including overview of the programme proposed to be undertaken, the composition of the CSR Committee, average net profits of the Company for the past three financial years, prescribed CSR expenditure and details of amount spent on CSR activities during the financial year have been disclosed in **Annexure "1"** to this report, as mandated under the said Rules.

23. Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is not applicable to the Company.

24. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report at **Annexure “2”**.

25. Corporate Governance Report

The Company has taken structured initiatives towards Corporate Governance and its practices are valued by various stakeholders. A detailed Report on Corporate Governance is annexed and forms part of this Report at **Annexure “3”**.

26. Particulars of Loans, Guarantees or Investments

The provisions of Section 186(4) of the Companies Act, 2013 (“CA2013”) 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 is proposed to be utilised by the recipient of the loan or guarantee or security are not applicable to the Company. There are no Loans and Guarantees made by the Company during the financial year 2018-19. The details of Investments are given in Schedule 8 and Schedule 8A of the Financial Statements.

27. Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. N. L. Bhatia & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There has been no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor in the Report. The Report of the Secretarial Auditor is annexed herewith as **Annexure “4”** to this report.

28. Extract of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as on March 31, 2019 forms part of this report as **Annexure “5”**.

29. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm’s length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons who may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for approval. The Audit Committee has granted omnibus approval for Related Party Transactions

as per the provisions and restrictions contained in Companies Act, 2013 and rules thereunder. There is no material Related Party Transaction neither there were Related Party Transactions requiring approval of the Board and/or Shareholders. Accordingly, Form - AOC-2 with nil report is attached at **Annexure “6”**.

The Company has prepared a Related Party Transactions policy, for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website.

30. Details of significant and material orders passed by the regulators/courts/tribunals impacting the going concern status and the Company’s operations in future

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

31. Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a ‘Policy on Prevention of Sexual Harassment’. Internal Complaints Committee and Regional Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, deputed) are covered under this policy. There were 2 cases reported and closed as per the policy guidelines during the year under review under the said Policy.

32. Rural and Social Responsibility

Your Company has complied with the obligations for Rural and Social Sector as prescribed in the Insurance Regulatory and Development Authority (Obligations of insurers to Rural or Social Sectors) Regulations, 2002 for the Financial Year 2018-19.

Sector wise details of the policies issued are given below:

| Sector | For the year ended March 31, 2019 | | |
|--------------|-----------------------------------|----------------|------------------|
| | GDP (₹ in crore) | % of GDP | No of Policies |
| Rural Sector | 1,523.01 | 32.36% | 2,452,799 |
| Urban Sector | 3,183.53 | 67.64% | 1,412,412 |
| Total | 4,706.54 | 100.00% | 3,865,211 |

| Sector | For the year ended March 31, 2019 | |
|---------------|-----------------------------------|--------------|
| | GDP (₹ in crore) | No. of Lives |
| Social Sector | 1,566.49 | 6,296,965 |



33. Auditors' Report

There is no qualification in the Statutory Auditors' Report. Notes to the Accounts referred to in the Auditors' Report are self-explanatory.

The Comptroller & Auditor General of India (C&AG), based on a supplementary audit for 2018-19 conducted under section 143(6)(a) of the Companies Act 2013, has forwarded comments under section 143(6)(b) of the Companies Act 2013 for attention of the Members of the Company. The comments received from the office of C&AG is placed alongside for reference and attention of the Members. The Directors' explanation to the comments received from the office of C&AG is placed at Point No. 35 of this Report.

34. Auditors

Pursuant to Section 139 (5) of the Companies Act, 2013, the Statutory Auditors of your Company are appointed by the C&AG. The Insurance Regulatory and Development Authority of India prescribes eligibility criteria to be fulfilled by Statutory Auditors and further requires an Insurance Company to have Joint Statutory Auditors for Statutory Audit of the Company. Your Company is also subject to supplementary/test audit and Transaction Audit of the C&AG.

M/s. Chaturvedi & Shah LLP., Chartered Accountants and M/s. SARC & Associates, Chartered Accountants, as Joint Statutory Auditors of your Company were appointed by the C&AG for the FY ending 31st March, 2019. The Statutory Auditors for the FY 2019-20 will be appointed by the C&AG in accordance with Section 139 (5) of the Companies Act, 2013.

Your Company has already written to the C&AG seeking appointment of the Statutory Auditors for the FY 2019-20.

Statutory Audit and other Fees paid to Joint Statutory Auditors

During FY2019, the total fees for the statutory audit and other services rendered by the Joint Statutory Auditors are given below:

| Name of Audit Firm | M/s. Chaturvedi & Shah LLP and M/s. SARC & Associates |
|--------------------|---|
| Particulars | Fees for FY 18-19 |
| Statutory Audit | 48,50,000 |
| Limited Review | 13,50,000 |
| CFS | 5,00,000 |
| Tax Audit | 5,00,000 |
| IFC Certification | 6,00,000 |
| Total | 78,00,000 |

35. Comments of Comptroller & Auditor General of India

Since your Company is subject to supplementary/test audit and transaction Audit of the C&AG, the Joint Statutory Auditors of your Company have submitted

a copy of their Audit Report to the C&AG pursuant to Section 143(5) of the Companies Act, 2013. The office of C&AG has conducted a supplementary audit, under Section 143(6)(a) of the Companies Act 2013, of the financial statements of the Company for the financial year 2018-19. The comments received from the office of C&AG under Section 143(6)(b) of the Companies Act 2013 vide letter No. GA/CA-1/Accounts/SBIGIC/2018-19/90 dated 5th August 2019 issued by C&AG is placed next to the Statutory Auditors' Report in the Annual Report.

We have reproduced the comments received from the office of the C&AG and the explanation of your Directors on the comments of the C&AG.

Comment No. 1:

"The Company invested ₹85.09 crore in secured Non-Convertible Debentures (NCDs) of Infrastructure Leasing and Financial Services Limited (IL & FS). As per the above mentioned Note, a provision of ₹62.55 crore (74 per cent) for diminution in value of the investment has been created. However, as per proceedings before National Company Law Appellate Tribunal dated 11 February 2019, the new Board of Directors appointed by the Union Government to manage the affairs of the IL&FS group of companies has placed the entity in which the Company holds the above mentioned investment viz. Infrastructure Leasing and Financial Services Limited under the 'Red' category. This means that the entity cannot meet its 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 ₹22.55 crore."

Directors' Response on Comment No. 1:

Your Company had invested in [non-convertible debentures of] Infrastructure Leasing and Financial Services Limited (IL & FS) and IL & FS Financial Services Limited due to its excellent credit rating from February 2013 to March 2016 and June 2016 till May 2017 respectively. Both the Companies had paid all its interest & maturity proceeds on or before the respective due dates till August 2018. The non-convertible debentures of both the Companies were downgraded from AAA to D within a span of 1 month on 17th September 2018 by ICRA Rating, CARE Rating and India Rating

The maturity of the various non-convertible debentures issued by IL&FS range from December 2018 till December 2020. In the absence of regulatory guidelines on Non-Performing Investments, your Company had framed its own Debt Diminution Policy duly approved by the Board of the Company. The Company's Debt Diminution Policy is comprehensive and conservative in the treatment of Non Performing Investments wherein the entire exposure is provided for within a period of 15 months of the security downgrading to Default rating. The treatment given in the case of IL&FS group exposure was in accordance with the said policy wherein 74% of the exposure was

provided for in the financials up to 31st March 2019. The balance 26% exposure would be provided for as per the Debt Diminution Policy by December 2019.

Further, as per the recent developments, the new board of IL&FS, as part of the overall resolution process for the IL&FS group, has initiated a comprehensive claims management process for 70 group entities in order to crystallize the financial and operational liabilities of the group and to facilitate distribution of proceeds from the resolution process. IL&FS, via public announcement dated 22nd May 2019 has asked all financial and operational creditors of these 70 group entities to submit proof of claims in respect of all liabilities due till 15th October 2018 to Grant Thornton, the claims management advisor.

Your Company's exposure to IL&FS group entities is a part of above-mentioned list and accordingly your Company has submitted a claims totaling ₹88.86 Crores (inclusive of default interest component up to 15th October 2018) through its debenture trustee – Centbank Financial Services Ltd in June 2019.

Thus, the provision of doubtful debts of up to 74% of the total exposure to IL&FS till March 2019 is deemed by your Directors as conservative and adequate.

Comment No. 2:

"The above Report has certified (Para 7 (e)) that no part of the assets of the policyholders' funds is directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) and as required by IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations under Schedule-C, Para 4-c relating to the application and investments of the policyholders' funds.

However, the Company held an investment of ₹63.29 crore (face value) in Fixed Interest Bonds in Tata Sons Private Limited as on 31.3.2019 although such investment in private limited company was prohibited under Section 27A (4) of the Insurance Laws (Amendment) Act 2015.

Hence, the Auditor's certificate is inadequate with regard to the above investment."

Directors' Response on Comment No. 2:

Your Company invested in Tata Sons Limited due to its strong promoter group background with very minimal credit risk from May 2014 to December 2016. These investments were permitted under the extant provisions of the Insurance Act, 1938 and under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (IRDAI Investment Regulations). It was ensured that the policyholder funds have been applied in accordance to the provisions of the Insurance Act, 1938 and the IRDAI Investment Regulations relating to the application and investment of policyholders' funds.

Tata Sons Limited was subsequently converted into a private company, Tata Sons Private Limited in September

2018, long after the investment was made in line with the Insurance Act, 1938 and the IRDAI Investment Regulations.

Since section 27A(4) of the Insurance Act, 1938 prohibits insurance companies from investing in securities of a private limited company, hence all insurance companies had, through their respective Insurance Council, made an application to the IRDAI to allow insurance companies hold existing securities in Tata Sons Private Limited till the date of maturity of the respective securities. In relation to this request, IRDAI had approved the constitution of Joint Committee of Life & General Insurance Council as per the provisions of section 64N of Insurance Act, 1938. For the sake of good governance, your Company had also, in its individual capacity applied to the IRDAI to allow your Company to hold existing securities till maturity, in the interest of the policyholders. However, no response was received till date from the IRDAI on the same. In April 2019, your Company had redeemed its investment in Tata Sons Private Limited, pursuant to a buyback undertaken by Tata Sons Private Limited. In light of the reasons mentioned above, your Company has not contravened with provisions of the Insurance Act, 1938 (as amended) and the IRDAI Investment Regulations.

36. Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgoings

Since General Insurance Business is the core activity of your Company, Section 134(3)(m) of the Companies Act, 2013 read with the rules made thereunder, the clause relating to Conservation of Energy and Technology absorption is not applicable to your Company and hence the information required to be disclosed in the Board's Report is not given.

During the year under review, the net expenditure in foreign currencies amounted to ₹80.68 crore.

37. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them your Directors make the following statements in accordance with the provisions of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2019:

- (i) In preparation of the financial statements, all applicable accounting standards, generally accepted accounting principles and policies have been followed, and there have been no material departures from the aforesaid;
- (ii) The Management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the operating profit under the Revenue Account and of the profit in the Profit and Loss Account of the Company for the year ended March 31, 2019;



- (iii) The Management has taken sufficient and proper care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) and the Companies Act, 2013 (1 of 2013), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Management has prepared the financial statements on a going concern basis;
- (v) The Management has set up an internal audit system commensurate with the size and nature of the business and the same was operating effectively during the year; and
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

38. Internal Financial Controls

Your Company has laid down the Internal Controls on Financial Reporting and the same are being followed by the Company. Further, Internal Control over Financial Reporting are adequate and operating effectively so as to ensure the orderly and efficient conduct of our business. This includes adherence to the Company's policies, safeguarding of assets, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information during the financial year 2018-19.

39. Reporting of Frauds by Auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

40. Secretarial standards

The Company is in compliance with the applicable Secretarial Standards issued by the ICSI. The same has also been confirmed by the Secretarial Auditor of the Company.

41. Updates on Indian Accounting Standards

The Ind AS implementation is presently put on hold for want of clarity from the regulatory ends regarding the transitory date from an existing Indian GAAP based accounting to Ind AS.

An exposure draft on Ind AS 117 – Insurance contract (Internationally IFRS 17) had been issued and was expected to replace Ind AS 104 – Insurance contract. Basis recommendations of a working committee group constituted by the IRDAI, the IRDAI had issued a revised draft proforma Ind AS financial statement incorporating changes as per Ind AS 117. However, International Accounting Standard Board had proposed deferral in the adoption of IFRS 17 and IFRS 9 to January 1, 2022. Accordingly, the Company has decided to get itself aligned with the norms as applicable to the industry.

The Company, however, submits the proforma Ind AS financial statement as per the IRDAI circular dated December 30, 2016 regularly.

42. Appreciation and Acknowledgment

Your Directors are highly grateful for all the help, guidance and support received from the Insurance Regulatory and Development Authority of India, Registrar of Companies, Reserve Bank of India, the Comptroller and Auditor General of India (C&AG), the Auditors M/s. Chaturvedi & Shah LLP, Chartered Accountants and M/s. SARC & Associates, Chartered Accountants, Our Secretarial Auditor M/s. N. L. Bhatia & Associates, our reinsurers and various channel partners. The Directors would also like to place on record their sincere appreciation for the assiduous efforts and dedicated contributions put in by the employees of the Company at all levels to ensure that the Company continues to grow and excel.

Your Board wishes to acknowledge the contribution made by Shri Alp Altun, who demitted his office as Director of the Company, for his invaluable services and guidance provided by him.

For and on behalf of the Board of Directors of

SBI General Insurance Co. Ltd.

Shri Rajnish Kumar
Director

Shri Pushan Mahapatra
MD & CEO

Date: 14th August, 2019

Annexure 1 to Directors Report 2018-19

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

As a responsible corporate, SBI General believes it critical to invest in vulnerable communities to enable them and the economy to prosper. It is our conviction that such investment must be meaningful, entrenched and premised on long term commitment as that is the only way real and on-ground transformation can be mobilised. Such an approach serves both enlightened business interest and common social good.

The CSR policy is in line with Section 135 of the Companies Act, 2013 ("the Act") read together with the applicable rules thereto as enacted in the Republic of India.

The CSR Policy defines the broad governance framework for all CSR-related activities carried out by SBI General with a view to:

- (i) contribute to the betterment of society by investing in and empowering vulnerable communities;
- (ii) ensure that all CSR activities are conducted in a transparent and efficient manner compliant with Indian laws and regulations;
- (iii) generate, through its CSR initiatives, community goodwill for SBI General thereby helping reinforce a positive and socially responsible image of SBI General as a corporate entity;
- (iv) create a social orientation amongst the employees of SBI General as a conscious organisational policy; and
- (v) make CSR an integral part of SBI General's narrative.

Whenever possible, the CSR function will join forces with other teams within SBI General and/or the SBI Group to implement strategy-aligned activities across markets and to engage relevant stakeholders.

Charter of CSR Activities

In collaboration with identified partners, SBI General shall undertake CSR activities and programmes across **six focus areas**, which include but are not limited to the following:

- (i) *Eradicating hunger, poverty and malnutrition through:*
 - promotion of sanitation and making available drinking water, including contribution to Swachh Bharat Kosh set up by the Central Government;
 - provision of food, nutrition supplements, clothes etc. for the poor, children and other deprived sections of the society;
 - provision of safe shelter for homeless, abandoned or differently-abled children and adults; and
 - mobilisation of awareness about and access to financial inclusion opportunities for vulnerable communities.
- (ii) *Promoting healthcare including preventive healthcare through:*
 - organisation of awareness generation programmes including for prevention of female foeticide, safe driving/ prevention of road accidents, medicine distribution at health check-up camps for preventing diseases, early detection of diseases and building immunity;
 - provision of end-to-end access to affordable and quality healthcare to children, youth and adults from socially and economically backward background. This includes curative and operative healthcare for fatal diseases as well as capacity building for hospitals and institutions; and
 - provision of pre-natal and post-natal healthcare facilities.
- (iii) *Ensuring environment sustainability and ecological balance through:*
 - promotion of community conservancy for reducing man-animal conflict, increasing India's forest cover and conserving natural resources;
 - adoption of wastelands to cultivate plants and preserve the flora and fauna;



- plantation drives in schools, colleges, villages, public spaces, SBI General's office/business premises and other areas;
 - utilisation of renewable energy and renewable or recycled materials; and
 - generation of 'Worth from Waste'.
- (iv) *Supporting skill development and generation of employment through:*
- organisation of locally driven upskilling initiatives including for plumbers, electricians, mechanics, tailors, beauticians, bee-keepers, farmers etc.; and
 - provision of life skills to children, youth and adults thereby boosting their confidence and improving their employability.
- (v) *Promoting education across the continuum – primary, secondary and tertiary – especially among children, women, elderly and the differently-abled through:*
- adoption of non-formal school programmes and other educational institutions;
 - institution of infrastructure in schools like benches, toilets, potable water, fans, security cameras etc. and improvisation of educational facilities; and
 - recognition of bright and talented students including extending support for higher education.
- (vi) *Promoting sports, sports education and games through:*
- support of sports initiatives on cricket, football, hockey, kabaddi, badminton, tennis, wrestling, boxing and athletics; and
 - support for the training of athletes to maximise their potential and compete at the Olympic games. Recognition of talented and gifted athletes including extending support for professional training; and
 - institution of infrastructure and sports equipment and improvisation of facilities available.

Note: Given SBI General's pan-India presence, an endeavour shall be made to undertake such CSR activities that support populations, communities and initiatives in Tier 2, 3 and 4 cities across India.

2. The Composition of the CSR Committee as on the date of report:

The Members of the CSR Committee as on 31st March 2019 are:

Shri Ashok P. Pradhan, Chairman & Independent Director of the Company
 Shri P. K. Gupta
 Shri Dinesh Kumar Khara
 Shri Jonathan Guy Delalande &
 Shri Pushan Mahapatra

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

₹1,50,70,08,782.

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

₹3,01,40,000.

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: ₹3.01 crore
 (b) Amount unspent, if any: NIL

| Sr. | CSR project identified | Sector | State/location of project | Budget for projects (₹) | Cumulative expenditure (up to reporting period) | Amount spent (₹) |
|-----|--|---|------------------------------------|-------------------------|---|-------------------|
| 1 | Building of restrooms | Sanitation | Maharashtra | 2,000,000 | 2,000,000 | 30,140,000 |
| 2 | Skill development of migrant workers | Skilling | Delhi, Maharashtra, Madhya Pradesh | 4,100,000 | 4,100,000 | |
| 3 | Education and nutritional expenses for girl students | Education and women empowerment | West Bengal | 2,000,000 | 2,000,000 | |
| 4 | Financial literacy for migrant workers | Financial Inclusion | Rajasthan | 3,000,000 | 3,000,000 | |
| 5 | Funding for fellows at SBI Foundation | Environment, education, livelihood, women empowerment | Pan India | 6,500,000 | 6,500,000 | |
| 6 | Expenses for mental health home | Mental Health | Maharashtra | 7,140,000 | 7,140,000 | |
| 7 | Road safety workshops for police personnel | Road safety, health | Rajasthan | 2,000,000 | 2,000,000 | |
| 8 | Educational support for night school students | Education | Maharashtra | 2,000,000 | 2,000,000 | |
| | Total | | | | | 30,140,000 |

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

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Sd/-

Sd/-

Pushan Mahapatra
(Managing Director & CEO)

Ashok Pradhan
(Chairman - CSR Committee)



Annexure 2

Management's Discussion and Analysis Report

1. Macro-Economic Environment and Non-Life Insurance Industry Developments

During fiscal 2019, amidst economic crisis across the globe and the rise in global trade tensions, India outshone as the fastest growing major economy in the world. India's GDP growth has been supported by better demand conditions, settled GST implementation, capacity expansion from growing investments in infrastructure, continuing positive effects of reform policies, improved credit offtake especially in the services sector and strategic initiatives taken by the Government of India.

In many ways, FY19 was a defining year for the Indian economy with the country seeing few important reforms on economic policy front such as change in repo rate by the RBI, capital infusions to public sector banks, creation of digital infrastructure, Ayushman Bharat Programme, etc. These measures, combined with the application of the Prompt Corrective Action framework, which requires timely recognition of bad loans, and resolution of bad loans through the Insolvency and Bankruptcy Code, are helping to address solvency and asset quality challenges in the Indian economy.

The announcement in Interim Budget 2019-20 on direct cash transfer programme for farmers and the middle class tax relief measures will contribute significantly to India's GDP. These reforms will foster sustainable growth, strengthen India's institutional framework and provide greater assurance that the Government debt will remain stable.

According to the estimates of Central Statistical Office (CSO), the GDP in FY19 grew by 7.2% in constant price terms same as the Government revised growth rate of 7.2% for FY18. Agriculture, forestry and fishing sectors had a slow year, growing at 3.8% in FY19 after a 6.4% growth in FY18. The Service sectors continued to drive growth, with their 7.5% growth in FY18 followed by 7.3% growth in FY19. Manufacturing sector witnessed an improvement, growing at 8.1% in FY19 compared to 5.9% for FY18. India's GDP growth outlook is at par with India's GDP growth projected at 7.8% for FY19 and 7.4% for FY20. The RBI estimates that growth for FY19 would be 7.4% and 7.8% for FY20.

Non-Life Insurance Industry developments

Despite of overall moderation in Indian insurance penetration, including a visible drop in the auto sales, the domestic general insurance industry has ended the current fiscal year FY19 with a higher premium.

During the year, the Regulator has directed to make mandatory 3-year third party insurance policy for cars, and 5-year third party policy for motorbikes. While the Motor TP policy will be mandatory for the defined period, the Motor OD portion for comprehensive coverage will continue to be optional.

The IRDAI has mandated that the Compulsory Personal Accident cover for Owner Driver in Motor Private Car and two-Wheeler policies be increased to ₹15 lakhs for both products from current levels of ₹2 lakhs and ₹1 lakh respectively.

In FY19, Motor remained the dominant line of business with 37.9% share followed by Health (including PA) at 29.9%, Fire at 6.9% and Crop at 16.6%. The share of all other lines of business is in single digits (approximately 2-3%), totaling to 9%.

The LOB business performance indicates that the Motor segment growth rate has moderated to 8.8%, impacted by slow growth in domestic sales of passenger cars 2.1%, but supported by commercial vehicles 17.5% and two-wheelers 14.8%, and revision in rates for the Motor Third Party segment. Health segment 20.6% and Personal Accident segment 23% witnessed strong growth largely on the back of improved insurance penetration. The corporate segment grew by 9.1% on a year-on-year basis. The crop segment registered a growth of 11.7%.

The market share of the four PSU insurers decreased from 45% in FY18 to 40% whereas the share of Private insurers increased from 49% to 54.7%. In comparison, the Standalone Health Insurers have increased their market share to 6.7% in FY19 from 5.5% in FY18. Among the PSUs, New India Assurance continues to have the highest market share of 14.1% and among the Private insurers, the highest market share was that of ICICI Lombard at 8.5%.

2. Summary of Operations

i. Business Operations & Company Performance

SBI General Insurance completed its 10th year of operations, with 114 branches pan India (Including HO) and 86 insurance products approved by IRDAI as on 31st March 2019.

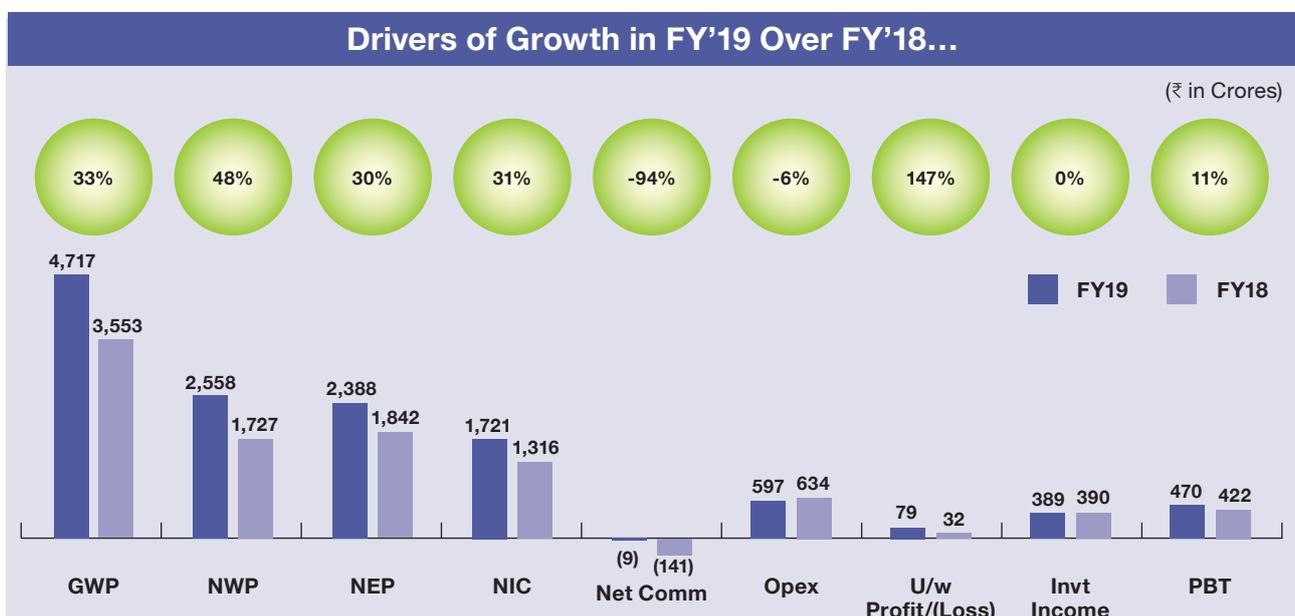
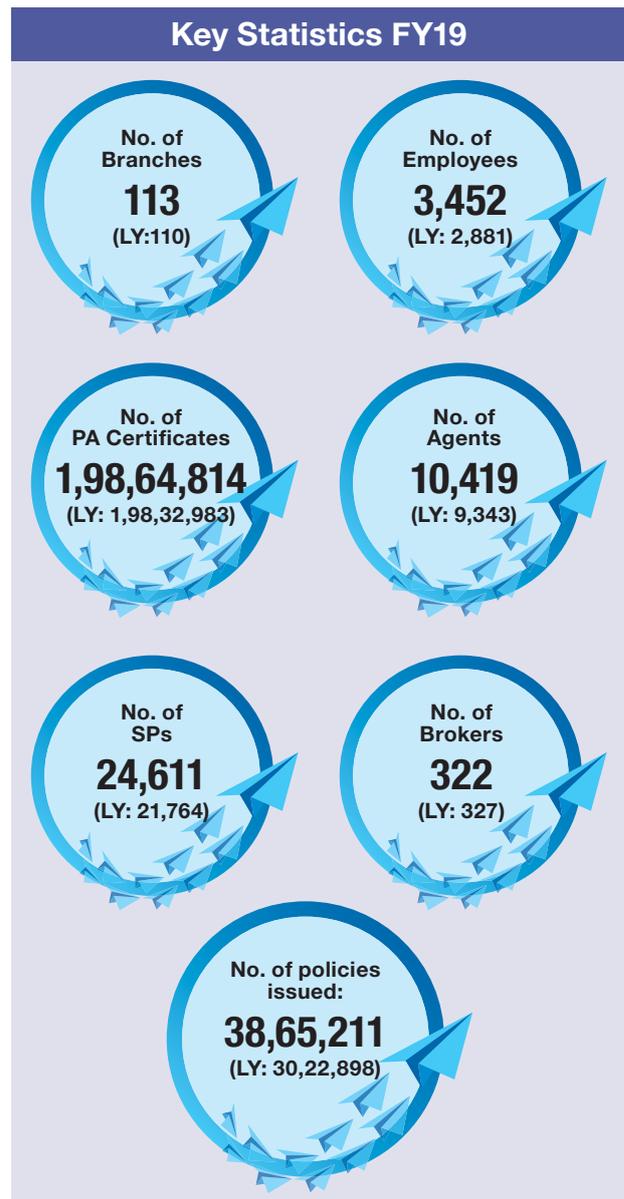
In terms of market ranking in the Industry, SBI General is at 7th among private insurers (excluding standalone health insurers) and at 13th in the industry. SBI General market share among Private Insurers (excluding Stand-alone Insurers) in FY19 was at 5.7% against 5.4% in FY18. In the GI Industry, your Company's market share was at 2.7% as compared to 2.3% last year.

The Company registered a growth of 11% in its profit before tax from ₹422 crore during FY18 to ₹470 crore during FY19. After adjustment of one-time profit of last fiscal, the growth rate in profit before tax is 61% in FY 2018-19. Your Company has registered underwriting profit of ₹79 crore in FY 2018-19.

The drivers of growth is depicted as under:

Net Earned Premium increased to ₹2,388 crore for fiscal 2019 from ₹1,842 crore for fiscal 2018. An increase of 30% Operating expenses related to insurance business includes employees' remuneration, rents, rates and taxes, advertisement, sales promotion, business support service and others. Operating expenses ratio (Exp/GWP) improved to 13% from 18% in last fiscal year. CoR is at 97% for current fiscal year.

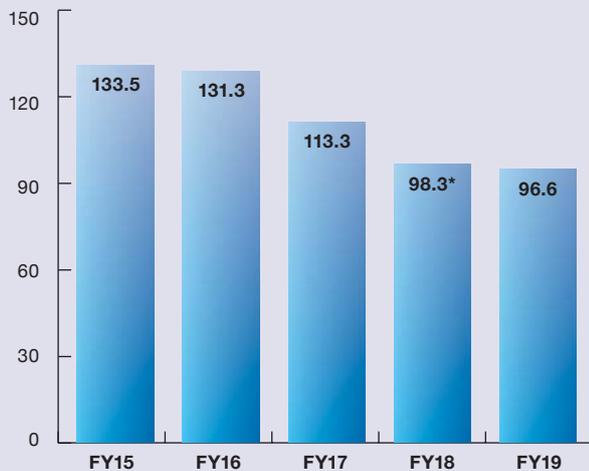
With a focus on continuing profitable growth, your Company's strategies had been defined to target profitable growth and efficient expenses management which resulted in significant profits in FY19. Your Company has tied up with TATA Motors and Mahindra & Mahindra by the year and continues to expand its reach in the existing



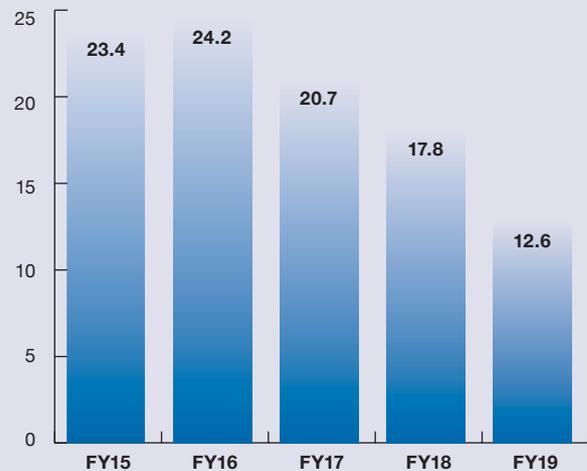


Key Analytical Ratios FY19

#COMBINED OPERATING RATIO (%)



OPEX/GWP (%)



COR = NIC/NEP + (Net comm+Opex)/NEP

* COR would be 106% excluding one time benefit

tie-ups with motor manufacturers. Your Company has tied up with Policy Bazar for procuring Travel and Health products and is also tapping digital opportunities through SBI's digital channel YONO. Your Company is keen on making the organisation future ready and has taken up project **Sparsh** for major digital transformation initiatives to achieve success on key areas such as better Employee Productivity, better Customer Service, better Channel

Partner Management. A complete refresh of the Customer and Intermediary facing portals has been achieved to provide self-service options to both our customers and intermediaries respectively.

a. Bancassurance

The Banca channel has contributed to 39% of GWP during

Performance highlights for the period ended March 2019

TOP LINE GROWTH

33%

13%¹

GWP GROWTH

FINANCIAL HIGHLIGHTS

₹ 334 crore

*265 crore

PROFIT AFTER TAX

BALANCE SHEET

₹ 6,357 crore

5,292 crore

AUM

2.77%

2.35%

MARKET SHARE

₹ 389[#] crore

390 crore

INVESTMENT INCOME

20.1%

*22.1%

ROE (ANNUALISED)

13

14

MARKET RANK

97%

*106%

CoR

2.34

2.54

SOLVENCY RATIO

¹Industry growth

*Excluding LTH impact. Including the same, PAT @ ₹396 crore, CoR @ 98.3% & ROE @ 30.5%

CY investment income includes a ₹62.5 crore provisioning for IL&FS NCD's

Note: Numbers at bottom are last year except where indicated otherwise

GWP: Gross Written Premium

ROE: Return On Equity

CoR: Combined Ratio

AUM: Assets under Management

the year under review. In absolute terms, the total premium contribution was ₹1,844 crore. LTH has registered a growth of 23% and GWP contribution was ₹480 crore. In GPA our flagship LOB we registered a growth of 20% and GWP of ₹497 crore. Our Branch activation reached 94% and SP Activation 43% exit March. RRB has contributed ₹76 crore with a growth of 63%. Overall the channel closed the year at 14% growth over last year.

b. Agency and Alternate Channel

1. Agency

Agency Channel closed the FY with 1216 new licensed agents with ₹238 crore GWP, thus contributing 5% of total GWP.

Focus for the FY had been to shift and buildup more health and non-motor business to increase profitability and presence. The vertical closed at a healthy ratio of 63:37 (Motor: Non-motor/Health) as against 93:7 for the corresponding period in previous Financial Year.

Retail Health business has grown by 81% (Only Arogya series). IMD Portal has been revamped and launched in December 2018. IMD contribution through portal stands at 10% as on March 2019. Active agency base stands at 4,280 from 3,579 in the corresponding period last year.

With active agent recruitment, improved penetration, high usage of Portal and a growth in Non-motor and health are the key drivers for the channel in FY 19-20.

2. Alternate

The alternate (OEM) vertical has achieved ₹610 crore, thus contributing 13% of GWP. Under very stringent market operating conditions post MISP guidelines, addition of new insurance partners on OEM platforms, the channel has successfully retained the contribution almost similar to previous years.

The market share in OEM channels stands at:

| OEM Share | Hyundai | Maruti | Toyota |
|------------|---------|--------|--------|
| FY 2017-18 | 7% | 2.48% | 17% |
| FY 2018-19 | 7% | 3% | 17% |

New dealer empanelment has been taken as a major initiative last year and we have successfully empaneled: Maruti: 610/525, Hyundai: 375/299, Toyota: 116/90 across all OEMs.

Major accomplishment: Have successfully augmented Tata Motors & Mahindra Motor relationships. The vertical is all geared up for a robust growth in FY 19-20.

c. Broker and Direct Corporate

Corporate Broking and Direct channel achieved a Gross written premium of ₹381.73 crore during FY19 with a growth of 51.61% over FY18. The growth is a result of increased Customer base both through direct sales and intermediaries.

Hardening of rates in Property line of business has been witnessed for a few Industry sectors in the fourth quarter of FY19 following imposition of minimum rates by the Reinsurers. For all the other lines in Property & Casualty segment, pricing remains a challenge.

The Company continues to build its corporate portfolio selectively focusing on geographic, channel as well as product diversification.

d. Rural and Agriculture

The Government of India had launched Pradhan Mantri Fasal Bima Yojana (PMFBY) during 2016 with a goal of minimum premium and maximum insurance for the benefit of the farming community. Premium rates to be paid by the farmer were kept lower as compared to previous crop insurance schemes.

With a view to increase the penetration on Gross Cropped Area (GCA) to 50% by 2022, the Government has come out with new directives for companies to increase spendings in creating awareness and deployment of resources in rural area to manage crop insurance.

Recognising the opportunities provided by a heavily under-insured rural market, your Company has a dedicated channel focusing on the Rural & Agriculture insurance. This channel clocked aggressive growth right from inception and has contributed 32% of the total GDPI, amounting to ₹1,500 crore this year. Your Company has also surpassed the rural business obligations mandated by the Insurance Regulatory and Development Authority of India in FY19.

e. SME

The SME vertical has been formed in July 2018 to cater to the small and medium segment industries. During last 9 months of operation the vertical has contributed ₹121 crore of SME premium with a YoY growth of 45% as against the same period of last financial year.

With this focused approach on SME, the organisation aims to build a strong portfolio of commercial lines with profitability and spread across MSME space.

ii. Underwriting

Your Company accepts insurance risks as per the Underwriting Policy approved by the Board which is reviewed annually. The Company continues to write business on a risk based pricing approach. Your Company's risk selection and approach remains consistent over time which is reflected in the loss ratios of the Company. However, where warranted, your Company has taken corrective actions to improve the loss ratios in various portfolios.

The year under review witnessed competitive pricing practices being followed in the market in several line of business most prominently in Motor, Group Health and Marine. While soft market conditions were also witnessed in property segment, effective 1st March 2019, GIC Re has introduced minimum pricing requirements for 8



occupancies as well as revised minimum deductibles. It is expected that this measure would result in substantial pricing correction although the full impact would be witnessed in the next financial year. Burning Cost rating regulations were introduced by the IRDAI from 1st January 2015 and Your Company is complying with these regulations.

Your Company has introduced innovative products such as Cyber Insurance and Inherent Defects Insurance during the year. Future product development will focus mainly on variations and enhancements to existing products, niche products and introduction of new products that would generate significant premium volume.

iii. Reinsurance

Your Company's business portfolio is protected by way of adequate reinsurance arrangements such that the Company's exposure to a large loss, affecting a single risk or a series of losses affecting a number of risks arising out of a single catastrophic event does not materially impact the Company.

iv. Claims

Your Company has handled 257,731 claims in the fiscal year 2018-19 which is an increase of 58% over last fiscal year with major increase in Commercial and Motor portfolios with 294% and 43% increase respectively and total claims disbursement of ₹1,919 crore.

Your Company has handled about 159,048 Motor OD claims in the current fiscal year with a settlement ratio of 99%. Motor OD Net Promoter Score has shown improvement by 40% as compared to last year, due to the major overhaul in processes and quicker settling of claims. During the year RAPID system for Motor OD claims was implemented and Live Streaming of Motor OD claims introduced for faster survey and settlement of claims.

Your Company has handled about 66,013 health claims during the year. The Health NPS implemented in the previous year has shown a marked improvement, due to improvement in processes and higher level of customer service.

Your Company has handled 23,208 claims in Commercial Line Claims. This includes about 7,000 catastrophic event related claims which were reported due to the Kerala Floods, Titli Cyclone, Gaja Cyclone and Assam Floods. The Company was able to achieve a settlement ratio of about 99% in these flood claims. The commercial claims

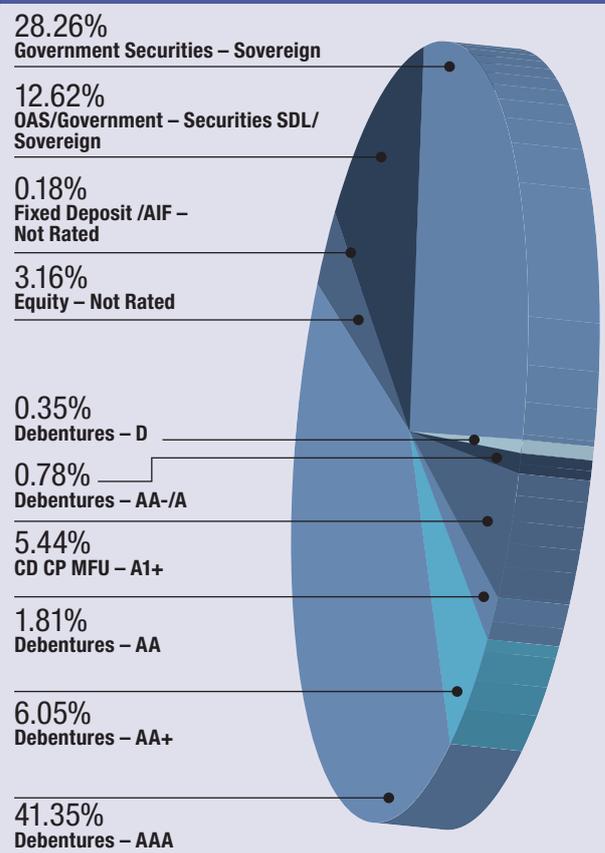
team was able to reduce the claims settlement TAT by 44% compared to the previous fiscal year because of Fast Track claims process for small value claims and special drive in CAT event claims.

In Motor Third Party claims, your Company continues to focus on settling claims through proactive participation in National Lok Adalats and conciliations. Overall, 1,448 Third Party claims were settled through Lok Adalats and conciliations during the year.

v. Investment Activity

Investments are made in accordance with the regulations laid down by IRDAI (Investment) Regulations, 2016, Insurance Act 1938 and the Board Approved Investment Policy. Efforts are made to optimise the returns on the portfolio while matching the duration of Assets

Asset class and rating wise Company's total investment holding as on March 31, 2019



Your Company's investment in various sectors as prescribed by IRDAI and investment policy

| Sr. | IRDAI Broad Category | IRDAI Mandate | IP Mandate | ₹ in (crore) Holding as on 31/03/19 | % holding as on 31/03/19 |
|-------|---|---------------|------------|-------------------------------------|--------------------------|
| 1 | Central Government Securities | 20% (min) | 20% (min) | 1,796.60 | 28.80% |
| 2.i | Central Government Securities & Other Approved Securities (OAS) | 30% (min) | 30% (min) | 2,598.60 | 41.60% |
| 2.ii | Approved Investments (AI) | 0% - 70% | 0% - 70% | 3,527.90 | 56.50% |
| 2.iii | Other Investments (OI) | 0% - 15% | 0% - 15% | 113.5 | 1.80% |
| 3 | Housing & Infrastructure - (AI + OI) | 15% (min) | 15% (min) | 2,152.20 | 34.50% |

and Liabilities prudently and maintaining adequate liquidity in the Company. The Investment Committee of the Board reviews the investment performance on a quarterly basis.

As on 31st March 2019, the Investment portfolio stood at ₹6,356.57 crore. Your Company's investment corpus comprises 92.61% of debt securities out of which 83.61% in Sovereign and AAA/A1+ rated securities, 7.86% in AA+/AA, 0.78% in AA-/A rated securities, 0.35% in D rated securities, 4.06% in liquid schemes of mutual funds, 0.06% of fixed deposits, 0.12% in Alternative Investment Funds and 3.16% of investments in equities. The investments are usually held to maturity. The yield on investments stands at 6.60% for the year ended 31st March 2019.

Investment pattern is applicable to the Funds Representing Solvency Margin (FRSM) portion of shareholder's funds and the Policyholder's funds which are together known as the Investment Assets (IA). The total holding in respect of above is pegged to ₹6,240 crore, which represents the Investment Assets, remaining funds where invested in Shareholders Excess Solvency Margin Account (SHESMA).

vi. Information Technology

Your Company's IT Department has achieved benchmarks on increasing the total number of system policies issued in a year by 28% to 38,44,083 policies. The total number of IT-enabled branches are 113.

Your Company's IT Department has successfully completed two successful Disaster Recovery drills, to ensure that there is system continuity in case of a disaster at the Primary Data Centre.

Your Company's IT Department has successfully migrated its data centre from Reliance to Sify in January 2019 without any business disruption. The data centre migration was initiated post completion of the hardware and network refresh.

Your Company's IT Department has supported all 12 journeys of Project Sparsh by providing end to end integrated solutions along with business as usual enhancements. Further, the department has developed and commissioned in-house applications like Firewall access management systems, Smart Approve (Online note approval), Refund Management System, Automation of Premium reconciliation etc among others.

Your Company's IT Department has also successfully completed the ISO 27000 audit and retained the certification.

Further business driven IT initiatives are planned for FY 2019-20.

vii. Human Resources

Your Company started the financial year 2017-18 with the headcount of 2,881 and the closing headcount was 3,452.

Your Company is on the cusp of the next wave of business growth and has thus been making efforts to simplify and digitise its people processes to assist in business achievement and enhance productivity. Your Company has also been focusing on strengthening its performance management system and having a differentiated performance culture.

viii. Operations & Customer Services

Your Company has serviced 38,65,211 policies and over 2,47,711 Endorsement transactions in the current fiscal. A host of process refinements and IT functionalities were introduced during the year to improve upon operational efficiencies. Some other noteworthy milestones of the year are:

- Company has started servicing customers from 114 locations (including Head Office) at the end of the year with every one of them being self-sufficient for end-to-end services.
- Company has successfully implemented automated policy issuance system which includes quotes generation to policy issuance for bulk products
- Underwriting approval rights for endorsement issuance, break in inspections in NTU (New tie up) at dealer's portal has been entrusted to Operations thereby freeing up the Underwriter's time.
- Successfully implemented and executed of self-service facilities that also includes introduction of clickable PDF on mobile device, portal-based self-service options, etc.
- Your Company's Contact Centre has handled over 5.78 lakh calls and over 1.65 lakh emails of customers and prospects.

Complaints Management: Your Company has integrated its CRM platform with the IRDAI's Integrated Grievance Management System for efficient management of customer complaints and has handled 758 complaints during the fiscal.

Grievance Redressal Committee: Your Company has a Grievance Redressal Committee of the Management with an objective to review the representations made by customers against repudiation and policy related issues, if any. The Committee is empowered to review the representation both on merits and technicality. The Committee has met 23 times during the year 2018-19 and has attended and disposed-off 299 complaints received by it.

3. Solvency

An insurance company is considered to be solvent if its assets are adequate and liquid to pay off claims or liabilities as and when they arise. The solvency ratio is used to assess this. Thus, an insurance company's solvency ratio indicates its claim paying ability; higher the solvency ratio, better the claim paying ability. As on March 31, 2019, the Company had a solvency ratio of 2.34 as against the minimum regulatory requirement of 1.50.



4. Future Outlook

Industry analysts expect the General Insurance industry's growth to continue in the range of 14% to 16% in FY20. Favourable macroeconomic condition supported by low insurance penetration levels across retail lines such as Motor, Accident, Health, Home, commercial lines and improved insurance awareness shall continue to provide growth opportunities for the industry over the medium term. In addition, recent regulatory changes are enabling insurer easier access to capacity, capital, distribution reach and customer information than ever before. While this is expected to heighten the competitive intensity at one end, it shall also improve the ability of insurers to provide customised insurance solutions to the customers over the long term.

Your Company's major thrust will be on five core themes – **Presence, Performance, Productivity, People and Processes**. This will encompass customer centricity, expansion of distribution capacity, improvement in effectiveness and efficiency across functions, enhanced product portfolio, better digital footprint and control over expenses while building the capacity for profitable growth.

The Company will continue to focus on profitable growth

across channels and lines of business in FY20. The five-year business plan approved by the Board has strategic objectives clearly defined to achieve the short and long-term goals. In FY20, the Company plans a moderate topline growth and has set a Gross Written Premium (GWP) target of ₹6,151 crore, a growth of 30% over FY19. The Company expects to maintain its profitable growth along with budget achievement for FY20.

With the additional motor manufacturing tie-ups now in place, the business from Alternate channel is expected to grow significantly in addition to other Bank tie-ups to build a more balanced book of business and extend reach to the customers across channels. The Company is looking to develop more partnerships with web aggregators and have a comprehensive integration for sourcing business from other SBI subsidiaries such as SBI Card and SBI Cap Securities. The Company's focus in the last FY on SME has started yielding results and expected it to only improve. In addition, a dedicated channel for Digital and Direct Sales has been launched to acquire and service customers through various digital touchpoints. We have created exclusive positions of Head – Third Party Distribution and Head – Digital in our organisational structure to tap the opportunity in these segments.

Annexure 3 to Directors' Report 2018-19

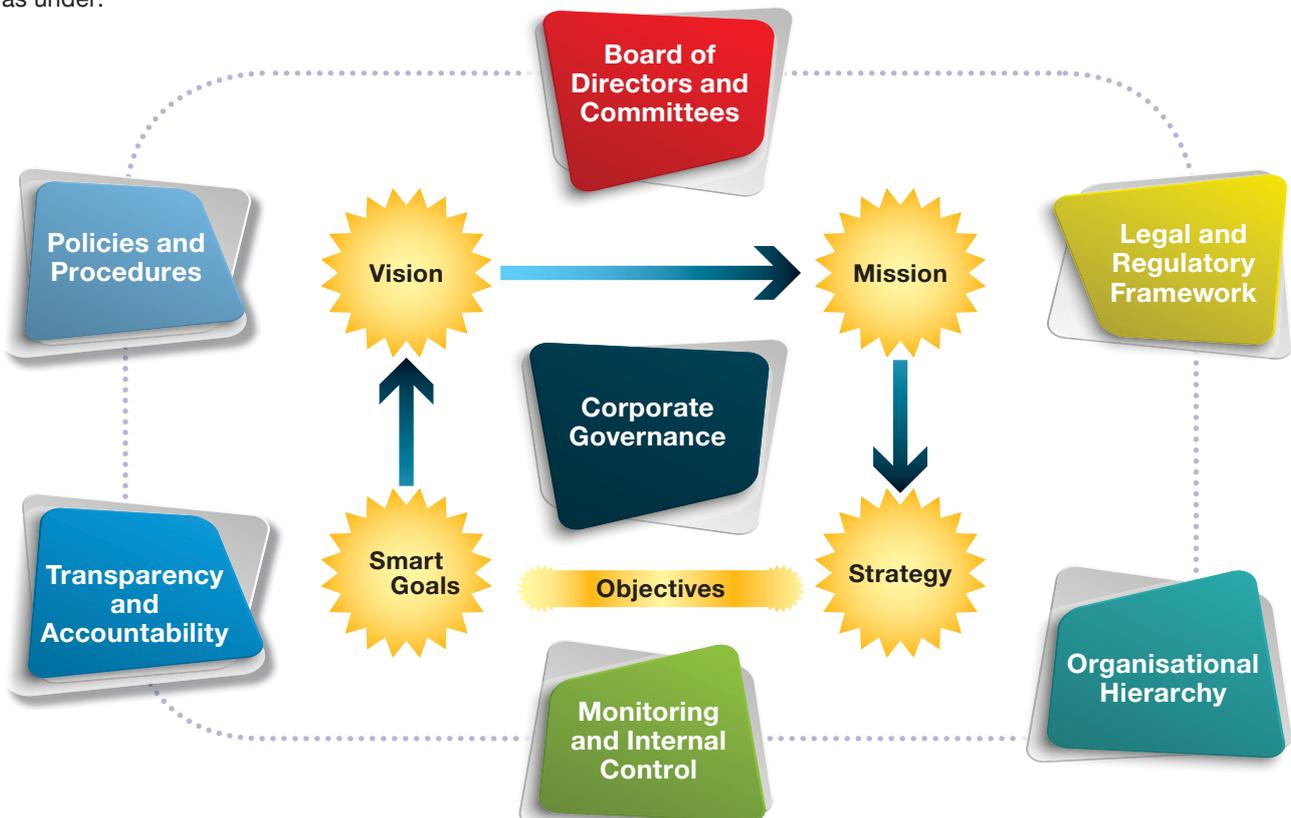
REPORT ON CORPORATE GOVERNANCE

Good governance is integral to the very existence of a company. It inspires and strengthens investors' confidence by ensuring the company's commitment to sustainable growth and profits. Corporate Governance is the application of best Management Practices, Compliance of Laws in letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders. Your Company is committed to the best practices in the area of Corporate Governance, in letter and in spirit. It believes that Corporate Governance is not merely about enacting regulations and procedures but also about establishing an environment of trust and confidence among various stakeholders.

In accordance to the provisions of the Corporate Governance Guidelines issued by the Insurance Regulatory & Development Authority of India (IRDAI), the report containing details of the Corporate Governance systems and processes of the Company for the financial year ended 31st March 2019 is as under:

1. Company's Philosophy on Corporate Governance:

Corporate Governance is intrinsic to the Management of Company affairs. Good Governance aids effective management and control of business. Your Company believes that sound Corporate Governance plays a crucial role in enhancing and retaining the trust of the stakeholders. It enables the Company to maintain high level of business ethics and to optimise the value for all the stakeholders. The Company ensures that its performance goals are aligned with integrity. The Company adheres to ethical standards which lead to effective management. It believes in accurate and transparent disclosures pertaining to its operations, performance, risk and financial position. The Company's philosophy is depicted as under:





2. Board of Directors:

a. Composition and Category of the Board

The Board of Directors alongwith its Committees provide leadership and guidance to the Company's Management and supervises & controls the performance of the Company. The Board's action and decisions are aligned with the Company's best interest.

The Composition of the Board of Directors is governed by the Companies Act, 2013, Corporate Governance Guidelines issued by the IRDAI and the Articles of Association of the Company.

The Directors of the Company are from diverse backgrounds and enjoy a wide range of experience and expertise in various fields. The Company has established systems and procedures to ensure that its Board is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long term shareholders value.

The Board of Directors comprises of Executive director, Non-Executive Directors as well as Independent Directors. There is an optimum combination of Executive and Non-Executive/Independent Directors. Except the Managing Director and CEO, all other Directors are Non-Executive Directors. There is one Woman Director on the Board of the Company. The Directors possess experience in diverse fields including Banking, Finance, Insurance, Human Resource, Information Technology, Marketing, Management and Actuarial science. The skill and knowledge of the Directors have been of immense value to the Company. There is no inter-se relationship between the Directors.

Video or tele-conferencing facilities are also used to facilitate Directors, travelling or residing abroad or at other locations, to participate in the meetings.

During the year, all the 9 Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company. They play a critical role in balancing the functioning of the Board by providing Independent judgments on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances etc.

The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria of independence as laid down under Corporate Governance Guidelines issued by IRDAI and Listing Regulations issued by SEBI.

The Company has a well-defined Policy for determining criteria for appointment of Directors and Senior Management personnel.

The Company has obtained certificate from **M/s. S. S. Rauthan & Associates**, Company Secretaries in Practice, dated 23rd April 2019 certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019.

Composition of the Board

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors. As on 31st March 2019, the total strength of the Board is 10 (Ten) Directors out of which 4 (four) are nominees of State Bank of India (SBI), 2 (Two) are nominees of IAG International Pty. Ltd. and 4 (Four) are Independent Directors.

The Composition of the Board of Directors of the Company as on 31st March 2019 is as follows:

| Name of the Directors | Designation | Category |
|--------------------------------|-------------------------|-------------------------------------|
| Shri Rajnish Kumar | Director | Non-Executive, SBI Nominee |
| Shri P.K. Gupta | Director | Non-Executive, SBI Nominee |
| Shri Dinesh Kumar Khara | Director | Non-Executive, SBI Nominee |
| Shri Duncan Victor Brain | Director | Non-Executive, IAG Nominee |
| Shri Alp Altun* | Director | Non-Executive, IAG Nominee |
| Shri Jonathan Guy Delalande ** | Director | Non-Executive, IAG Nominee |
| Shri Ashok Pradhan | Director | Non-Executive, Independent Director |
| Shri M. K. Garg | Director | Non-Executive, Independent Director |
| Shri D. Sundaram | Director | Non-Executive, Independent Director |
| Smt. Smeeta Bhatkal | Director | Non-Executive, Independent Director |
| Shri Pushan Mahapatra | Managing Director & CEO | Executive, SBI Nominee |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

The details of the Directors like qualification, specialisation, and status of directorship as well as brief profile, as on 31st March 2019, is given at Annexure 1 enclosed with this report.

b. Number of Board Meetings held and attendance during 2018-19:

The number of Board Meetings held and attended by each of Directors of the Company is depicted in the table given below:

During the year under review, 9 (Nine) Board Meetings were held on the following dates:

| | |
|---|--|
| 64 th BM : 26 th April 2018 | 69 th BM : 20 th October 2018 |
| 65 th BM : 11 th June 2018 | 70 th BM : 19 th December 2018 |
| 66 th BM : 27 th July 2018 | 71 st BM: 16 th January 2019 |
| 67 th BM : 5 th September 2018 | 72 nd BM: 12 th March 2019 |
| 68 th BM : 26 th September 2018 | |

| Directors | Total Meetings held during the tenure | Attendance at the Company's Board Meetings | Whether present at the last AGM held on 5 th September 2018 |
|-------------------------------|---------------------------------------|--|--|
| Shri Rajnish Kumar | 9 | 2 | No |
| Shri P.K. Gupta | 9 | 8 | Yes |
| Shri Dinesh Kumar Khara | 9 | 9 | Yes |
| Shri Duncan Victor Brain | 9 | 2 | No |
| Shri Alp Altun* | 7 | 7 | Yes |
| Shri Jonathan Guy Delalande** | 2 | 2 | NA |
| Shri Ashok Pradhan | 9 | 9 | Yes |
| Shri M. K. Garg | 9 | 7 | Yes |
| Shri D. Sundaram | 9 | 8 | No |
| Smt. Smeeta Bhatkal | 9 | 8 | Yes |
| Shri Pushan Mahapatra | 9 | 9 | Yes |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.



c. Availability of information to the Board:

The Board of Directors of your Company has unfettered and complete access to all the information within the Company and to the employees of your Company. The Meetings are convened by giving appropriate Notice to all the Board of Directors. Detailed Agenda, Memoranda along with all the relevant documents and explanatory statements are circulated to the members of the Board to facilitate meaningful, informed and focused decisions at the meetings. Wherever agenda includes any Affirmative Vote Matter as prescribed in the Articles of Association, a disclosure to this effect is made in the memorandum. Where it is not practicable to circulate any document or agenda, the same is tabled with the unanimous consent of the Board members as permitted by the Articles of Association.

The agenda papers are prepared by the concerned functional heads and approved by the Managing Director & CEO of your Company before such agenda papers are circulated amongst the members of the Board/Committee by the Company Secretary. The Committees of the Board have authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist the Committee in its work.

The Board, inter alia, is apprised with all the information pertaining to the following:

- Minutes of meetings of the various Committees of the Board of Directors like Audit Committee, Investment Committee, Risk Management Committee, Policyholders Protection Committee, Bancassurance Committee, Nomination & Remuneration Committee, CSR Committee, HR Committee and Technology Committee.
- General notices of interest received from Directors of the Company
- Quarterly/Half Yearly/Annual Financial Statements of the Company
- Information pertaining to the policies of the Company
- Information on recruitment and remuneration of senior officers just below the Board level
- Any significant developments on the human resources aspect
- Updates on the Regulatory and Statutory Compliances of the Company
- Control Returns in respect of decision taken as per Financial Delegation of Powers
- Reports on Claims and Grievances received by the Company and ageing thereof.
- State of affairs of the Company vide detailed CEO updates.

d. Familiarisation Programme for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of the industry and the business model of the Company at the time of their appointment as Directors. A Board Manual is handed over to the new inductee, which includes the Company's Corporate Profile, its Mission, Vision and Values Statement, Organisational structure, Code of Conduct applicable to Directors/employees of the Company, Roles and Responsibilities of Directors, Term of Reference of Committees, Key policies of the Company along with the latest Annual Report and Memorandum & Articles of Association of the Company. A detailed Appointment Letter is issued for the acceptance of the Independent Directors.

The Company through its Managing Director & CEO/Key Managerial Personnel conducts programmes/presentations periodically to familiarise the Independent Directors with the strategy, operations and functions of the Company. Such programmes/presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organisation structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The programmes/presentations also familiarises the Independent Directors with their roles, rights and responsibilities. When a new Independent Director comes on the Board of the Company, a meeting is be arranged with the Managing Director & Group CEO, Chief Financial Officer and Company Secretary to discuss the functioning of the Board and the nature of the operation of the Company's business activities.

Further, quarterly presentations on operations is made to the Board which include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, compliances, regulatory scenario, etc.

3. Board Committees:

The Board has constituted 6 (Six) mandatory Committees, namely the Audit Committee, Nomination and Remuneration Committee, CSR Committee, Investment Committee, Risk Management Committee and Policyholders Protection Committee as per the Companies Act, 2013 read with Corporate Governance Guidelines issued by the IRDAI. The Board has also constituted a Bancassurance Committee to focus on the Bancassurance business of the Company, a HR Committee and a Technology Committee. The Terms of Reference of Risk Management Committee include the expectations from ALM Committee whereas the Terms of Reference of HR Committee include the expectations from the Ethics Committee as conceived in the IRDAI's Guidelines on Corporate Governance. The Audit Committee of the Board is designated to act as Compliance Committee for the purpose of monitoring compliance obligations of the Company.

These Committees have a critical role in strengthening the control environment in the Company. Apart from the above, there are a number of Management Committees with specific terms of reference. Meetings of such Management level Committees are held as and when the need for discussing the matter concerning the purpose arises. The recommendations and minutes of all the committees are submitted to the Board in its subsequent meetings.

All the committees have an optimum composition of Non-Executive Directors and the Nominee Directors of SBI and IAG International Pty. Ltd. No quorum at any meeting of Committee or subcommittee shall be validly constituted unless at least one IAG Nominee Director and one SBI Nominee Director are present at the commencement of such meeting and throughout its proceedings, and in case of committees and sub-committees other than those requiring a majority of Independent Directors under Applicable Law, the total number of SBI Nominee Directors present at the beginning of, and throughout such meeting, is more than the total number of IAG Nominee Directors present at the beginning of, and throughout such meeting, as provided in the Articles of Association of the Company. Further, in case any Independent Director is member of a Committee, presence of Independent Director is also necessary for the purpose of constituting valid quorum.

As per the provisions of regulation 7.3(a) of the Insurance Regulatory and Development Authority (Appointed Actuary) Regulations, 2000 issued by IRDAI, an Appointed Actuary is entitled to attend all the Meetings of the Company. Accordingly, in compliance with this regulation, the Appointed Actuary is invited to attend all the Board and Committee meetings of the Company.

i. Audit Committee:

The Board had formed the Audit Committee pursuant to the provisions of Section 177 of the Companies Act 2013 and Clause 7.1 of the Corporate Governance Guidelines issued by the IRDAI. The Audit Committee is guided by the terms of reference adopted by the Board. The terms of reference was last amended on 14th May 2019 to keep it relevant to the current composition and function of the Committee.

a. Composition of the Audit Committee as on 31st March, 2019:

The composition of the Audit Committee as on 31st March 2019 is as follows:

| Name of the Directors | Designation | Category |
|--------------------------------|-------------|--|
| Shri M. K. Garg | Chairman | Independent Director |
| Shri Ashok Pradhan | Member | Independent Director |
| Shri D. Sundaram | Member | Independent Director |
| Shri Dinesh Kumar Khara | Member | SBI Nominee |
| Shri Alp Altun* | Member | IAG Nominee – Non-Executive Non-Independent Director |
| Shri Jonathan Guy Delalande ** | Member | IAG Nominee – Non-Executive Non-Independent Director |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

Shri M. K. Garg, Chairman of the Audit Committee, is an Independent Director of the Company and is a Chartered Accountant with Financial background. All the members of the Committee have strong financial analysis background. The Constitution and Terms of Reference of the Committee are in compliance with the requirements of Section 177 of the Companies Act, 2013 and Corporate Governance Guidelines issued by the IRDAI. The Head of Finance Function i.e. Chief Financial Officer, Appointed Actuary, Statutory Auditors, Compliance Officer and SVP- Internal Audit are invited to attend the meetings of the Audit Committee.

b. Meetings held:

During the year under review the Audit Committee met 6 (Six) times on the following dates:

| | |
|--|---|
| 42 nd AC: 26 th April 2018 | 43 rd AC : 11 th June 2018 |
| 44 th AC : 27 th July 2018 | 45 th AC : 20 th Oct 2018 |
| 46 th AC: 16 th January 2019 | 47 th AC : 11 th March 2019 |

Necessary quorum was present at all the meetings of the Audit Committee.



c. Attendance:

The details of attendance at the Company's Audit Committee Meetings held during the year under review are as follows:

| Name of Members | Committee Meeting Number | | | | | | Held During Tenure | Attended | % of Attendance |
|-----------------------------|--------------------------|----|----|----|----|----|--------------------|----------|-----------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | | | |
| Shri M. K. Garg | X | X | | | | | 6 | 4 | 80% |
| Shri Ashok Pradhan | | | | | | | 6 | 6 | 100% |
| Shri D. Sundaram | | | | | | | 6 | 6 | 100% |
| Shri Dinesh Kumar Khara | | | | | | | 6 | 6 | 100% |
| Shri Alp Altun | | | | | NA | NA | 4 | 4 | 100% |
| Shri Jonathan Guy Delalande | NA | NA | NA | NA | | | 2 | 2 | 100% |

The Chairman of the Audit Committee attends the Annual General Meeting to answer shareholders queries, if any.
The Company Secretary of the Company acts as Secretary to the Audit Committee.

d. Brief Description of the Terms of Reference:

The primary objective of the Audit Committee is to carry on functions enshrined in Section 177 of the Companies Act, 2013 (18 of 2013, hereinafter "Act") read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 (hereinafter "the Rules") and to carry on functions as may be prescribed under the Corporate Governance guidelines as applicable to the Company. The Committee monitors and provides effective supervision of the Management's financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee reviews the financial reporting process by the Management, internal auditors, joint Statutory Auditors and the Comptroller and Auditor General of India. The Committee recommends the appointment/re-appointment of statutory auditors and their Audit fees. It reviews the adequacy of internal audit controls, significant internal audit findings/related party transactions, audit finding of the Statutory Auditors etc. The Committee is a link between Statutory Auditors and the Board of Directors of the Company.

ii. Nomination & Remuneration Committee

The Nomination and Remuneration Committee was constituted by the Board in its meeting held on 22nd April 2014 to carry on functions enshrined in Section 178 of the Companies Act, 2013 (18 of 2013, hereinafter "Act") read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 (hereinafter "the Rules").

a. Composition

The composition of the Nomination & Remuneration Committee is as follows as on 31st March 2019:

| Name of the Directors | Designation | Category |
|--------------------------------|-------------|---|
| Shri Ashok Pradhan | Chairman | Independent Director |
| Shri Dinesh Kumar Khara | Member | Non-Executive, Non-Independent Director |
| Shri M. K Garg | Member | Independent Director |
| Shri D. Sundaram | Member | Independent Director |
| Shri Alp Altun* | Member | Non-Executive, Non-Independent Director |
| Shri Jonathan Guy Delalande ** | Member | Non-Executive, Non-Independent Director |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

b. Meetings held:

During the year under review the Nomination and Remuneration Committee met 6 (Six) times on the following dates:

| | |
|--|--|
| 22 nd NRC : 11 th June 2018 | 23 rd NRC : 27 th July 2018 |
| 24 th NRC : 20 th October 2018 | 25 th NRC: 19 th December 2018 |
| 26 th NRC: 16 th January 2019 | 27 th NRC: 11 th March 2019 |

Necessary quorum was present at all the meetings of the Nomination and Remuneration Committee.

c. Attendance:

The details of attendance at the Nomination and Remuneration Committee Meetings held during the year under review are as follows:

| Name of Members | Committee Meeting Number | | | | | | Held During Tenure | Attended | % of Attendance |
|--------------------------------|---|---|---|---|---|---|--------------------|----------|-----------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | | | |
| Shri Ashok Pradhan |  |  |  |  |  |  | 6 | 6 | 100% |
| Shri M. K. Garg | X |  |  |  |  |  | 6 | 5 | 90% |
| Shri Dinesh Kumar Khara |  |  |  |  |  |  | 6 | 6 | 100% |
| Shri D. Sundaram |  |  | X |  |  |  | 6 | 5 | 90% |
| Shri Alp Altun * |  |  |  |  | NA | NA | 4 | 4 | 100% |
| Shri Jonathan Guy Delalande ** | NA | NA | NA | NA |  |  | 2 | 2 | 100% |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

iii. Investment Committee:

The role of the Investment Committee is crucial in managing the investments of the Company. The Constitution and the Terms of reference of the Committee are in compliance with the requirements of the IRDA (Investment) Regulations, 2016, as amended, and the Corporate Governance Guidelines for Insurance Companies issued by the IRDAI. The Investment Committee of the Board reviews the Investment Policy of the Company based on the performance of investments and the evaluation of dynamic market condition. It ensures proper implementation of the Policy and operational framework of the investment operations. The committee takes care of the 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.



a. Composition

The composition of the Investment Committee is as per Regulation 9(1) of the IRDA (Investment) Regulations 2016 read with IRDAI Guidelines on Corporate Governance and is as follows as on 31st March 2019:

| Name of the Director/Members | Designation | Category |
|--------------------------------|-------------|---|
| Shri Dinesh Kumar Khara | Chairman | Non-Executive, Non-Independent Director |
| Shri P.K Gupta | Member | Non-Executive, Non-Independent Director |
| Shri D. Sundaram | Member | Independent Director |
| Shri Alp Altun* | Member | Non-Executive, Non-Independent Director |
| Shri Jonathan Guy Delalande ** | Member | Non-Executive, Non-Independent Director |
| Shri Pushan Mahapatra | Member | Managing Director & CEO |
| Shri Rikhil K. Shah | Member | Chief Financial Officer |
| Shri Atul Deshpande*** | Member | Chief Risk Officer |
| Shri Avez Sayed**** | Member | Chief Risk Officer |
| Shri Samrendra Kumar***** | Member | Chief Investment Officer |
| Shri Ganesh Prasad***** | Member | Chief Investment Officer |
| Ms. Gayle Adams | Member | Appointed Actuary |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

***Shri Atul Deshpande vacated office of Chief Risk Officer of the Company w.e.f. 27th July 2018.

****Shri Avez Sayed was appointed as Chief Risk Officer of the Company w.e.f. 28th July 2018.

*****Shri Samrendra Kumar resigned as Chief Investment Officer of the Company w.e.f. close of Business hours on 11th October 2018.

*****Shri Ganesh Prasad was appointed as Chief Investment Officer of the Company w.e.f. 20th October 2018.

b. Meetings held:

During the year under review the Investment Committee met 4 (Four) times on the following dates:

| | |
|-------------------------------|-------------------------------|
| 26 th April 2018 | 27 th July 2018 |
| 20 th October 2018 | 16 th January 2019 |

Necessary quorum was present at all the meetings of the Investment Committee.

c. Attendance:

The details of attendance at the Company's Investment Committee Meetings held during the year under review are as follows:

| Name of Members | Committee Meeting Number | | | | Held During Tenure | Attended | % of Attendance |
|-------------------------------|---|---|---|---|--------------------|----------|-----------------|
| | 1 | 2 | 3 | 4 | | | |
| Shri P. K. Gupta | X |  |  |  | 4 | 3 | 75% |
| Shri Dinesh Kumar Khara |  |  |  |  | 4 | 4 | 100% |
| Shri Alp Altun* |  |  |  | NA | 3 | 3 | 100% |
| Shri Jonathan Guy Delalande** | NA | NA | NA |  | 1 | 1 | 100% |
| Shri D. Sundaram |  |  |  |  | 4 | 4 | 100% |
| Shri Pushan Mahapatra |  |  |  |  | 4 | 4 | 100% |
| Shri Rikhil K. Shah |  |  |  |  | 4 | 4 | 100% |

| | | | | | | | |
|---------------------------|---|---|---|---|---|---|------|
| Shri Atul Deshpande*** |  |  | NA | NA | 2 | 2 | 100% |
| Shri Avez Sayed**** | NA | NA |  |  | 2 | 2 | 100% |
| Ms. Gayle Adams |  |  |  |  | 4 | 4 | 100% |
| Shri Samrendra Kumar***** |  |  | NA | NA | 2 | 2 | 100% |
| Shri Ganesh Prasad***** | NA | NA |  |  | 2 | 2 | 100% |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

***Shri Atul Deshpande vacated office of Chief Risk Officer of the Company w.e.f. 27th July 2018.

****Shri Avez Sayed was appointed as Chief Risk Officer of the Company w.e.f. 28th July 2018.

*****Shri Samrendra Kumar resigned as Chief Investment Officer of the Company w.e.f. close of Business hours on 11th October 2018.

*****Shri Ganesh Prasad was appointed as Chief Investment Officer of the Company w.e.f. 20th October 2018.

The Chief Investment Officer of the Company acts as Secretary to the Investment Committee.

iv. Policyholders Protection Committee:

The Policyholders Protection Committee of the Board of Directors of the Company was constituted pursuant to the Corporate Governance Guidelines issued by the IRDAI. The Committee reviews the process being followed by the Company in redressal of complaints/grievances from Policyholders, amongst others. The Policyholders Protection Committee reviews the status of the Complaints received from the policyholders at periodic intervals. The Reports of the Policyholders Protection Committee are submitted to the Board in its subsequent meetings.

a. Composition:

The composition of the Policyholders Protection Committee as on 31st March 2019 is as follows:

| Name of the Director | Designation | Category |
|-------------------------------|-------------|---|
| Shri Dinesh Kumar Khara | Chairman | Non-Executive, Non-Independent Director |
| Shri P. K. Gupta | Member | Non-Executive, Non-Independent Director |
| Shri M. K. Garg | Member | Independent Director |
| Shri Alp Altun* | Member | Non-Executive, Non-Independent Director |
| Shri Jonathan Guy Delalande** | Member | Non-Executive, Non-Independent Director |
| Smt. Smeeta Bhatkal*** | Member | Independent Directors |
| Shri Pushan Mahapatra | Member | Managing Director & CEO |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

*** Smt. Smeeta Bhatkal was appointed as the member of the Committee w.e.f. 16th January 2019

The Terms of reference of the Committee are in compliance with the Corporate Governance Guidelines for Insurance Companies issued by the IRDAI.

b. Meetings held:

During the year under review the Policyholders Protection Committee met 4 (four) times on the following dates:

| | |
|-------------------------------|-------------------------------|
| 26 th April 2018 | 27 th July 2018 |
| 20 th October 2018 | 16 th January 2019 |

Necessary quorum was present at all the meetings of the Policyholders Protection Committee.



c. Attendance:

The details of attendance at the Company's Policyholders Protection Committee Meetings held during the year under review are as follows:

| Name of Members | Committee meeting Number | | | | Held During Tenure | Attended | % of Attendance |
|-------------------------------|--------------------------|----|----|----|--------------------|----------|-----------------|
| | 1 | 2 | 3 | 4 | | | |
| Shri P. K. Gupta | | X | | X | 4 | 2 | 50% |
| Shri Dinesh Kumar Khara | | | | | 4 | 4 | 100% |
| Shri Alp Altun* | | | | NA | 3 | 3 | 100% |
| Shri Jonathan Guy Delalande** | NA | NA | NA | | 1 | 1 | 100% |
| Smt. Smeeta Bhatkal*** | NA | NA | NA | NA | 0 | 0 | NA |
| Shri Pushan Mahapatra | | | | | 4 | 4 | 100% |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

*** Smt. Smeeta Bhatkal was appointed as the member of the Committee w.e.f. 16th January 2019

The Company Secretary of the Company acts as Secretary to the Policyholders Protection Committee.

v. Risk Management Committee:

The Risk Management Committee of the Board of Directors of the Company was constituted pursuant to the Corporate Governance Guidelines issued by the IRDAI. The Risk Management Committee is responsible for setting up a strong Risk Management System and mitigation strategies to manage the various risks across the organisation.

a. Composition

The composition of the Risk Management Committee as on 31st March 2019 is as follows:

| Name of the Director | Designation | Category |
|-------------------------------|-------------|---|
| Shri Dinesh Kumar Khara | Chairman | Non-Executive, Non-Independent Director |
| Shri P. K. Gupta | Member | Non-Executive, Non-Independent Director |
| Shri Ashok Pradhan | Member | Independent Director |
| Shri Alp Altun* | Member | Non-Executive, Non-Independent Director |
| Shri Jonathan Guy Delalande** | Member | Non-Executive, Non-Independent Director |
| Smt. Smeeta Bhatkal*** | Member | Independent Director |
| Shri Pushan Mahapatra | Member | Managing Director & CEO |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

*** Smt. Smeeta Bhatkal was appointed as the member of the Committee w.e.f. 16th January 2019

The Terms of reference of the Committee are in compliance with the Corporate Governance Guidelines for Insurance Companies issued by the IRDAI.

b. Meetings held:

During the year under review the Risk Management Committee met 5 (Five) times on the following dates:

| | |
|-------------------------------|-------------------------------|
| 25 th April 2018 | 27 th July 2018 |
| 20 th October 2018 | 16 th January 2019 |
| 11 th March 2019 | |

Necessary quorum was present at all the meetings of the Risk Management Committee.

c. Attendance :

The details of attendance at the Company's Risk Management Committee Meetings held during the year under review are as follows:

| Name of Members | Committee Meeting Number | | | | | Held During Tenure | Attended | % of Attendance |
|-------------------------------|---|---|---|---|---|--------------------|----------|-----------------|
| | 1 | 2 | 3 | 4 | 5 | | | |
| Shri Dinesh Kumar Khara |  |  |  |  |  | 5 | 5 | 100% |
| Shri P. K. Gupta | X |  | X |  |  | 5 | 3 | 60% |
| Shri Ashok Pradhan |  |  |  |  |  | 5 | 5 | 100% |
| Shri Alp Altun * |  |  |  | NA | NA | 3 | 3 | 100% |
| Shri Jonathan Guy Delalande** | NA | NA | NA |  |  | 2 | 2 | 100% |
| Smt. Smeeta Bhatkal *** | NA | NA | NA | NA |  | 1 | 1 | 100% |
| Shri Pushan Mahapatra |  |  |  |  |  | 5 | 5 | 100% |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

*** Smt. Smeeta Bhatkal was appointed as the member of the Committee w.e.f. 16th January 2019

The Company Secretary of the Company acts as the Secretary to the Risk Management Committee.

vi. Bancassurance Committee:

The Bancassurance Committee of the Board of Directors of the Company was constituted in order to establish better synergy and communication points with multiple streams of SBI and Associate Banks for drawing group-wide distribution strategy of the insurance products & for pricing and service efficiency. The Committee provides strategic direction for the development of general insurance initiatives for SBI bank channel, ensures alignment of SBI & the Company's target numbers by facilitating active involvement in the Company's Annual Business planning exercise.



a. Composition:

The composition of the Bancassurance Committee as on 31st March 2019 is as follows:

| Name of the Directors/Members | Designation | Category |
|-------------------------------|-------------|---|
| Shri Dinesh Kumar Khara | Chairman | Non-Executive, Non-Independent Director |
| Shri P.K. Gupta | Member | Non-Executive, Non-Independent Director |
| Shri Alp Altun* | Member | Non-Executive, Non-Independent Director |
| Shri Jonathan Guy Delalande** | Member | Non-Executive, Non-Independent Director |
| Shri Pushan Mahapatra | Member | Managing Director & CEO |
| Shri K.V. Haridas | Member | DMD-Retail, SBI |
| Shri J. Packirisamy *** | Member | DMD-MCG, SBI |
| Shri P. N. Prasad **** | Member | DMD-CCG, SBI |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

***The Bancassurance Committee was reconstituted on 16th January 2019 and Shri P. N. Prasad, DMD CCG was appointed in place of DMD MCG whose position had become redundant.

b. Meetings held:

During the year under review the Bancassurance Committee met 4 (four) times on the following dates:

| | |
|-------------------------------|---------------------------------|
| 9 th May 2018 | 05 th September 2018 |
| 20 th October 2018 | 16 th January 2019 |

Necessary quorum was present at all the meetings of the Bancassurance Committee.

c. Attendance:

The details of attendance at the Company's Bancassurance Committee Meetings held during the year under review are as follows:

| Name of Members | Committee Meeting Number | | | | Held During Tenure | Attended | % of Attendance |
|-------------------------------|--------------------------|----|----|----|--------------------|----------|-----------------|
| | 1 | 2 | 3 | 4 | | | |
| Shri Dinesh Kumar Khara | | | | | 4 | 4 | 100% |
| Shri P. K. Gupta | X | | X | | 4 | 2 | 50% |
| Shri Alp Altun * | | | | NA | 3 | 3 | 100% |
| Shri Jonathan Guy Delalande** | NA | NA | NA | | 1 | 1 | 100% |
| Shri Pushan Mahapatra | | | | | 4 | 4 | 100% |
| Shri K. V. Haridas | X | | X | | 4 | 2 | 50% |
| Shri J. Packirisamy *** | X | X | X | X | 4 | 0 | 0 |
| Shri P.N Prasad *** | NA | NA | NA | NA | 0 | 0 | 0 |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

***The Bancassurance Committee was reconstituted on 16th January 2019 and DMD CCG was appointed in place of DMD MCG whose position had become redundant.

The Company Secretary of the Company acts as the Secretary to the Bancassurance Committee.

vii. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board of Directors of the Company was constituted on 22nd April 2014 to formulate and recommend to the Board, CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, review and recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company and monitor the CSR policy of the Company from time to time.

a. Composition

The composition of the Corporate Social Responsibility Committee as on 31st March 2019 is as follows:

| Name of the Director | Designation | Category |
|-------------------------------|-------------|---|
| Shri Ashok Pradhan | Chairman | Non-Executive, Independent Director |
| Shri P.K. Gupta | Member | Non-Executive, Non-Independent Director |
| Shri Dinesh Kumar Khara | Member | Non-Executive, Non-Independent Director |
| Shri Alp Altun* | Member | Non-Executive, Non-Independent Director |
| Shri Jonathan Guy Delalande** | Member | Non-Executive, Non-Independent Director |
| Shri Pushan Mahapatra | Member | Managing Director & CEO |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee.

b. Meetings held:

During the year under review the Corporate Social Responsibility Committee met 4 (four) times on the following dates:

| | |
|-------------------------------|-----------------------------|
| 25 th April 2018 | 27 th July 2018 |
| 20 th October 2018 | 11 th March 2019 |

c. Attendance:

| Name of Members | Committee Meeting Number | | | | Held During Tenure | Attended | % of Attendance |
|-------------------------------|---|---|---|---|--------------------|----------|-----------------|
| | 1 | 2 | 3 | 4 | | | |
| Shri Dinesh Kumar Khara |  |  |  |  | 4 | 4 | 100% |
| Shri P. K. Gupta | X | X | X |  | 4 | 1 | 25% |
| Shri Ashok Pradhan |  |  |  |  | 4 | 4 | 100% |
| Shri Alp Altun * |  |  |  | NA | 3 | 3 | 100% |
| Shri Jonathan Guy Delalande** | NA | NA | NA |  | 1 | 1 | 100% |
| Shri Pushan Mahapatra |  |  |  |  | 4 | 4 | 100% |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.



viii. Technology Committee

The Technology Committee of the Board of Directors of the Company was constituted on 4th February 2015 to support/advise the Board of Directors of SBI General Insurance Company Ltd in Implementing a strategic IT planning process that is integrated with the business strategy, measure and manage the amount spent on and the value received from technology initiatives, enable IT to add value to the business and mitigate risks and to be responsible for directing, controlling and measuring the IT activities of the Company.

a. Composition

The composition of the Technology Committee as on 31st March 2019 is as follows:

| Name of the Directors | Designation | Category |
|-------------------------------|-------------|---|
| Shri D. Sundaram | Chairman | Non-Executive, Independent Director |
| Shri P.K. Gupta | Member | Non-Executive, Non-Independent Director |
| Shri Dinesh Kumar Khara | Member | Non-Executive, Non-Independent Director |
| Shri Alp Altun* | Member | Non-Executive, Non-Independent Director |
| Shri Jonathan Guy Delalande** | Member | Non-Executive, Non-Independent Director |
| Shri Pushan Mahapatra | Member | Managing Director & CEO |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

The Head of IT of the Company acts as Secretary to the Technology Committee.

b. Meetings held:

During the year under review the Technology Committee met 4 (Four) times on the following dates:

| | |
|-------------------------------|--------------------------------|
| 9 th May 2018 | 5 th September 2018 |
| 20 th October 2018 | 11 th March 2019 |

c. Attendance:

| Name of Members | Committee Meeting Number | | | | Held During Tenure | Attended | % of Attendance |
|-------------------------------|--------------------------|----|----|----|--------------------|----------|-----------------|
| | 1 | 2 | 3 | 4 | | | |
| Shri D. Sundaram | | | | | 4 | 4 | 100% |
| Shri Dinesh Kumar Khara | | | | | 4 | 4 | 100% |
| Shri P. K. Gupta | X | | | | 4 | 3 | 75% |
| Shri Alp Altun * | | | | NA | 3 | 3 | 100% |
| Shri Jonathan Guy Delalande** | NA | NA | NA | | 1 | 1 | 100% |
| Shri Pushan Mahapatra | | | | | 4 | 4 | 100% |

* Shri Alp Altun, (Nominee of IAG International Pty. Ltd.) resigned from Board w.e.f. the closing hours of 19th December 2018.

**Shri Jonathan Guy Delalande was appointed as Nominee Director of IAG International Pty. Ltd. on Board of the Company w.e.f. 20th December 2018.

ix. HR Committee

The HR Committee of the Board of Directors of the Company was re-constituted on 21st April 2015 for the purpose of reviewing SBI General's HR Policies and recommending new policies in future to the Board.

a. Composition

The composition of the HR Committee as on 31st March 2019 is as follows:

| Name of the Directors | Designation | Category |
|-----------------------|-------------|-------------------------------------|
| Shri D. Sundaram | Chairman | Non-Executive, Independent Director |
| Shri Pushan Mahapatra | Member | Managing Director & CEO |
| Ms. Lisa Jeffery | Member | Dy. CEO |
| Smt. Smeeta Bhatkal* | Member | Non-Executive, Independent Director |

* Smt. Smeeta Bhatkal was appointed as the member of the Committee w.e.f. 16th January 2019

The Company Secretary of the Company acts as Secretary to the HR Committee.

b. Meetings held:

During the year under review the HR Committee met 3 (three) times on 19th April 2018, 16th January 2019 and 11th March 2019.

c. Attendance:

| Name of Members | Committee Meeting Number | | | Held During Tenure | Attended | % of Attendance |
|-----------------------|---|---|---|--------------------|----------|-----------------|
| | 1 | 2 | 3 | | | |
| Shri D. Sundaram |  |  |  | 3 | 3 | 100% |
| Smt. Smeeta Bhatkal* | NA | NA |  | 1 | 1 | 100% |
| Shri Pushan Mahapatra |  |  |  | 3 | 3 | 100% |
| Ms. Lisa Jeffery |  | X |  | 3 | 2 | 66% |

* Smt. Smeeta Bhatkal was appointed as the member of the Committee w.e.f. 16th January 2019

x. Independent Directors' Meeting

The code of conduct for Independent Directors prescribed vide Schedule IV of the Companies Act, 2013, provides for an evaluation mechanism for the Board/Chairperson/Non-executive Directors/Whole-time Directors which would need to be done at a separate Meeting of Independent Directors, without the attendance of Non-independent Directors and members of Management.

Independent Directors of the Company met on 5th May, 2018 and 5th March, 2019 for FY 2018-19 without the presence of Executive Directors, Non-executive Directors and Management personnel to inter-alia discuss the framework for evaluation of Directors.

4. Details of Directors' Remuneration (2018-19)

Remuneration of Independent Directors:

The details of the Sitting Fees paid to the Independent Directors of the Company during the year 2018-19 is as follows:

| Directors | Board Fee (₹) | Other Committee Fee (₹) | Total (₹) |
|---------------------|---------------|-------------------------|-----------|
| Shri Ashok Pradhan | 3,15,000 | 5,75,000 | 8,90,000 |
| Shri M. K. Garg | 2,45,000 | 3,25,000 | 5,70,000 |
| Shri D. Sundaram | 2,80,000 | 5,75,000 | 8,55,000 |
| Smt. Smeeta Bhatkal | 2,80,000 | 1,00,000 | 3,80,000 |



5. General Body Meetings (During the previous three financial years):

The details of the Annual General Meeting and the Extra Ordinary General Meetings held during the previous three financial years are as under:

| Year | EGM/AGM | Date | Venue | Business Transacted by Special Resolution |
|---------|---------|---------------------------------|---|--|
| 2018-19 | EGM | 21 st February 2019 | 10 th Floor, Conference Room "Chera", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021 | Special Resolution was passed by the Members in this Meeting. |
| 2018-19 | EGM | 19 th December 2018 | 10 th Floor, Conference Room "Kalinga", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021 | Special Resolution was passed by the Members in this Meeting. |
| 2018-19 | EGM | 5 th September 2018 | 10 th Floor, Conference Room "Kalinga", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021 | Special Resolution was passed by the Members in this Meeting. |
| 2018-19 | AGM | 5 th September 2018 | 10 th Floor, Conference Room "Kalinga", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021 | No Special Resolution was passed by the Members in this Meeting. |
| 2017-18 | EGM | 7 th January 2018 | "Meeting room" Hotel Trident, Amber Fort road, Jaipur, Rajasthan 302002. | Special Resolution was passed by the Members in this Meeting. |
| 2017-18 | EGM | 16 th October 2017 | 10 th Floor, "Maurya", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021 | Special Resolution was passed by the Members in this Meeting. |
| 2017-18 | AGM | 15 th September 2017 | 10 th Floor, "Mughal", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021 | No Special Resolution was passed by the Members in this Meeting. |
| 2016-17 | EGM | 22 nd November 2016 | 10 th Floor, "Chola", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021 | Special Resolution was passed by the Members in this Meeting. |
| 2016-17 | AGM | 22 nd July 2016 | 15 th Floor, Conference Room, Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021 | No Special Resolution was passed by the Members in this Meeting. |
| 2016-17 | EGM | 30 th June 2016 | 17 th Floor, Conference Room, Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021 | No Special Resolution was passed by the Members in this Meeting. |

6. Recording of the Minutes and Proceedings of Various Meetings:

The Company Secretary of the Company is responsible for recording the Minutes and proceedings of various meetings of the Board, General Meetings of the Members and the Meetings of the Committees of the Board (except Investment Committee and Technology Committee wherein the Chief Investment Officer and Head-IT & CIO acts as the member secretary of the Committee respectively and records the minutes and proceedings of the Committee meetings). The finalised Minutes and proceedings of the meetings are entered into the Minutes Book within 30 days from the conclusion of the meeting.

7. Subsidiary Company:

The Company does not have any subsidiary companies.

8. Disclosure Regarding Director Seeking Re-Appointment

Shri Jonathan Guy Delalande, IAG Nominee Director is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and is eligible for re-appointment. The detailed information about the Director being re-appointed forms part of Annexure (I) to this Report and therefore is not separately mentioned here.

9. Disclosures

There were no materially significant related party transactions with the promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the Notes to the Accounts forming part of the Annual Report. During the year there were no cases of penalties or strictures imposed by any statutory authority for any violation related to the capital market during the period under review.

The Company has a Whistle Blower Policy duly approved by the Board of Directors and any employee, if he/she desires, has free access to meet or communicate with the Senior Management and report any matter of concern.

All the mandatory requirements of Corporate Governance Guidelines issued by the IRDAI as amended from time to time are complied with. A certificate by the Compliance Officer is placed alongside at **Annexure (II)**.

10. Company Secretary & Compliance Officer

Name: Shri Mahendra K. Tripathi
 Head – Compliance, Legal & Company Secretary
 Address: "Natraj", 301, Junction of Western Express Highway & Andheri Kurla Rd., Andheri East, Mumbai – 400069
 Contact: +91-22-42412070
 E-mail: mahendra.tripathi@sbigeneral.in
 Fax: +91-22-42412071

11. General Shareholders Information:

| | |
|---|---|
| Date of Incorporation | 24 th February 2009 |
| CIN No. | U66000MH2009PLC190546 |
| Financial year | 2018-19 |
| Board meeting for adoption of Audited Financial Accounts | 23 rd April 2019 |
| IRDA Registration No. | 144 |
| Date & Venue of Annual General Meeting | 25 th September 2019 State Bank Bhavan, Corporate Centre, Madame Cama Road, Nariman Point, Mumbai – 400021. |
| Company's Website | www.sbigeneral.in |



12. Share Transfer System

The Registrar and Transfer Agent of the Company is Karvy Fintech Private Limited for Equity Shares. Shares in physical form should be lodged for transfer at the office of the Company's Registrar & Transfer Agent, Karvy Fintech Private Limited at the addresses given below. The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders holding shares in physical form are requested to take action to dematerialise the Equity Shares of the Company, promptly.

Address of Registrar & Transfer Agent
 Karvy Fintech Private Limited
 Karvy Selenium Tower B,
 Plot 31-32, Financial District,
 Nanakramguda, Serilingampally,
 Hyderabad 500 032

13. Dematerialisation of Shares

During the year Equity shares of the Company representing 74.00% of the Company's equity share capital are dematerialised as on March 31, 2019. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE01MM01017.

14. Distribution of Shareholding:

The Details of Shareholding pattern of the Company as on 31st March 2019 is as under:

| Sr. No. | Name of the Member | No. of Shares held | Percentage (% of holding) |
|---------|------------------------------|---------------------|---------------------------|
| 1 | State Bank of India | 15,08,49,950 | 70.00 |
| 2 | IAG International Pty Ltd. | 5,60,30,000 | 26.00 |
| 3 | PI Opportunities Fund-I | 50,60,000 | 2.35 |
| 4 | Axis New Opportunities AIF-I | 35,60,000 | 1.65 |
| 5 | Shri Dinesh Kumar Khara* | 10 | 0.0000067 |
| 6 | Shri Pushan Mahapatra* | 10 | 0.0000067 |
| 7 | Shri Shree Prakash Singh* | 10 | 0.0000067 |
| 8 | Shri K. Pradeep* | 10 | 0.0000067 |
| 9 | Shri P. Madhu Mohan Patro * | 10 | 0.0000067 |
| | Total | 21,55,00,000 | 100% |

* Shares held as SBI Nominee

15. Company's Address:

Registered Office & Corporate Office: (Correspondence Address)

"Natraj", 301, Junction of Western Express Highway & Andheri Kurla Road, Andheri (East), Mumbai – 400069.

Annexure 1 to the Corporate Governance Report

Details of the Directors of the Company:

| Name of the Directors | Category | Qualification | Field of Specialisation | Other Directorships |
|---|-------------------------------------|-----------------------------------|----------------------------|--|
| Shri. Rajnish Kumar DIN: (05328267) | Non-Executive Director, SBI Nominee | M. Sc. (Physics) | Banking & Finance | <ol style="list-style-type: none"> 1. State Bank of India 2. SBI Foundation 3. SBI Life Insurance Company Ltd. 4. SBI Capital Markets Ltd 5. SBI Cards & Payment Services Private Limited 6. Export – Import Bank of India 7. Institute of Banking Personnel Selection 8. National Institute of Bank Management 9. Indian Banks' Association 10. Khadi & Village Industries Commission 11. Indian Institute of Banking & Finance 12. Management Development Institute 13. ECGC Ltd 14. National Cooperative Development Corporation (A Statutory Corporation under Ministry of Agriculture, Government of India) – Member General Council |
| Shri P.K. Gupta DIN: (02895343) | Non-Executive Director, SBI Nominee | ACS from ICSI | Banking, Compliance & Risk | <ol style="list-style-type: none"> 1. State Bank of India 2. SBI Foundation |
| Shri Dinesh Kumar Khara DIN: (06737041) | Non-Executive Director, SBI Nominee | M. Com & MBA | Banking & Finance | <ol style="list-style-type: none"> 1. State Bank of India 2. SBI Capital Markets Limited 3. SBI Cap Securities Limited 4. SBI CAPS Ventures Limited 5. SBI Foundation 6. SBI DFHI Limited 7. SBI Global Factors Limited 8. SBI Funds Management Private Limited 9. SBI Cards and Payment Services Private Limited 10. SBI Pension Funds Private Limited 11. SBI Life Insurance Company Limited 12. SBICAP (UK) Limited 13. SBICAP (Singapore) Limited 14. SBI Infra Management Solutions Private Limited |
| Shri Duncan Victor Brain DIN: (06715827) | Non-Executive Director, IAG Nominee | MBA & Bachelor of Applied Science | Insurance | <ol style="list-style-type: none"> 1. AmGeneral Holdings Brehad (formerly AmG Insurance Berhad) – Malaysia 2. AmGeneral Insurance Berhad (Formerly known as Kurnia Insurance (Malaysia) Berhad Malaysia |



| | | | | |
|--|--------------------------------------|--|---|---|
| Shri Jonathan Guy Delalande DIN: (07540843) | Non-Executive Director, IAG Nominee | MBA | Insurance | <ol style="list-style-type: none"> 1. AAA Assurance Corporation (Vietnam) 2. IAG (Asia) General Pte. Ltd. 3. Pt. Asuransi Parolamas (Indonesia) |
| Shri Ashok Pradhan DIN: (00136805) | Non-Executive, Independent Director | M. Com., LL. B., CAIIB, Diploma in Management Accounting | Investment, Finance and Insurance | NIL |
| Shri M. K. Garg DIN: (00081454) | Non-Executive, Independent Director | Chartered Accountant/ FIII | Finance & Administration and Insurance | <ol style="list-style-type: none"> 1. Rolesoft Mercantile Co. Pvt. Ltd. 2. Instant Creations Pvt. Ltd. 3. GIC Housing Finance Limited |
| Shri. D. Sundaram DIN: (00016304) | Non-Executive, Independent Director | B. Com, Masters in Management Studies, FCWA | Finance | <ol style="list-style-type: none"> 1. TVS Capital Funds Limited 2. TVS Electronics Limited 3. Infosys Limited 4. GlaxoSmithKline Pharmaceuticals Limited 5. 9.9 Group Private Limited 6. Crompton Greaves Consumer Electricals Limited 7. TVS Wealth Private Limited |
| Smt. Smeeta Bhatkal DIN: (07363916) | Non-Executive, Independent Director | Management graduate from IIM, Ahmedabad | Investment Banking and Financial Services | <ol style="list-style-type: none"> 1. SBI DFHI Limited |
| Shri Pushan Mahapatra DIN: (07307428) | Managing Director & CEO, SBI Nominee | B.A. | Banking & Insurance | NIL |

Annexure (II) To The Corporate Governance Report (FY 2018-19)

“CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES”

I, Mahendra K. Tripathi, hereby certify that the Company has complied with the Corporate Governance Guidelines issued by the Insurance Regulatory & Development Authority for Insurance Companies, as amended from time to time, and nothing has been concealed or suppressed to the best of my knowledge.

Mahendra K. Tripathi
Head – Compliance, Legal & Company Secretary
SBI General Insurance Company Limited
Mumbai



Certificate by CEO & CFO

To
The Board of Directors
SBI General Insurance Company Limited

Certificate

As required under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the extent applicable to SBI General Insurance Co. Ltd., we certify that:-

- a) We have reviewed Financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:-
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:-
 - i. Significant changes in internal control over financial reporting, if any, during the year;
 - ii. Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we became aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

(Pushan Mahapatra)
MD & CEO

(Rikhil K. Shah)
SVP & CFO

Date: 23rd April 2019

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
 The Members,
 SBI General Insurance Company Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SBI GENERAL INSURANCE COMPANY LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, 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 March 31, 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 there under;
- iii. Insurance Act, 1938 (amended till date) and Insurance Rules, 1939;
- iv. Insurance Regulatory and Development Authority Act 1999, and Rules & Regulation, Circular and Notifications etc issued by the IRDAI there under;
- v. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- vi. Foreign Exchange Management Act, 1999 (“FEMA”) and the Rules and Regulations made there under to the extent applicable ;
- vii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) are not applicable to the Company:-

- a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015;
- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2019;
- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. 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;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016;
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:

1. Anti-Money Laundering Regulation issued by the IRDAI and various Circulars and Guidelines there under;
2. The States Shops and Establishment Act
3. Tax Laws:
 - The State Goods & Services Tax Act, 2017.
 - Integrated State Goods & Services Tax Act, 2017.
 - The Central Goods & Services Tax Act, 2017.
 - The Union Territory Goods and Service Tax Act, 2017.
 - Professional Tax Act.
 - Income Tax Act, 1961
4. Employee Laws:
 - Payment of Gratuity Act, 1972 and Payment of



- Gratuity (Central) Rules, 1972;
 - Payment of Bonus Act, 1965, and Payment of Bonus Rules, 1975
 - Payment of Wages Act, 1936;
 - Minimum Wages Act, 1948;
 - Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & the scheme provided there under;
 - Employees' State Insurance Act 1948;
 - The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
 - The Maternity Benefit Act, 1961;
 - The Contract Labour (Regulation & Abolition) Act, 1970 & Rules;
 - Child Labour (Prohibition and Regulation) Act, 1986;
 - The Apprentices Act, 1961 and Apprenticeship Rules, 1991 under the above Rules;
 - Labour Welfare Fund Act
 - Equal Remuneration Act, 1976
 - Workmen's Compensation Act, 1923
 - Employment Standing Orders Act, 1946
5. Indian Stamp Act, 1899 and the State Stamp Acts;
 6. Copyright Act, 1957;
 7. Prevention of Money Laundering Act, 2002
 8. Trademarks Act, 1999
 9. Indian Contract Act, 1872
 10. Negotiable Instruments Act, 1881
 11. Information Technology Act, 2000
 12. Whistle Blowers Protection Act, 2011
 13. Registration Act, 1908;
 14. Limitation Act, 1963;
 15. The Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

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 proper balance of Executive Directors, Non-Executive Directors and

Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, in case of less than seven days the Company has taken shorter notice consent from Directors/ Members of the Board/Committees, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable. All the decisions have been taken unanimously and no dissent recorded in Board Meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines. All the notices and orders received by the Company pursuant to the above Laws Rules, Regulations and Guidelines has been adequately dealt with/duly replied/complied with.

We further report that the members of the Company at their Meeting held on 21st February, 2019 have approved the ESOP Scheme-2019.

For M/s. N. L. Bhatia & Associates

Practising Company Secretaries

UIN: P1996MH0055800

N.L. Bhatia

Managing Partner

FCS No: 1176

C P No.: 422

Place: Mumbai

Date: 9th May, 2019.

Annexure 5 to Directors Report 2018-19

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31/03/2019

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|--|
| 1. | CIN | U66000MH2009PLC190546 |
| 2. | Registration Date | 24/02/2009 |
| 3. | Name of the Company | SBI General Insurance Company Limited |
| 4. | Category/Sub-category of the Company | General Insurance |
| 5. | Address of the Registered office & contact details | “Natraj” 301, Junction of Western Express Highway & Andheri Kurla Road, Andheri (East), Mumbai – 400069 |
| 6. | Whether listed company | NO |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Karvy Fintech Private Limited, Karvy Selenium, Tower-B, Plot No. 31 & 32., Financial District, Nanakramguda Serilingampally Mandal, Hyderabad – 500032 |

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)

| S. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the Company |
|--------|---|---------------------------------|------------------------------------|
| 1 | Non-Life Insurance (General Insurance) - Gross Premium Received | 6512 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| S. No. | Name and address of the company | CIN/GLN | Holding/Subsidiary | % of shares held | Applicable Section |
|--------|---------------------------------|---------|--------------------|------------------|--------------------|
| 1 | State Bank of India | NA | Holding Entity | 70 | 2(87)(ii) |



IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31 March 2018] | | | | No. of Shares held at the end of the year [As on 31 March 2019] | | | | % Change during the year |
|---|---|-----------|-----------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | - | 50 | 50 | 0.01 | 50 | - | 50 | 0.01 | |
| b) Central Government | | | | | | | | | |
| c) State Government(s) | | | | | | | | | |
| d) Bodies Corp. | - | 159469950 | 159469950 | 73.99 | 150849950 | | 150849950 | 70.00 | 4% |
| e) Banks/FI | | | | | | | | | |
| f) Any other | | | | | | | | | |
| Sub- Total (A)(1) | - | 159470000 | 159470000 | 73.99 | 150850000 | - | 150850000 | 70.00 | 4% |
| (2) Foreign | | | | | | | | | |
| a) Individual/HUF | | | | | | | | | |
| b) Central Government | | | | | | | | | |
| c) State Government(s) | | | | | | | | | |
| d) Bodies Corp. | - | 56030000 | 56030000 | 26.00 | - | 56030000 | 56030000 | 26.00 | |
| e) Banks/FI | | | | | | | | | |
| f) Any other | | | | | | | | | |
| Sub- Total (A)(2) | - | 56030000 | 56030000 | 26.00 | - | 56030000 | 56030000 | 26.00 | |
| Total shareholding of Promoter (A) = (A) (1) + (A) (2) | - | 215500000 | 215500000 | 100 | 150850000 | 56030000 | 206880000 | 96.00 | 4% |
| (2) | | | | | | | | | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | NIL | NIL | NIL | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks/FI | | | | | | | | | |
| c) Central Government | | | | | | | | | |
| d) State Government(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (Alternate Investment Funds) | | | | | | | | | |
| i) PI Opportunities Fund – I | - | - | - | | 5060000 | | 5060000 | 2.35 | |
| ii) * Axis New Opportunities AIF – I | - | - | - | | 3560000 | | 3560000 | 1.65 | |
| Sub-total (B)(1):- | | | | | 8620000 | | 8620000 | 4.00 | |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31 March 2018] | | | | No. of Shares held at the end of the year [As on 31 March 2019] | | | | % Change during the year |
|--|---|-----------|-----------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 2. Non-Institutions | | NIL | | | | NIL | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh | | | | | | | | | |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | | | | | | | | | |
| c) Others (specify) | | | | | | | | | |
| Non-Resident Indians | | | | | | | | | |
| Overseas Corporate Bodies | | | | | | | | | |
| Foreign Nationals | | | | | | | | | |
| Clearing Members | | | | | | | | | |
| Trusts | | | | | | | | | |
| Foreign Bodies - D R | | | | | | | | | |
| Sub-total (B)(2):- | | | | | | | | | |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | | | | | 8620000 | | 8620000 | 4% | |
| C. Shares held by Custodian for GDRs & ADRs | | NIL | | | | NIL | | | |
| Grand Total (A+B+C) | | 215500000 | 215500000 | 100 | 159470000 | 56030000 | 215500000 | 100 | |

(ii) Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|----|-----------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1 | State Bank of India | 159469950 | 74 | - | 150849950 | 70 | - | 4 |
| 2 | IAG International Pty. Ltd. | 56030000 | 26 | | 56030000 | 26 | - | 0 |



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

| SN | Particulars | 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 | SBI 159470000 | 74 | 159470000 | 74 |
| | Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.): | No Change | | Transfer of 8620000 Equity Shares (4%) in the Company on 29-9-2018 | 70 |
| | At the end of the year | 159470000 | 74 | 150849950 | 70 |
| 2 | At the beginning of the year | IAG International Pty. Ltd. 56030000 | 26 | 56030000 | 26 |
| | Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.): | No Change | | No Change | 26 |
| | At the end of the year | 56030000 | 26 | 56030000 | 26 |

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Shareholders | Shareholding at the Beginning of the year | | Cumulative Shareholding during the Year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | i. PI Opportunities Fund – I At the beginning of the year | NIL | - | NIL | - |
| | ii. Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):* | NIL | | 50,60,000 Purchase of Shares on 29-09-2018 | 2.35 |
| | iii. At the end of the year | NIL | | 50,60,000 | 2.35 |
| 2 | i. Axis New Opportunities AIF – I At the beginning of the year | NIL | - | NIL | - |
| | ii. Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):* | NIL | | 35,60,000 Purchase of Shares on 29-09-2018 | 1.65 |
| | iii. At the end of the year | NIL | | 35,60,000 | 1.65 |

(v) Shareholding of Directors and Key Managerial Personnel

| SN | Shareholding of each Directors and each Key Managerial Personnel | 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. | Shri Pushan Mahapatra* At the beginning of the year | 10 | - | 10 | - |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.): | 0 | - | 0 | - |
| | At the end of the year | 10 | - | 10 | - |
| 2. | Shri Dinesh Kumar Khara* At the beginning of the year | 10 | - | 10 | - |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.): | 0 | - | 0 | - |
| | At the end of the year | 10 | - | 10 | - |

*Nominee Shareholders of State Bank of India

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/Manager | Total Amount |
|---------|---|---------------------------------|------------------|
| | | Shri Pushan Mahapatra, MD & CEO | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 | 41,69,388 | 41,69,388 |
| | (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 | 8,03,120 | 8,03,120 |
| | (c) Profits in lieu of salary under Section 17(3) Income- Tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | - as % of profit | - | - |
| | - others, specify... | - | - |
| 5 | Others, please specify | | |
| | A) Halting Allowance | - | - |
| | B) Home Telephone Expenses | - | - |
| | C) Car Hired Charges Paid Directly | 62,664 | 62,664 |
| | D) Drivers' Salary and petrol charges | 7,34,880 | 7,34,880 |
| | E) Other Allowances Paid Directly | - | - |
| | F) Directly Paid SBIGIC | - | - |
| | G) Provision for Salary | - | - |
| | Total (A) | 57,70,052 | 57,70,052 |
| | Ceiling as per the Act* | | |

*Pursuant to Section 34A of the Insurance Act 1938, the Provisions of Section 196 and Section 197 of the Companies Act 2013 are not applicable to the Company



B. Remuneration to other Directors

| SN. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|-----|--|----------------------|----------------------|----------------------|----------------------|--------------|
| 1 | Independent Directors | Shri Ashok Pradhan | Shri M. K. Garg | Shri D. Sundaram | Smt. Smeeta Bhatkal | |
| | Fee for attending Board/Committee meetings | 8,90,000 | 5,70,000 | 8,55,000 | 3,80,000 | 26,95,000 |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (1) | 8,90,000 | 5,70,000 | 8,55,000 | 3,80,000 | 26,95,000 |
| 2 | Other Non-Executive Directors | - | - | - | - | - |
| | Fee for attending Board/Committee meetings | - | - | - | - | - |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total(2) | - | - | - | - | - |
| | Total (B)=(1+2) | 8,90,000 | 5,70,000 | 8,55,000 | 3,80,000 | 26,95,000 |
| | Total Managerial Remuneration | | | | | 84,65,052 |
| | Overall Ceiling as per the Act* | 1,00,000 per meeting | 1,00,000 per meeting | 1,00,000 per meeting | 1,00,000 per meeting | |

* The Independent Directors are only paid sitting fees for attending the Board Meetings and Committee Meetings.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|----|---|-----------------------------|---------------------------|-------------|-------------|
| | | CS (Shri Mahendra Tripathi) | CFO (Shri Rikhil K. Shah) | Other KMPs* | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961 | 63,63,184 | 1,20,80,000 | 4,09,19,944 | 5,93,63,128 |
| | (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961 | - | - | - | - |
| 2 | Stock Option# | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | others, specify... | - | - | - | - |
| 5 | Others | | | | |
| | Halting Expense | - | - | - | - |
| | Home Telephone Expense | - | - | 10,620 | 10,620 |
| | Car Hire Charges Paid Directly | - | - | - | - |
| | Relocation Expense | - | - | 12,58,831 | 12,58,831 |
| | Rent | - | - | 7,24,000 | 7,24,000 |
| | Car Hire | - | - | - | - |
| | Total | 63,63,184 | 1,20,80,000 | 4,29,13,395 | 6,13,56,579 |

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

During the year- ESOPs were granted to following KMPs:

| Sr. No | Name of KMPs | Designation | No. of ESOPs Granted |
|--------|------------------------|------------------------------|----------------------|
| 1 | Shri Rikhil K. Shah | Chief Financial Officer | 1,93,600 |
| 2 | Shri Mahendra Tripathi | Head- Compliance, Legal & CS | 1,06,000 |
| 3 | Shri Amar Joshi | Chief Business Officer | 3,29,100 |
| 4 | Shri Avez Sayed | Chief Risk Officer | 74,300 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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



Annexure 6 to Directors Report 2018-19

SBI GENERAL INSURANCE COMPANY LIMITED

Directors' Report for the year ended 31st March 2019

Form No. AOC-2

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

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

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

- (a) Name(s) of the related party and nature of relationship - NIL
- (b) Nature of contracts/arrangements/transactions - NIL
- (c) Duration of the contracts/arrangements/transactions - NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any - NIL
- (e) Justification for entering into such contracts or arrangements or transactions – NIL
- (f) date(s) of approval by the Board – NIL
- (g) Amount paid as advances, if any: - NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 – NIL

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

- (a) Name(s) of the related party and nature of relationship – NIL
- (b) Nature of contracts/arrangements/transactions - NIL
- (c) Duration of the contracts/arrangements/transactions – NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Date(s) of approval by the Board, if any: NIL
- (f) Amount paid as advances, if any: NIL

* There have not been any Material transactions approved by the Audit Committee of the Board. Accordingly, Nil report is submitted. There were no transactions **at arm's length basis** reported to the Board for approval.

Shri Rajnish Kumar
Director

Shri Pushan Mahapatra
MD & CEO

Date: 14th August 2019

Management Report

In accordance with Part IV Schedule B, of the Insurance Regulatory and Development Authority (Preparation of financial statements and Auditors' Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted by the Board of Directors with respect to the operations of the Company for the year ended 31st March 2019. The Management of the Company confirms, certifies and declares as below.

1. Certificate of Registration

The Certificate of Registration granted by the Insurance Regulatory and Development Authority of India (IRDAI) to enable the Company to transact General Insurance business continues to stand valid.

2. Statutory Dues

To the best of our knowledge and belief, all the dues payable to the statutory authorities have been duly paid.

3. Shareholding Pattern

The Company's shareholding pattern and any transfer of shares during the year are in accordance with the requirements of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000.

4. Investment of Funds

The Company has not invested outside India, either directly or indirectly, any of the Policyholders' funds received in India.

5. Solvency Margin

The Company has adequate assets to cover both its liabilities and the minimum solvency margin as stipulated in Section 64 VA of the Insurance Act, 1938.

6. Valuation of Assets

The values of all assets have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief the amounts reflected in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under several headings — "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amount due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts".

7. Risk exposure and Mitigation strategy

Risk Management

At SBI General, risk management is central to the sustainability of the Company's business and our decision-making process. We are continually advancing our risk management practices, building a strong foundation of risk & opportunity identification, protection and compliance which focus on different risk factors that impact strategic decision-making, and operational performance. A data-driven risk selection framework, conservative reserving and quality reinsurance are at the heart of our governing principles. Our selective underwriting approach by continuous risk measurement has helped us avoid adverse selections. During the year, SBI General has maintained its credit rating of "iAAA" awarded by ICRA for claims paying ability by the Company. This indicates that the Company has the highest claims paying ability and has a fundamentally strong position.

As we grow big, we are moving towards an insight-driven and performance-oriented approach to risk management, one that creates a culture where everyone factors risk into their decision-making process.

Our approach of focusing on risk-enabled performance management helps us concentrate on overall Enterprise Risk Management with continuous and regular monitoring of risk movements rather than just identifying and managing risks individually in silos.

The overall objective is to strike the right balance between growth and conservatism by promoting risk awareness culture through focus group discussions, risk awareness sessions, self-assessment workshops, training modules, mailers, newsletters etc. resulting in aligning the Company's risk and reward strategy with a robust governance framework.

8. Operations in other Countries

The Company does not have any operations outside India.

9. Claims

- a) Ageing analysis of claims outstanding during the five preceding year ended March 31, 2019 is included in Annexure 1.
- b) The trend in average claim settlement time during the five preceding year ended March 31, 2019 is included in Annexure 2.



10. Valuation of Investments

1. All investments in debt securities have been considered to be on a held to maturity category. These are carried at amortised costs. The premium or discount at the time of acquisition is amortised over the remaining period to maturity on constant yield basis by charge to revenue account or profit & loss account as the case may be.
2. To calculate the market value, for comparison purposes, the convention laid down by the RBI in consultation with FBIL has been followed, wherein FBIL publishes the price/yields of all traded Central Government Securities as on March 31, 2019. The market value of State Development Loans, has been valued at a spread of 25 bps over the corresponding benchmark security of the respective year as per the RBI guidelines. Similarly, in the case of securities classified under the category of Other Approved Securities, the Market Value has been taken at a spread of 25 bps over the corresponding benchmark security. To calculate the Market Value of Corporate Securities, the spreads prescribed by FBIL for different tenures of securities with different credit ratings have been considered. The spreads applicable for PSU FI and Banks, Private sector, NBFC are different. The prescribed spreads added to the base rate for the respective tenure of the security, depending on the nature of the corporate and its rating, is considered for calculating the Market Value.
3. The mutual fund investments are stated at fair value being the closing net asset value as at the balance sheet date. In the event of the balance sheet date being a holiday/non-business day, the NAV for valuation of the fund is considered as published on the last day for which NAV is available. In accordance with the regulation, unrealised gain/loss arising due to changes in fair value of mutual fund investments are not taken to Revenue/Profit and loss account but are taken to Fair Value Change Account in Balance Sheet.
4. Listed and actively traded equity securities shall be valued at the last quoted closing prices on the National Stock Exchange of India Limited, which is the primary exchange, as of the Balance Sheet date. In case, the shares are not listed/not traded in NSE the valuation shall be done at the last quoted closing price on the BSE, which is the secondary exchange for valuation purpose. Unrealised gains or losses are credited/debited to the fair value change account in Balance Sheet.

11. Review of Asset Quality and Performance of Investments

- a. The Company has an exposure to the IL&FS group securities of book value worth ₹850,993 thousand out of which securities amounting to ₹149,786 thousand has been earmarked as NPA as per the Company's Debt Diminution policy.

Further as per the said Policy, income recognition on the entire IL&FS group securities has been

discontinued from the date of downgrade of its Credit rating to Default and a provision for diminution on Principal has been provided as per the table given below:

₹ in '000

| Position as on 31 st March 2019 for IL&FS Group Securities | | | |
|---|----------------|----------------|----------------|
| Classification of Assets | Book Value | Provisioning | Net Position |
| Non-Performing | 149,786 | 127,339 | 22,448 |
| Performing | 701,207 | 498,163 | 203,042 |
| Total | 850,993 | 625,502 | 225,490 |

Out of the above, ₹349,903 thousand worth book value of securities have matured and classified under Current Assets.

The provision on the said securities has been made within Revenue account(s) allocated in proportion of average policyholder's fund.

12. Directors' Responsibility Statement

The Board of Directors of the Company also state that:

- (a) In preparation of the financial statements, all applicable accounting standards, generally accepted accounting principles and policies have been followed, and there have been no material departures from the aforesaid;
- (b) The Management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the operating Profit under the Revenue Account and of the profit in the Profit and Loss Account of the Company for the year ended March 31, 2019;
- (c) The Management has taken sufficient and proper care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) and the Companies Act 2013 (1 of 2013), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Management has prepared the financial statements on a going concern basis; and
- (e) The Management has set up an internal audit system commensurate with the size and nature of the business and the same was operating effectively during the year.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. Detail of Payments made to individuals, firms, companies and organisations in which the Directors are interested during the year ended March 31, 2019 are as follows:

₹ in '000

| Sr. No. | Particulars of Company/Firm | Nature of Interest | Name | Total |
|---------|--|--------------------|-------------------------|-----------|
| 1 | State Bank of India | Chairman | Shri Rajnish Kumar | 2,317,666 |
| | | Director | Shri Dinesh Kumar Khara | |
| | | Director | Shri P. K. Gupta | |
| 2 | SBI Life Insurance Company Ltd. | Chairman | Shri Rajnish Kumar | 118,408 |
| | | Director | Shri Dinesh Kumar Khara | |
| | | Director | Shri P. K. Gupta | |
| 3 | SBI Capital Markets Ltd. | Chairman | Shri Rajnish Kumar | 8 |
| | | Director | Shri Dinesh Kumar Khara | |
| 4 | SBICAP Securities Private Limited | Director | Shri Dinesh Kumar Khara | 1,563 |
| 5 | SBI Cards and Payment Services Private Limited | Chairman | Shri Rajnish Kumar | 4,693 |
| | | Director | Shri Dinesh Kumar Khara | |
| 6 | SBI Foundation | Chairman | Shri Rajnish Kumar | 6,500 |
| | | Director | Shri Dinesh Kumar Khara | |
| | | Director | Shri P. K. Gupta | |

For and on behalf of the Board of Directors

Rajnish Kumar
Director
(DIN No: 05328267)

Dinesh Kumar Khara
Director
(DIN No: 06737041)

Pushan Mahapatra
Managing Director & CEO
(DIN No: 07307428)

Rikhil K. Shah
Chief Financial Officer
(M. No. 112490)

Mahendra K.Tripathi
Company Secretary
(M. No. A21090)

Mumbai
April 23, 2019



Detail of claims outstanding during the preceding 5 years

Annexure 1

For the year ended 31st March 2019

| Product | Fire | | Marine Cargo | | Motor | | Workmen Compensation | | Public Liability | | Engineering | | Aviation | | Personal Accident | | Health | | Others | | Total | | |
|---------------------|--------------|------------------|--------------|-----------------|---------------|------------------|----------------------|-----------------|------------------|-----------------|--------------|-----------------|--------------|-----------------|-------------------|------------------|--------------|-----------------|--------------|------------------|---------------|-------------------|-----------|
| | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | |
| 30 days | 123 | 134,258 | 65 | 15,501 | 4,400 | 414,997 | 5 | 804 | 3 | 22,000 | 14 | 2,099 | - | - | - | 388 | 280,462 | 4,961 | 222,346 | 4,998 | 1,515,088 | 14,957 | 2,607,555 |
| 30 days to 6 months | 242 | 650,584 | 128 | 51,733 | 3,263 | 1,266,160 | 9 | 1,710 | 1 | 4,885 | 44 | 31,995 | - | - | - | 1,321 | 862,770 | 1,898 | 100,531 | 234 | 1,019,095 | 7,140 | 3,989,463 |
| 6 months to 1 year | 141 | 490,053 | 32 | 12,798 | 1,318 | 766,664 | 4 | 2,323 | 1 | 5,000 | 18 | 63,662 | - | - | - | 564 | 320,836 | 84 | 12,970 | 147 | 273,213 | 2,309 | 1,947,519 |
| 1 year to 5 years | 324 | 1,462,399 | 18 | 7,692 | 4,882 | 5,257,490 | 7 | 3,022 | 2 | 5,571 | 13 | 124,177 | 8 | 7,314 | 538 | 374,581 | 96 | 10,100 | 107 | 113,617 | 5,995 | 7,365,963 | |
| 5 years and above | 44 | 68,155 | 1 | 181 | 402 | 373,341 | 3 | 761 | - | - | - | - | 2 | 2,772 | 187 | 20,420 | - | - | 7 | 11,877 | 646 | 477,508 | |
| Total | 874 | 2,805,449 | 244 | 87,904 | 14,265 | 8,078,653 | 28 | 8,620 | 7 | 37,456 | 89 | 221,932 | 10 | 10,086 | 2,998 | 1,859,069 | 7,039 | 345,947 | 5,493 | 2,932,891 | 31,047 | 16,388,008 | |

₹ in '000

For the year ended 31st March 2018

| Product | Fire | | Marine Cargo | | Motor | | Workmen Compensation | | Public Liability | | Engineering | | Aviation | | Personal Accident | | Health | | Others | | Total | |
|---------------------|--------------|------------------|--------------|-----------------|---------------|------------------|----------------------|-----------------|------------------|-----------------|--------------|-----------------|--------------|-----------------|-------------------|------------------|--------------|-----------------|--------------|-----------------|---------------|-------------------|
| | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved |
| 30 days | 122 | 309,305 | 79 | 14,144 | 3,625 | 581,623 | 3 | 91 | - | - | 14 | 2,168 | - | - | 939 | 532,994 | 2,468 | 111,715 | 163 | 58,405 | 7,413 | 1,610,445 |
| 30 days to 6 months | 203 | 371,226 | 47 | 18,507 | 2,821 | 980,049 | 8 | 1,715 | 2 | 7,567 | 30 | 36,843 | 7 | 2,609 | 1,640 | 937,027 | 1,101 | 57,942 | 86 | 24,606 | 5,945 | 2,438,091 |
| 6 months to 1 year | 83 | 387,220 | 12 | 5,405 | 1,461 | 951,521 | 3 | 1,506 | - | - | 8 | 137,791 | 1 | 1,733 | 553 | 252,882 | 63 | 4,230 | 40 | 49,693 | 2,224 | 1,791,981 |
| 1 year to 5 years | 278 | 1,591,156 | 9 | 5,021 | 5,076 | 4,582,884 | 6 | 1,182 | 1 | 167 | 8 | 13,035 | 1 | 3,696 | 352 | 80,571 | 48 | 4,571 | 55 | 42,611 | 5,834 | 6,324,895 |
| 5 years and above | 11 | 26,210 | 2 | 326 | 63 | 50,795 | - | - | - | - | 2 | 438 | 1 | 2,531 | 1 | 16 | - | - | 1 | 337 | 81 | 80,652 |
| Total | 697 | 2,685,117 | 149 | 43,403 | 13,046 | 7,146,872 | 20 | 4,495 | 3 | 7,734 | 62 | 190,274 | 10 | 10,570 | 3,485 | 1,803,490 | 3,680 | 178,458 | 345 | 175,653 | 21,497 | 12,248,065 |

₹ in '000

For the year ended 31st March 2017

| Product | Fire | | Marine Cargo | | Motor | | Workmen Compensation | | Public Liability | | Engineering | | Aviation | | Personal Accident | | Health | | Others | | Total | |
|---------------------|--------------|------------------|--------------|-----------------|---------------|------------------|----------------------|-----------------|------------------|-----------------|--------------|-----------------|--------------|-----------------|-------------------|------------------|--------------|-----------------|--------------|-----------------|---------------|-------------------|
| | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved |
| 30 days | 214 | 348,253 | 50 | 11,242 | 3,263 | 462,742 | 4 | 1,730 | 1 | 100 | 15 | 4,918 | - | - | 847 | 459,502 | 2,025 | 85,914 | 102 | 19,072 | 6,521 | 1,393,473 |
| 30 days to 6 months | 217 | 908,589 | 71 | 24,017 | 3,326 | 1,300,580 | 11 | 1,764 | 1 | 575 | 28 | 17,010 | - | - | 1,430 | 762,241 | 735 | 34,242 | 110 | 67,204 | 5,929 | 3,116,221 |
| 6 months to 1 year | 99 | 1,307,486 | 20 | 13,481 | 2,112 | 1,188,417 | 5 | 865 | - | - | 11 | 39,255 | 1 | 3,696 | 574 | 246,643 | 50 | 3,739 | 15 | 25,250 | 2,887 | 2,828,831 |
| 1 year to 5 years | 209 | 1,571,665 | 20 | 18,043 | 4,360 | 3,237,101 | 3 | 555 | - | - | 20 | 15,808 | 29 | 19,877 | 424 | 89,444 | 11 | 958 | 32 | 35,061 | 5,108 | 4,988,512 |
| 5 years and above | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 739 | 4,135,993 | 161 | 66,783 | 13,061 | 6,188,840 | 23 | 4,913 | 2 | 675 | 74 | 76,991 | 30 | 23,573 | 3,275 | 1,557,830 | 2,821 | 124,851 | 259 | 146,588 | 20,445 | 12,327,037 |

₹ in '000

For the year ended 31st March 2016 ₹ in '000

| Product | Fire | | Marine Cargo | | Motor | | Workmen Compensation | | Public Liability | | Engineering | | Aviation | | Personal Accident | | Health | | Others | | Total | |
|---------------------|--------------|------------------|--------------|-----------------|---------------|------------------|----------------------|-----------------|------------------|-----------------|--------------|-----------------|--------------|-----------------|-------------------|------------------|--------------|-----------------|--------------|-----------------|---------------|------------------|
| | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved |
| 30 days | 109 | 152,461 | 73 | 13,752 | 3,415 | 476,454 | 5 | 776 | - | - | 10 | 3,539 | - | - | 368 | 173,193 | 1,483 | 55,336 | 120 | 16,052 | 5,583 | 891,562 |
| 30 days to 6 months | 310 | 2,310,311 | 99 | 25,598 | 4,254 | 1,226,892 | 7 | 1,035 | - | - | 40 | 26,622 | 1 | 21 | 1,270 | 624,848 | 1,035 | 42,305 | 116 | 45,440 | 7,132 | 4,303,073 |
| 6 months to 1 year | 105 | 232,976 | 28 | 10,654 | 2,214 | 828,630 | 1 | 385 | - | - | 21 | 29,513 | 2 | 256 | 877 | 397,372 | 78 | 4,282 | 32 | 17,690 | 3,358 | 1,521,757 |
| 1 year to 5 years | 211 | 638,522 | 21 | 19,283 | 3,179 | 1,815,057 | 2 | 1,015 | - | - | 21 | 11,272 | 55 | 28,279 | 645 | 147,260 | 14 | 727 | 31 | 29,821 | 4,179 | 2,691,237 |
| 5 years and above | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 735 | 3,334,270 | 221 | 69,287 | 13,062 | 4,347,033 | 15 | 3,211 | - | - | 92 | 70,946 | 58 | 28,555 | 3,160 | 1,342,674 | 2,610 | 102,650 | 299 | 109,003 | 20,252 | 9,407,629 |

For the year ended 31st March 2015 ₹ in '000

| Product | Fire | | Marine Cargo | | Motor | | Workmen Compensation | | Public Liability | | Engineering | | Aviation | | Personal Accident | | Health | | Others | | Total | |
|---------------------|--------------|------------------|--------------|-----------------|--------------|------------------|----------------------|-----------------|------------------|-----------------|--------------|-----------------|--------------|-----------------|-------------------|------------------|--------------|-----------------|--------------|-----------------|---------------|------------------|
| | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved | No of claims | Amount involved |
| 30 days | 170 | 365,981 | 37 | 5,215 | 2,346 | 376,920 | 2 | 542 | - | - | 42 | 10,496 | 4 | 259 | 640 | 238,618 | 949 | 30,990 | 67 | 132,682 | 4,257 | 1,161,703 |
| 30 days to 6 months | 246 | 636,579 | 86 | 44,952 | 3,780 | 1,065,624 | 10 | 2,476 | - | - | 52 | 24,124 | - | - | 1,306 | 591,107 | 498 | 17,728 | 101 | 196,069 | 6,079 | 2,578,660 |
| 6 months to 1 year | 111 | 898,052 | 22 | 15,842 | 2,067 | 791,315 | 3 | 165 | - | - | 24 | 18,299 | 18 | 4,340 | 853 | 301,524 | 33 | 704 | 26 | 103,313 | 3,157 | 2,133,554 |
| 1 year to 5 years | 72 | 340,636 | 28 | 11,046 | 1,284 | 650,974 | 3 | 1,382 | - | - | 16 | 14,725 | 46 | 22,351 | 190 | 64,070 | - | - | 14 | 14,787 | 1,653 | 1,119,972 |
| 5 years and above | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 599 | 2,241,248 | 173 | 77,056 | 9,477 | 2,894,832 | 18 | 4,565 | - | - | 134 | 67,644 | 68 | 26,951 | 2,989 | 1,195,319 | 1,480 | 49,421 | 208 | 446,852 | 15,146 | 6,993,888 |

Details of Average claim settlement time for preceeding 5 years**

Annexure 2 ₹ in '000

| Particulars | For the year ended 31 st March 2019 | | For the year ended 31 st March 2018 | | For the year ended 31 st March 2017 | | For the year ended 31 st March 2016 | | For the year ended 31 st March 2015 | |
|----------------------|--|--------------------------------|--|--------------------------------|--|--------------------------------|--|--------------------------------|--|--------------------------------|
| | No of claims settled | Average settlement time (Days) | No of claims settled | Average settlement time (Days) | No of claims settled | Average settlement time (Days) | No of claims settled | Average settlement time (Days) | No of claims settled | Average settlement time (Days) |
| Fire | 9,993 | 22 | 2,944 | 104 | 1,775 | 127 | 3,259 | 101 | 2,713 | 102 |
| Marine Cargo | 868 | 38 | 784 | 99 | 538 | 118 | 1,169 | 99 | 672 | 86 |
| Motor | 160,944 | 22 | 112,009 | 62 | 96,354 | 64 | 69,072 | 47 | 42,122 | 45 |
| Workmen Compensation | 55 | 119 | 33 | 191 | 20 | 207 | 63 | 146 | 81 | 140 |
| Public Liability | 5 | 152 | 4 | 131 | - | - | 1 | 200 | - | - |
| Engineering | 231 | 42 | 232 | 123 | 144 | 172 | 373 | 143 | 416 | 121 |
| Aviation | - | - | - | - | - | - | - | - | - | - |
| Personal Accident | 6,780 | 12 | 6,549 | 19 | 3,179 | 38 | 5,324 | 208 | 4,485 | 158 |
| Health | 62,853 | 7 | 37,278 | 7 | 15,849 | 9 | 22,442 | 46 | 8,125 | 40 |
| Others | 6,746 | 15 | 1,916 | 87 | 1,119 | 100 | 1,378 | 90 | 707 | 143 |

** (excludes co-insurance claim settlements)



Independent Auditors' Report

To the Members of SBI General Insurance Company Limited on the Financial Statements

Opinion

We have audited the financial statements of SBI General Insurance Company Limited ("the Company"), which comprise the Balance Sheet as on March 31, 2019, and the related Revenue Accounts of the Fire, Marine & Miscellaneous Businesses (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical Account") and Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared in accordance with the requirements of the Insurance Act, 1938 (the "Insurance Act"), Insurance Regulatory and Development Act, 1999 (the "IRDA Act"), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and the Companies Act 2013 ("the Act"), 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as on March 31, 2019;
- (b) in the case of the Revenue Account, of the operating profit for the year ended on that date;
- (c) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (the "SAs") specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the Insurance Act, the IRDA Act, the Regulations, the Act and the

Rules there under, 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.

Other Matters

The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as on March 31, 2019, has been duly certified by the Appointed Actuary. The Appointed Actuary have also certified that in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Company's Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in "the Management report" and "Directors' report", but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 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 Management for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and receipts and payments of the Company in accordance with the

requirements of the Insurance Act 1938, as amended by Insurance Laws (Amendment) Act, 2015 read with the IRDA Act, the Regulations, order/directions issued by the IRDAI in this regard and in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and in the manner so required. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 the 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 the SAs, we exercise professional judgment 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 a fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1. As required by the Regulations, we have issued a separate certificate dated April 23, 2019, certifying the matters specified in paragraphs 3 and 4 of Schedule C to the Regulations.
2. Further, to our comments in the Certificate referred to above, as required under the Regulations, read with Section 143 (3) of the Act, 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 and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) As the Company's financial accounting system is centralised at Head Office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company;
- d) The Balance Sheet, the Revenue Account, the Profit and Loss Account, and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
- e) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, 1938 and the IRDA Financial Statements Regulations and/or orders/directions issued by the IRDAI in this behalf;
- f) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent that they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this behalf;
- g) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this regard; and
- h) On the basis of the written representations received from the Directors as on March 31, 2019, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act;
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- j) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act and as per Section 34A of the Insurance Act, 1938.
- k) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3.1 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. 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 sub-directions issued by the Comptroller & Auditor General of India, action taken thereon and the financial impact on the accounts and financial statements of the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W/W100355

Vitesh D. Gandhi
Partner
Membership No. 110248

Date:- April 23, 2019
Place:- Mumbai

For SARC & Associates
Chartered Accountants
Firm Registration No. 006085N

Rajendra Bagade
Partner
Membership No. 104026

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(i) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of SBI General Insurance Company Limited on the financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls over Financial Reporting 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 SBI General Insurance Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud



may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the ICAI.

Other Matters

The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as on March 31, 2019, has been duly certified by the Appointed Actuary. The Appointed Actuary have also certified that in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Company's Appointed Actuary certificate in this regard for forming our opinion on the financial statements of the Company.

For Chaturvedi & Shah LLP

Chartered Accountants
Firm Registration No. 101720W/W100355

Vitesh D. Gandhi

Partner
Membership No. 110248

Date: April 23, 2019
Place: Mumbai

For SARC & Associates

Chartered Accountants
Firm Registration No. 006085N

Rajendra Bagade

Partner
Membership No. 104026

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of SBI General Insurance Company Limited on the financial statements for the year ended March 31, 2019]

Directions under Section 143(5) of Companies Act 2013

- Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside the IT system on the integrity of the accounts along with the financial implications, if any, may be stated.
 - As per the information and explanation given to us, the Company has a system in place to process all the accounting transactions through IT system. Based on the audit procedure carried out and as per the information and explanation given to us, no accounting transaction has been processed/carried outside the IT system. Accordingly there are no implications on the integrity of the accounts.**
- 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 Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.
 - Based on the audit procedure carried out and as per the information and explanation given to us, there are no cases of existing loan restructuring or waiver/write off debts/loans/interest etc.**
- Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilised as per its terms and conditions? List the cases of deviation.
 - The Company has not entered for any specific schemes with Central/State agencies.**

Sub-directions issued by C&AG of India

- 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.
 - Details for Number of titles of ownership in respect of CGS/SGS/Bonds/Debentures etc. available in physical/demat form are as under:**

| Sr. No. | Asset Type | Mode of Holding | Number of titles of ownership | Book Value (₹) | Discrepancy |
|---------|----------------|-----------------|-------------------------------|-----------------------|-------------|
| 1 | CGS | Demat | 56 | 18,456,461,095 | NIL |
| 2 | SGS | Demat | 86 | 7,529,715,193 | NIL |
| 3 | Bonds | Demat | 199 | 32,002,777,862 | NIL |
| 4 | Equities | Demat | 91 | 2,002,465,743 | NIL |
| 5 | CP/CD | Demat | 4 | 878,885,054 | NIL |
| 6 | Fixed Deposits | Physical | 2 | 41,100,000 | NIL |
| 7 | AIF | Physical | 2 | 73,633,302 | NIL |
| 8 | Mutual Funds | Physical | 3 | 2,580,646,026 | NIL |
| | Total | | 443 | 63,565,684,277 | |

- Whether stop loss limits have been prescribed in respect of the investments. If yes, whether or not the limit was adhered to. If no, details may be given.
 - Stop Loss limits have been prescribed in the Investment Policy of the Company and the same have been adhered to during FY19.**



3. Whether the Company has carried out reconciliation exercise for inter-company balances reflected in their financial statements with other PSU insurers and whether confirmation has been obtained from other PSU insurers for balances due from them?
 - **As per records made available by the Company, the Company has duly carried out the reconciliation of intercompany balances with respect to other PSU insurers and confirmation of balances have been obtained from other PSU insurers.**

4. Whether the method of accounting of premium and reported claims are as per conditions of agreement/scheme relating to:
 - i. Pradhan Mantri Fasal Bima Yojana
 - ii. Rashtriya Swasthya Bima Yojana
 - iii. Prime Minister Jan Aarogya Yojana
 - **As per records made available by the Company, the method of accounting of premium as well as reported claims for the Pradhan Mantri Fasal Bima Yojana were as per the conditions prescribed for the scheme.**
 - **As per the records made available by the Company, there is no such premium and claims relating to Rashtriya Swasthya Bima Yojana and Prime Minister Jan Aarogya Yojana.**

5. Whether the Company has complied with IRDAI circular (No. IRDA/F&A/CIR/MISC/052/03/2018 dated 27th March 2018) regarding exemption of re-insurance schemes of specified insurance schemes such as Pradhan Mantri Fasal Bima Yojana, Pradhan Suraksha Bima Yojana etc. from the purview of GST and passed on to the insured/ Government the benefit of reduction in premium?
 - **As per the records made available by the Company, GST is not applicable on policies issued under Pradhan Mantri Fasal Bima Yojana, Pradhan Suraksha Bima Yojana etc., therefore above direction is not applicable to the Company.**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI GENERAL INSURANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2019.

The preparation of financial statements of SBI General Insurance Company Limited for the year ended 31st 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 Insurance Companies) Regulations, 2002 and the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is 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 23.04.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI General Insurance Company Limited for the year ended 31st 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-Policyholders- Schedule 8A Notes to financial statements- 3.4.d.

The Company invested ₹85.09 crore in secured Non-Convertible Debentures (NCDs) of Infrastructure Leasing and Financial Services Limited (IL&FS). As per the above mentioned Note, a provision of ₹62.55 crore (74 per cent) for diminution in value of the investment has been created.

However, as per proceedings before National Company Law Appellate Tribunal dated 11th February 2019, the new Board of Directors appointed by the Union Government to manage the affairs of the IL&FS group of companies has placed the entity in which the Company holds the above mentioned investment viz. Infrastructure Leasing and Financial Services Limited under the 'Red' category. This means that the entity cannot meet its 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 ₹22.55 crore.

2. Comments on Auditors' Report

The above Report has certified Para 7 (e) that no part of the assets of the policyholders' funds is directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) and as required by IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations under Schedule-C, Para 4-c relating to the application and investments of the policyholders' funds.

However, the Company held an investment of ₹63.29 crore (face value) in Fixed Interest Bonds in Tata Sons Private Limited as on 31.3.2019 although such investment in private limited company was prohibited under Section 27A (4) of the Insurance Laws (Amendment) Act 2015.

Hence, the Auditor's certificate is inadequate with regard to the above investment.

For and on the behalf of the
Comptroller and Auditor General of India

(Roop Rashi)
Director General of Commercial Audit and
Ex-Officio Member, Audit Board-I. Mumbai

Place: Mumbai
Date: 5th August 2019



FORM B-RA Revenue Account for the year ended 31st March 2019

₹ in '000

| Particulars | Schedule | Fire | | Marine | | Miscellaneous | | Total | |
|--|----------|--|--|--|--|--|--|--|--|
| | | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| 1. Premiums earned (Net) | 1 | 1,536,182 | 1,383,447 | 120,600 | 107,857 | 22,227,055 | 16,927,422 | 23,883,837 | 18,418,726 |
| 2 (a). Profit/Loss on sale/redemption of Investments | | 43,140 | 53,493 | 1,461 | 1,277 | 234,299 | 191,051 | 278,900 | 245,821 |
| 2 (b). Diminution in value of Investment (Debt) | | (96,751) | - | (3,276) | - | (625,475) | - | (625,502) | - |
| 3. Others | | | | | | | | | |
| (a) Interest Income-Terrorism Pool/Nuclear pool | | 12,885 | 7,579 | - | - | 1,220 | 506 | 14,105 | 8,085 |
| (b) Interest Income on Unclaimed Policyholder | | 600 | 669 | 20 | 16 | 3,260 | 2,390 | 3,880 | 3,075 |
| (c) Miscellaneous Income | | - | - | - | - | 8,373 | - | 8,373 | - |
| 4. Interest, Dividend & Rent – Gross | | 482,316 | 559,809 | 16,332 | 13,368 | 2,619,547 | 1,999,345 | 3,118,195 | 2,572,522 |
| TOTAL (A) | | 1,978,372 | 2,004,997 | 135,137 | 122,518 | 24,568,279 | 19,120,714 | 26,681,788 | 21,248,229 |
| 1. Claims Incurred (Net) | 2 | 1,136,924 | 583,664 | 137,693 | 88,794 | 15,931,095 | 12,492,011 | 17,205,712 | 13,164,469 |
| 2. Commission (Net) | 3 | (1,630,081) | (2,531,506) | 23,051 | 19,126 | 1,520,527 | 1,104,780 | (86,503) | (1,407,600) |
| 3. Operating Expenses related to Insurance Business | 4 | 562,638 | 641,661 | 27,306 | 25,738 | 5,352,434 | 5,051,077 | 5,942,378 | 5,718,476 |
| 4. Premium Deficiency Reserve | | | | | | | | | |
| TOTAL (B) | | 69,481 | (1,306,181) | 188,050 | 133,658 | 22,804,056 | 18,647,868 | 23,061,587 | 17,475,345 |
| Operating Profit/(Loss)[C= (A-B)] | | 1,908,891 | 3,311,178 | (52,913) | (11,140) | 1,764,223 | 472,846 | 3,620,201 | 3,772,884 |
| APPROPRIATIONS | | | | | | | | | |
| Transfer to Shareholders' Account | | 1,908,891 | 3,311,178 | (52,913) | (11,140) | 1,764,223 | 472,846 | 3,620,201 | 3,772,884 |
| Transfer to Catastrophe Reserve | | | | | | | | | |
| Transfer to Other Reserves | | | | | | | | | |
| TOTAL (C) | | 1,908,891 | 3,311,178 | (52,913) | (11,140) | 1,764,223 | 472,846 | 3,620,201 | 3,772,884 |
| Notes to Financial Statements | 16 | | | | | | | | |

*Note: As required by Expenses of Management Regulations, 2016, Operating expenses is allocated as per Board approved policy on allocation and apportionment of expenses of Management. The Schedules referred to above form an integral part of the Financial Statements.

As per our report of even date attached

For Chaturvedi & Shah LLP
Chartered Accountants
(FRN 101720W/W100355)

CA. Vitesh D. Gandhi
Partner
(M.No. 110248)

CA. Rajendra S. Bagade
Partner
(M.No. 104026)

Rajnish Kumar
Director
(DIN No: 05328267)

Rikhil K. Shah
Chief Financial Officer
(M. No. 112490)

Place: Mumbai
Date: April 23, 2019

For and on behalf of the Board of Directors

Dinesh Kumar Khara
Director
(DIN No: 06737041)

Mahendra K. Tripathi
Company Secretary
(M. No. A21090)

Pushan Mahapatra
Managing Director & CEO
(DIN No: 07307428)

FORM B-PL

Profit and Loss Account for the year ended 31st March 2019

₹ in '000

| Particulars | Schedule | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
|--|----------|--|--|
| 1. OPERATING PROFIT/(LOSS) | | | |
| (a) Fire Insurance | | 1,908,891 | 3,311,178 |
| (b) Marine Insurance | | (52,913) | (11,140) |
| (c) Miscellaneous Insurance | | 1,764,223 | 472,846 |
| 2. INCOME FROM INVESTMENTS | | | |
| (a) Interest, Dividend & Rent – Gross | | 1,072,893 | 1,001,760 |
| (b) Profit on sale of investments | | 191,249 | 96,926 |
| Less: Loss on sale of investments | | (32,568) | (1,202) |
| 3. OTHER INCOME (Miscellaneous Income) | | 9,475 | 6,831 |
| Profit & Loss on Sale of Assets | | 1,887 | 266 |
| Total (A) | | 4,863,137 | 4,877,465 |
| 4. PROVISIONS (Other than taxation) | | | |
| (a) For diminution in the value of investments | | 131,114 | 28,755 |
| (b) For doubtful debts | | - | - |
| (c) Others | | - | - |
| 5. OTHER EXPENSES | | | |
| (a) Expenses other than those related to Insurance Business | | - | - |
| (b) Bad debts written off | | - | - |
| (c) Others | | - | - |
| Share Issue Expenses | | - | - |
| CSR Expenditure | | 30,140 | - |
| Directors' Fees | | 2,695 | 2,680 |
| Others | | 1,253 | 756 |
| Expenses of management regulatory adjustment | | - | 621,380 |
| Total (B) | | 165,202 | 653,571 |
| Profit/(Loss) Before Tax | | 4,697,935 | 4,223,894 |
| Provision for Taxation | | | |
| (a) Current Tax/Minimum Alternate Tax (Refer Note 2.19 of Schedule 16) | | 1,533,168 | 632,768 |
| (b) Deferred tax (Income)/Expense (Refer Note 3.29 of Schedule 16) | | (56,343) | (365,822) |
| (c) Short/(Excess) provision of earlier years | | (118,810) | - |
| Profit/(Loss) after tax | | 3,339,920 | 3,956,948 |
| Appropriations | | | |
| (a) Interim dividends paid during the year | | - | - |
| (b) Proposed final dividend | | - | - |
| (c) Dividend distribution tax (Refer Note 3.37 of Schedule 16) | | 44,297 | - |
| (d) Transfer to any Reserves or other Accounts | | - | - |
| Balance of profit/(loss) brought forward | | (537,847) | (4,494,795) |
| Balance carried forward to Balance Sheet | | 2,757,776 | (537,847) |
| Basic Earnings per share (Refer Note 3.28 of Schedule 16) | | 15.50 | 18.36 |
| Diluted Earnings per share (Refer Note 3.28 of Schedule 16) | | 15.48 | 18.36 |
| Notes to Financial Statements | 16 | | |

The Schedules referred to above form an integral part of the Financial Statements

As per our report of even date attached

For Chaturvedi & Shah LLP
Chartered Accountants
(FRN: 101720W/W100355)

For SARC & Associates
Chartered Accountants
(FRN: 006085N)

CA. Vitesh D. Gandhi
Partner
(M.No: 110248)

CA. Rajendra S. Bagade
Partner
(M.No: 104026)

For and on behalf of the Board of Directors

Rajnish Kumar
Director
(DIN No: 05328267)

Dinesh Kumar Khara
Director
(DIN No: 06737041)

Pushan Mahapatra
Managing Director & CEO
(DIN No: 07307428)

Rikhil K. Shah
Chief Financial Officer
(M. No: 112490)

Mahendra K. Tripathi
Company Secretary
(M. No: A21090)

Place: Mumbai
Date: April 23, 2019



FORM B-BB

Balance Sheet as on 31st March 2019

₹ in '000

| Particulars | Schedule | As on 31 st March 2019 | As on 31 st March 2018 |
|---|----------|-----------------------------------|-----------------------------------|
| SOURCES OF FUNDS | | | |
| Share Capital | 5 | 2,155,000 | 2,155,000 |
| Reserves and Surplus | 6 | 16,083,776 | 13,326,000 |
| Fair Value Change Account - Shareholders | | (37,265) | (78,777) |
| Fair Value Change Account - Policyholders | | 3,246 | 3,834 |
| Borrowings | 7 | - | - |
| Total | | 18,204,757 | 15,406,057 |
| APPLICATION OF FUNDS | | | |
| Investments - Shareholders | 8 | 14,217,711 | 11,855,445 |
| Investments - Policyholders | 8A | 49,347,973 | 41,066,473 |
| Loans | 9 | - | - |
| Fixed Assets | 10 | 909,752 | 562,094 |
| Deferred tax asset (Refer Note 3.29 of Schedule 16) | | 422,166 | 365,822 |
| Current Assets | | | |
| Cash and Bank Balances | 11 | 1,831,051 | 390,221 |
| Advances and Other Assets | 12 | 7,043,395 | 5,014,696 |
| Sub-Total (A) | | 8,874,446 | 5,404,917 |
| Current Liabilities | 13 | 38,259,378 | 28,797,412 |
| Provisions | 14 | 17,307,913 | 15,589,129 |
| Sub-Total (B) | | 55,567,291 | 44,386,541 |
| Net Current Assets (C) = (A - B) | | (46,692,845) | (38,981,624) |
| Miscellaneous Expenditure (to the extent not written off or adjusted) | 15 | - | - |
| Debit Balance in Profit and Loss Account | | | 537,847 |
| Total | | 18,204,757 | 15,406,057 |
| Contingent Liabilities (Refer Note 3.1 of Schedule 16) | | 8,592 | 33,934 |
| Notes to Financial Statements | 16 | | |

The Schedules referred to above form an integral part of the Financial Statements

As per our report of even date attached

For Chaturvedi & Shah LLP
Chartered Accountants
(FRN: 101720W/W100355)

For SARC & Associates
Chartered Accountants
(FRN: 006085N)

CA. Vitesh D. Gandhi
Partner
(M.No: 110248)

CA. Rajendra S. Bagade
Partner
(M.No: 104026)

For and on behalf of the Board of Directors

Rajnish Kumar
Director
(DIN No: 05328267)

Dinesh Kumar Khara
Director
(DIN No: 06737041)

Pushan Mahapatra
Managing Director & CEO
(DIN No: 07307428)

Rikhil K. Shah
Chief Financial Officer
(M. No: 112490)

Mahendra K. Tripathi
Company Secretary
(M. No: A21090)

Place: Mumbai
Date: April 23, 2019

Schedules Annexed to and forming part of the Revenue Account for the year ended 31st March 2019

Schedule - 1: Premium Earned (Net)

₹ in '000

| Particulars | Fire | | Cargo | | Marine | | Miscellaneous* | | Total | |
|--|--|--|--|--|--|--|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| Premium from direct business written | 9,478,434 | 7,904,465 | 200,539 | 172,041 | - | - | 37,386,495 | 27,365,498 | 47,065,468 | 35,442,004 |
| Add: Premium on reinsurance accepted | 85,705 | 68,798 | - | - | - | - | 21,490 | 21,337 | 107,195 | 90,135 |
| Less: Premium on reinsurance ceded | 6,949,497 | 10,494,234 | 72,329 | 53,070 | - | - | 14,568,728 | 7,714,848 | 21,590,554 | 18,262,152 |
| Net Premium | 2,614,642 | (2,520,971) | 128,210 | 118,971 | - | - | 22,839,257 | 19,671,987 | 25,582,109 | 17,269,987 |
| Adjustment for change in reserve for unexpired risks | (1,078,460) | 3,904,418 | (7,610) | (11,114) | - | - | (612,202) | (2,744,565) | (1,698,272) | 1,148,739 |
| Total Premium Earned (Net) | 1,536,182 | 1,383,447 | 120,600 | 107,857 | - | - | 22,227,055 | 16,927,422 | 23,883,837 | 18,418,726 |
| In India | 1,536,182 | 1,383,447 | 120,600 | 107,857 | - | - | 22,227,055 | 16,927,422 | 23,883,837 | 18,418,726 |
| Outside India | - | - | - | - | - | - | - | - | - | - |
| Total Premium Earned (Net) | 1,536,182 | 1,383,447 | 120,600 | 107,857 | - | - | 22,227,055 | 16,927,422 | 23,883,837 | 18,418,726 |

*Refer Schedule 1 - A



Schedules Annexed to and forming part of the Revenue Account for the year ended 31st March 2019

Schedule - 1 - A: Premium Earned (Net)

₹ in '000

| Particulars | Motor (OD) | | Motor (TP) | | Declined Pool | | Motor Total | | Workmen's Compensation | | Public Liability | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| Premium from direct business | 5,997,398 | 6,484,399 | 3,163,576 | 3,297,309 | - | - | 9,160,974 | 9,781,708 | 21,188 | 18,879 | 125,675 | 88,603 |
| Add: Premium on reinsurance accepted | - | - | - | - | - | - | - | - | - | - | 13,611 | 14,016 |
| Less: Premium on reinsurance ceded | 478,523 | 337,525 | 182,022 | 184,397 | - | - | 660,545 | 521,922 | 10,194 | 8,743 | 87,761 | 67,818 |
| Net Premium | 5,518,875 | 6,146,874 | 2,981,554 | 3,112,912 | - | - | 8,500,429 | 9,259,786 | 10,994 | 10,136 | 51,525 | 34,801 |
| Adjustment for change in reserve for unexpired risks | 619,807 | (1,268,761) | 176,134 | (610,143) | - | - | 795,941 | (1,878,904) | (136) | (2,155) | (11,409) | (6,291) |
| Total Premium Earned (Net) | 6,138,682 | 4,878,113 | 3,157,688 | 2,502,769 | - | - | 9,296,370 | 7,380,882 | 10,858 | 7,981 | 40,116 | 28,510 |
| In India | 6,138,682 | 4,878,113 | 3,157,688 | 2,502,769 | - | - | 9,296,370 | 7,380,882 | 10,858 | 7,981 | 40,116 | 28,510 |
| Outside India | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Premium Earned (Net) | 6,138,682 | 4,878,113 | 3,157,688 | 2,502,769 | - | - | 9,296,370 | 7,380,882 | 10,858 | 7,981 | 40,116 | 28,510 |

Schedule - 1 - A: Premium Earned (Net)

₹ in '000

| Particulars | Engineering | | Aviation | | Personal Accident | | Health Insurance | | Weather & Crop Insurance | | Others | | Total Miscellaneous | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| Premium from direct business | 324,529 | 248,959 | - | - | 6,092,044 | 4,661,469 | 5,143,069 | 4,734,385 | 15,099,894 | 7,002,978 | 1,419,122 | 828,517 | 37,386,495 | 27,365,498 |
| Add: Premium on reinsurance accepted | 7,879 | 7,321 | - | - | - | - | - | - | - | - | - | - | 21,490 | 21,337 |
| Less: Premium on reinsurance ceded | 210,083 | 157,812 | - | - | 324,337 | 517,396 | 295,563 | 236,719 | 12,647,643 | 5,989,330 | 332,602 | 215,108 | 14,568,728 | 7,714,848 |
| Net Premium | 122,325 | 98,468 | - | - | 5,767,707 | 4,144,073 | 4,847,506 | 4,497,666 | 2,452,251 | 1,013,648 | 1,086,520 | 613,409 | 22,839,257 | 19,671,987 |
| Adjustment for change in reserve for unexpired risks | (41,159) | (29,731) | - | - | (914,350) | (69,061) | 85,799 | (510,577) | (98,961) | (78,466) | (427,927) | (169,380) | (612,202) | (2,744,565) |
| Total Premium Earned (Net) | 81,166 | 68,737 | - | - | 4,853,357 | 4,075,012 | 4,933,305 | 3,987,089 | 2,353,290 | 935,182 | 658,593 | 444,029 | 22,227,055 | 16,927,422 |
| In India | 81,166 | 68,737 | - | - | 4,853,357 | 4,075,012 | 4,933,305 | 3,987,089 | 2,353,290 | 935,182 | 658,593 | 444,029 | 22,227,055 | 16,927,422 |
| Outside India | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Premium Earned (Net) | 81,166 | 68,737 | - | - | 4,853,357 | 4,075,012 | 4,933,305 | 3,987,089 | 2,353,290 | 935,182 | 658,593 | 444,029 | 22,227,055 | 16,927,422 |

Schedules Annexed to and forming part of the Revenue Account for the year ended 31st March 2019

Schedule - 2: Claim Incurred (Net)

₹ in '000

| Particulars | Fire | | Marine | | | Miscellaneous* | | Total | |
|---|--|--|----------------|---------------|--------|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | Cargo | Others | | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| | | | | Cargo | Others | | | | |
| Direct | 3,234,035 | 1,752,295 | 95,544 | 110,115 | - | 16,842,831 | 8,931,500 | 20,172,410 | 10,793,910 |
| Add: Re-insurance accepted | 1,606 | 235 | - | - | - | 334 | 62 | 1,940 | 297 |
| Less: Re-insurance Ceded | 2,302,206 | 1,212,357 | 6,871 | 10,411 | - | 5,634,337 | 1,319,851 | 7,943,414 | 2,542,619 |
| Net Claims paid | 933,435 | 540,173 | 88,673 | 99,704 | - | 11,208,828 | 7,611,711 | 12,230,936 | 8,251,588 |
| Add: Claims Outstanding at the end | 1,090,749 | 887,260 | 167,081 | 118,061 | - | 23,218,511 | 18,496,244 | 24,476,341 | 19,501,565 |
| Less: Claims Outstanding at the beginning | 887,260 | 843,769 | 118,061 | 128,971 | - | 18,496,244 | 13,615,944 | 19,501,565 | 14,588,684 |
| Total Claims Incurred | 1,136,924 | 583,664 | 137,693 | 88,794 | - | 15,931,095 | 12,492,011 | 17,205,712 | 13,164,469 |

*Refer Schedule 2 - A



Schedules Annexed to and forming part of the Revenue Account for the year ended 31st March 2019

Schedule - 2 - A: Claim Incurred (Net)

₹ in '000

| Particulars | Motor (OD) | | Motor (TP) | | Declined Pool | | Motor Total | | Workmen's Compensation | | Public Liability | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| Claims paid | | | | | | | | | | | | |
| Direct | 4,755,200 | 3,310,272 | 1,496,418 | 1,538,803 | - | - | 6,251,618 | 4,849,075 | 2,068 | 3,448 | (91) | 534 |
| Add: Re-insurance accepted | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: Re-insurance Ceded | 281,132 | 165,832 | 79,487 | 84,467 | - | - | 360,619 | 250,299 | 870 | 885 | (81) | 446 |
| Net Claims paid | 4,474,068 | 3,144,440 | 1,416,931 | 1,454,336 | - | - | 5,890,999 | 4,598,776 | 1,198 | 2,563 | (10) | 88 |
| Add: Claims Outstanding at the end | 1,774,457 | 1,586,293 | 12,906,534 | 10,894,494 | - | - | 14,680,991 | 12,480,787 | 19,481 | 15,021 | 34,635 | 17,966 |
| Less: Claims Outstanding at the beginning | 1,586,293 | 1,302,818 | 10,894,494 | 9,004,690 | - | - | 12,480,787 | 10,307,508 | 15,021 | 17,153 | 17,966 | 13,141 |
| Total Claims Incurred | 4,662,232 | 3,427,915 | 3,428,971 | 3,344,140 | - | - | 8,091,203 | 6,772,055 | 5,658 | 431 | 16,659 | 4,913 |

Schedule - 2 - A: Claim Incurred (Net)

₹ in '000

| Particulars | Engineering | | Aviation | | Personal Accident | | Health Insurance | | Weather & Crop Insurance | | Others | | Total Miscellaneous | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| Claims paid | | | | | | | | | | | | | | |
| Direct | 70,682 | 85,052 | 2,061 | 496 | 2,047,771 | 1,790,724 | 2,208,051 | 1,183,373 | 6,109,915 | 924,674 | 150,756 | 94,124 | 16,842,831 | 8,931,500 |
| Add: Re-insurance accepted | 334 | 62 | - | - | - | - | - | - | - | - | - | - | 334 | 62 |
| Less: Re-insurance Ceded | 45,603 | 58,656 | 2,057 | 494 | 108,988 | 98,021 | 147,777 | 59,190 | 4,895,372 | 831,891 | 73,132 | 19,969 | 5,634,337 | 1,319,851 |
| Net Claims paid | 25,413 | 26,458 | 4 | 2 | 1,938,783 | 1,692,703 | 2,060,274 | 1,124,183 | 1,214,543 | 92,783 | 77,624 | 74,155 | 11,208,828 | 7,611,711 |
| Add: Claims Outstanding at the end | 63,931 | 37,265 | 154 | 156 | 3,724,563 | 3,242,647 | 1,650,690 | 1,039,536 | 2,774,511 | 1,485,149 | 269,555 | 177,717 | 23,218,511 | 18,496,244 |
| Less: Claims Outstanding at the beginning | 37,265 | 33,121 | 156 | 164 | 3,242,647 | 2,335,163 | 1,039,536 | 496,348 | 1,485,149 | 312,787 | 177,717 | 100,559 | 18,496,244 | 13,615,944 |
| Total Claims Incurred | 52,079 | 30,602 | 2 | (6) | 2,420,699 | 2,600,187 | 2,671,428 | 1,667,371 | 2,503,905 | 1,265,145 | 169,462 | 151,313 | 15,931,095 | 12,492,011 |

Schedules Annexed to and forming part of the Revenue Account for the year ended 31st March 2019

Schedule - 3: Commission (Net)

₹ in '000

| Particulars | Fire | | Marine | | | Miscellaneous* | | Total | |
|--|--|--|---------------|----------|----------|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | Cargo | Others | Others | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| Commission paid | | | | | | | | | |
| Direct | 1,152,158 | 948,803 | 21,574 | - | - | 2,642,959 | 2,044,470 | 3,821,869 | 3,014,847 |
| Total(A) | 1,152,158 | 948,803 | 21,574 | - | - | 2,642,959 | 2,044,470 | 3,821,869 | 3,014,847 |
| Add: Re-insurance Accepted | 4,276 | 5,454 | - | - | - | 1,507 | 1,377 | 5,783 | 6,831 |
| Less: Commission on Re-insurance Ceded | 2,786,515 | 3,485,763 | 2,448 | - | - | 1,123,939 | 941,067 | 3,914,155 | 4,429,278 |
| Net Commission | (1,630,081) | (2,531,506) | 19,126 | - | - | 1,520,527 | 1,104,780 | (86,503) | (1,407,600) |
| Break-up of Commission (Gross) | | | | | | | | | |
| Agents | 19,509 | 17,245 | 5,704 | - | - | 198,456 | 174,115 | 224,259 | 197,064 |
| Brokers | 99,219 | 77,160 | 15,657 | - | - | 1,138,581 | 686,606 | 1,258,147 | 779,423 |
| Corporate Agency | 1,033,430 | 854,398 | 213 | - | - | 1,302,491 | 1,183,278 | 2,336,032 | 2,037,889 |
| Referral | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | 3,431 | 471 | 3,431 | 471 |
| Total(B) | 1,152,158 | 948,803 | 21,574 | - | - | 2,642,959 | 2,044,470 | 3,821,869 | 3,014,847 |

*Refer Schedule 3 - A



Schedules Annexed to and forming part of the Revenue Account for the year ended 31st March 2019

Schedule - 3 - A : Commission (Net)

₹ in '000

| Particulars | Motor (OD) | | Motor (TP) | | Declined Pool | | Motor Total | | Workmen's Compensation | | Public Liability | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| Commission paid Direct | 1,144,782 | 784,312 | 36,110 | 19,467 | - | - | 1,180,892 | 803,779 | 1,880 | 1,672 | 14,477 | 7,780 |
| Total(A) | 1,144,782 | 784,312 | 36,110 | 19,467 | - | - | 1,180,892 | 803,779 | 1,880 | 1,672 | 14,477 | 7,780 |
| Add: Re-insurance Accepted | - | - | - | - | - | - | - | - | - | - | 554 | 662 |
| Less: Commission on Re-insurance Ceded | 45,950 | 48,633 | 7,909 | 8,243 | - | - | 53,859 | 56,876 | 3,969 | 2,871 | 25,827 | 16,574 |
| Net Commission | 1,098,832 | 735,679 | 28,201 | 11,224 | - | - | 1,127,033 | 746,903 | (2,089) | (1,199) | (10,796) | (8,132) |
| Break-up of Commission (Gross) | | | | | | | | | | | | |
| Agents | 122,724 | 122,058 | 10,938 | 8,954 | - | - | 133,662 | 131,012 | 816 | 679 | 690 | 556 |
| Brokers | 948,456 | 582,786 | 15,919 | 6,308 | - | - | 964,375 | 589,094 | 758 | 799 | 10,145 | 6,700 |
| Corporate Agency | 70,251 | 78,997 | 9,251 | 4,205 | - | - | 79,502 | 83,202 | 306 | 194 | 3,642 | 524 |
| Referral | - | - | - | - | - | - | - | - | - | - | - | - |
| Others | 3,351 | 471 | 2 | - | - | - | 3,353 | 471 | - | - | - | - |
| Total(B) | 1,144,782 | 784,312 | 36,110 | 19,467 | - | - | 1,180,892 | 803,779 | 1,880 | 1,672 | 14,477 | 7,780 |

Schedule - 3 - A : Commission(Net)

₹ in '000

| Particulars | Engineering | | Aviation | | Personal Accident | | Health Insurance | | Weather & Crop Insurance | | Others | | Total Miscellaneous | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| Commission paid Direct | 23,718 | 18,985 | - | - | 649,721 | 481,564 | 562,263 | 617,879 | 4,825 | - | 205,183 | 112,811 | 2,642,959 | 2,044,470 |
| Total(A) | 23,718 | 18,985 | - | - | 649,721 | 481,564 | 562,263 | 617,879 | 4,825 | - | 205,183 | 112,811 | 2,642,959 | 2,044,470 |
| Add: Re-insurance Accepted | 953 | 715 | - | - | - | - | - | - | - | - | - | - | 1,507 | 1,377 |
| Less: Commission on Re-insurance Ceded | 42,626 | 52,490 | - | - | 52,285 | 38,424 | 34,790 | 26,169 | 847,429 | 697,495 | 63,154 | 50,168 | 1,123,939 | 941,067 |
| Net Commission | (17,955) | (32,790) | - | - | 597,436 | 443,140 | 527,473 | 591,710 | (842,604) | (697,495) | 142,029 | 62,643 | 1,520,527 | 1,104,780 |
| Break-up of Commission (Gross) | | | | | | | | | | | | | | |
| Agents | 4,985 | 4,532 | - | - | 1,543 | 1,085 | 53,357 | 33,198 | - | - | 3,403 | 3,053 | 198,456 | 174,115 |
| Brokers | 17,832 | 13,305 | - | - | 1,321 | 802 | 97,403 | 57,361 | 4,825 | - | 41,922 | 18,545 | 1,138,581 | 686,606 |
| Corporate Agency | 901 | 1,148 | - | - | 646,857 | 479,677 | 411,425 | 527,320 | - | - | 159,858 | 91,213 | 1,302,491 | 1,183,278 |
| Referral | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | 78 | - | - | - | - | - | - | 3,431 | 471 |
| Total(B) | 23,718 | 18,985 | - | - | 649,721 | 481,564 | 562,263 | 617,879 | 4,825 | - | 205,183 | 112,811 | 2,642,959 | 2,044,470 |

Schedules Annexed to and forming part of the Revenue Account for the year ended 31st March 2019

Schedule - 4: Operating Expenses Related to Insurance Business

₹ in '000

| Particulars | Fire | | Marine | | | Miscellaneous* | | Total | |
|--|--|--|--------|---------|--------|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | Cargo | Cargo | Others | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| | | | | | | | | | |
| 1. Employees' remuneration & welfare benefits | 268,025 | 242,046 | 13,143 | 12,977 | - | 2,341,868 | 2,145,771 | 2,623,036 | 2,400,794 |
| 2. Travel, conveyance and vehicle running expenses | 18,138 | 34,435 | 889 | 1,846 | - | 158,441 | 305,267 | 177,468 | 341,548 |
| 3. Training expenses | 1,498 | 1,438 | 73 | 77 | - | 16,328 | 12,748 | 17,899 | 14,263 |
| 4. Rents, rates & taxes | 28,390 | 27,640 | 1,392 | 1,482 | - | 248,538 | 246,392 | 278,320 | 275,514 |
| 5. Repairs | 23,591 | 20,803 | 1,157 | 1,115 | - | 206,070 | 184,419 | 230,818 | 206,337 |
| 6. Printing & stationery | 11,567 | 10,051 | 554 | 527 | - | 184,579 | 105,363 | 196,700 | 115,941 |
| 7. Communication | 19,205 | 16,953 | 942 | 909 | - | 167,764 | 150,289 | 187,911 | 168,151 |
| 8. Legal & professional charges | 44,290 | 38,328 | 1,889 | 2,055 | - | 654,997 | 342,164 | 701,176 | 382,547 |
| 9. Auditors' fees, expenses etc | 695 | 560 | 34 | 30 | - | 6,073 | 4,960 | 6,802 | 5,550 |
| (a) as auditor | - | - | - | - | - | - | - | - | - |
| (b) as adviser or in any other capacity, in respect of | - | - | - | - | - | - | - | - | - |
| (i) Taxation matters | - | - | - | - | - | - | - | - | - |
| (ii) Insurance matters | - | - | - | - | - | - | - | - | - |
| (iii) Management services; and | - | - | - | - | - | - | - | - | - |
| (c) in any other capacity | 113 | 127 | 6 | 7 | - | 988 | 1,123 | 1,107 | 1,257 |
| (d) out of pocket expenses | - | 6 | - | - | - | - | 49 | - | 55 |
| 10. Advertisement and publicity | 24,387 | 142,825 | 1,196 | 7,657 | - | 213,026 | 1,266,162 | 238,609 | 1,416,644 |
| 11. Interest & Bank Charges | 1,115 | 980 | 55 | 53 | - | 9,741 | 8,686 | 10,911 | 9,719 |
| 12. Others | 7,866 | 7,102 | 386 | 381 | - | 68,714 | 62,955 | 76,966 | 70,438 |
| Electricity | 2,273 | 2,049 | 111 | 110 | - | 19,853 | 18,164 | 22,237 | 20,323 |
| Office Administration Expenses | 22 | 52 | 1 | 3 | - | 196 | 461 | 219 | 516 |
| Exchange (Gain)/Loss | 48,102 | 39,953 | 2,359 | 2,142 | - | 420,175 | 354,188 | 470,636 | 396,283 |
| Information Technology | 358 | 141 | 18 | 8 | - | 3,129 | 1,245 | 3,505 | 1,394 |
| Insurance premium | 6,157 | 5,267 | 314 | 293 | - | 5,659 | 2,077 | 12,130 | 7,637 |
| Coinurance administration charges | 11,424 | 7,208 | 559 | 379 | - | 99,921 | 62,931 | 111,904 | 70,518 |
| Other Miscellaneous Expenses | 1,603 | 19,990 | 79 | 1,075 | - | 143,608 | 178,217 | 145,290 | 199,282 |
| Service Tax Expenses/GST | - | - | - | (8,659) | - | - | (612,721) | - | (621,380) |
| Expenses | 43,819 | 23,707 | 2,149 | 1,271 | - | 382,766 | 210,167 | 428,734 | 235,145 |
| Expenses of Management Regulatory Adjustment | - | - | - | - | - | - | - | - | - |
| 13. Depreciation | 562,638 | 641,661 | 27,306 | 25,738 | - | 5,352,434 | 5,051,077 | 5,942,378 | 5,718,476 |
| TOTAL | | | | | | | | | |

*Refer Schedule 4 - A



Schedules Annexed to and forming part of the Revenue Account for the year ended 31st March 2019

Schedule - 4 - A: Operating Expenses Related to Insurance Business

₹ in '000

| Particulars | Motor (OD) | | Motor (TP) | | Declined Pool | | Motor Total | | Workmen's Compensation | | Public Liability | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| 1. Employees' remuneration & welfare benefits | 565,737 | 670,486 | 305,637 | 339,549 | - | - | 871,374 | 1,010,035 | 1,127 | 1,106 | 5,282 | 3,796 |
| 2. Travel, conveyance and vehicle running expenses | 38,286 | 95,386 | 20,684 | 48,306 | - | - | 58,970 | 143,692 | 76 | 157 | 357 | 540 |
| 3. Training expenses | 6,407 | 3,963 | 1,708 | 2,017 | - | - | 8,115 | 6,000 | 6 | 7 | 30 | 23 |
| 4. Rents, rates & taxes | 59,925 | 76,565 | 32,374 | 38,774 | - | - | 92,299 | 115,339 | 119 | 126 | 559 | 433 |
| 5. Repairs | 49,795 | 57,625 | 26,901 | 29,183 | - | - | 76,696 | 86,808 | 99 | 95 | 465 | 326 |
| 6. Printing & stationery | 24,158 | 27,578 | 12,883 | 13,799 | - | - | 37,041 | 41,377 | 48 | 45 | 223 | 155 |
| 7. Communication | 40,538 | 46,961 | 21,901 | 23,782 | - | - | 62,439 | 70,743 | 81 | 77 | 378 | 266 |
| 8. Legal & professional charges | 104,622 | 106,207 | 57,864 | 56,103 | - | - | 162,486 | 162,310 | 162 | 175 | 2,276 | 601 |
| 9. Auditors' fees, expenses etc | 1,467 | 1,550 | 793 | 785 | - | - | 2,260 | 2,335 | 3 | 3 | 14 | 9 |
| (a) as auditor | | | | | | | | | | | | |
| (b) as adviser or in any other capacity, in respect of | | | | | | | | | | | | |
| (i) Taxation matters | - | - | - | - | - | - | - | - | - | - | - | - |
| (ii) Insurance matters | - | - | - | - | - | - | - | - | - | - | - | - |
| (iii) Management services; and | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) in any other capacity | 239 | 351 | 129 | 178 | - | - | 368 | 529 | - | 1 | 2 | 2 |
| (d) out of pocket expenses | - | 15 | - | 8 | - | - | - | 23 | - | - | - | - |
| 10. Advertisement and publicity | 51,475 | 395,636 | 27,809 | 200,359 | - | - | 79,284 | 595,995 | 103 | 652 | 481 | 2,240 |
| 11. Interest & Bank Charges | 2,354 | 2,714 | 1,272 | 1,375 | - | - | 3,626 | 4,089 | 5 | 4 | 22 | 15 |
| 12. Others | | | | | | | | | | | | |
| Electricity | 16,604 | 19,672 | 8,970 | 9,962 | - | - | 25,574 | 29,634 | 33 | 32 | 155 | 111 |
| Office Administration Expenses | 4,797 | 5,676 | 2,592 | 2,874 | - | - | 7,389 | 8,550 | 10 | 9 | 45 | 32 |
| Exchange (Gain)/Loss | 47 | 144 | 26 | 73 | - | - | 73 | 217 | - | - | - | 1 |
| Information Technology | 101,531 | 110,673 | 54,852 | 56,047 | - | - | 156,383 | 166,720 | 202 | 182 | 948 | 627 |
| Insurance premium | 756 | 389 | 408 | 197 | - | - | 1,164 | 586 | 2 | 1 | 7 | 2 |
| Coinsurance administration charges | - | - | - | - | - | - | - | - | (6) | 1 | 71 | 25 |
| Other Miscellaneous Expenses | 24,127 | 19,629 | 13,013 | 9,897 | - | - | 37,140 | 29,526 | 48 | 32 | 225 | 111 |
| Service Tax Expenses/GST Expenses | 3,541 | 56,554 | 1,828 | 27,974 | - | - | 5,369 | 84,528 | 7 | 91 | 62 | 313 |
| Expenses of Management Regulatory Adjustment | - | (89,728) | - | - | - | - | - | (89,728) | - | - | - | - |
| 13. Depreciation | 92,492 | 65,671 | 49,968 | 33,257 | - | - | 142,460 | 98,928 | 184 | 108 | 864 | 372 |
| TOTAL | 1,188,898 | 1,673,737 | 641,612 | 894,499 | - | - | 1,830,510 | 2,568,236 | 2,309 | 2,904 | 12,466 | 10,000 |

Schedules Annexed to and forming part of the Revenue Account for the year ended 31st March 2019
Schedule - 4 - A: Operating Expenses Related to Insurance Business

₹ in '000

| Particulars | Engineering | | Aviation | | Personal Accident | | Health Insurance | | Weather & Crop Insurance | | Others | | Total Miscellaneous | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
| 1. Employees' remuneration & welfare benefits | 12,539 | 10,741 | - | - | 452,025 | 490,594 | 497,544 | 490,594 | 251,379 | 110,566 | 111,379 | 66,908 | 2,341,868 | 2,145,771 |
| 2. Travel, conveyance and vehicle running expenses | 849 | 1,528 | - | - | 64,307 | 69,794 | 33,628 | 69,794 | 17,012 | 15,730 | 7,537 | 9,519 | 158,441 | 305,267 |
| 3. Training expenses | 70 | 64 | - | - | 2,685 | 2,914 | 2,776 | 2,914 | 1,405 | 657 | 622 | 398 | 16,328 | 12,748 |
| 4. Rents, rates & taxes | 1,328 | 1,226 | - | - | 51,617 | 56,881 | 52,823 | 56,881 | 26,627 | 12,626 | 12,156 | 8,144 | 248,538 | 246,392 |
| 5. Repairs | 1,104 | 923 | - | - | 38,849 | 42,164 | 43,737 | 42,164 | 22,126 | 9,503 | 9,803 | 5,751 | 206,070 | 184,419 |
| 6. Printing & stationery | 529 | 437 | - | - | 19,764 | 25,650 | 37,679 | 25,650 | 10,597 | 4,508 | 52,433 | 13,427 | 184,579 | 105,363 |
| 7. Communication | 899 | 752 | - | - | 31,660 | 34,361 | 35,607 | 34,361 | 18,013 | 7,744 | 7,981 | 4,686 | 167,764 | 150,289 |
| 8. Legal & professional charges | 1,803 | 1,701 | - | - | 71,590 | 77,686 | 76,081 | 77,686 | 310,867 | 17,508 | 16,331 | 10,593 | 654,997 | 342,164 |
| 9. Auditors' fees, expenses etc | | | | | | | | | | | | | | |
| (a) as auditor | 33 | 25 | - | - | 1,045 | 1,134 | 1,289 | 1,134 | 652 | 256 | 289 | 153 | 6,073 | 4,960 |
| (b) as adviser or in any other capacity, in respect of | | | | | | | | | | | | | | |
| (i) Taxation matters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (ii) Insurance matters | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (iii) Management services; and | | | | | | | | | | | | | | |
| (c) in any other capacity | 5 | 6 | - | - | 237 | 257 | 210 | 257 | 106 | 58 | 47 | 33 | 988 | 1,123 |
| (d) out of pocket expenses | - | - | - | - | 10 | 11 | - | 11 | - | 3 | - | 2 | - | 49 |
| 10. Advertisement and publicity | 1,141 | 6,338 | - | - | 266,728 | 289,486 | 45,214 | 289,486 | 22,873 | 65,242 | 10,134 | 39,481 | 213,026 | 1,266,162 |
| 11. Interest & Bank Charges | 52 | 43 | - | - | 1,830 | 1,986 | 2,067 | 1,986 | 1,046 | 448 | 463 | 271 | 9,741 | 8,686 |
| 12. Others | | | | | | | | | | | | | | |
| Electricity | 368 | 315 | - | - | 13,262 | 14,394 | 14,584 | 14,394 | 7,378 | 3,244 | 3,269 | 1,963 | 68,714 | 62,955 |
| Office Administration Expenses | 106 | 91 | - | - | 3,827 | 4,153 | 4,214 | 4,153 | 2,132 | 936 | 944 | 566 | 19,853 | 18,164 |
| Exchange (Gain)/Loss | 1 | 2 | - | - | 97 | 106 | 42 | 106 | 21 | 24 | 9 | 14 | 196 | 461 |
| Information Technology | 2,250 | 1,773 | - | - | 74,613 | 80,979 | 89,180 | 80,979 | 45,114 | 18,250 | 19,989 | 11,044 | 420,175 | 354,188 |
| Insurance premium | 17 | 6 | - | - | 262 | 285 | 664 | 285 | 336 | 64 | 149 | 39 | 3,129 | 1,245 |
| Coinsurance administration charges | 203 | (626) | - | - | 26 | 2,526 | 4,257 | 2,526 | - | - | 1,097 | 125 | 5,659 | 2,077 |
| Other Miscellaneousellaneous Expenses | 534 | 313 | - | - | 13,175 | 14,301 | 21,161 | 14,301 | 10,703 | 3,223 | 5,010 | 2,250 | 99,921 | 62,931 |
| Service Tax Expenses/GST Expenses | 75 | 886 | - | - | 37,240 | 40,502 | 2,972 | 40,502 | 130,921 | 9,109 | 666 | 5,548 | 143,608 | 178,217 |
| Expenses of Management Regulatory Adjustment | - | - | - | - | (250,797) | (272,196) | - | (272,196) | - | - | - | - | - | (612,721) |
| 13. Depreciation | 2,050 | 1,052 | - | - | 44,274 | 48,051 | 81,240 | 48,051 | 41,098 | 10,829 | 18,208 | 6,553 | 382,766 | 210,167 |
| TOTAL | 25,956 | 27,596 | - | - | 1,235,302 | 1,026,019 | 1,046,969 | 1,026,019 | 920,406 | 290,528 | 278,516 | 187,468 | 5,352,434 | 5,051,077 |



Schedules Annexed to and forming part of the Balance Sheet as on 31st March 2019

Schedule - 5: Share Capital

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|---|-----------------------------------|-----------------------------------|
| 1. Authorised Capital: 2,000,000,000 (Previous Year 2,000,000,000) Equity Shares of ₹10 each | 20,000,000 | 20,000,000 |
| 2. Issued Capital: 215,500,000 (Previous Year 215,500,000) Equity Shares of ₹10 each | 2,155,000 | 2,155,000 |
| 3. Subscribed Capital: 215,500,000 (Previous Year 215,500,000) Equity Shares of ₹10 each | 2,155,000 | 2,155,000 |
| 4. Called-up Capital: 215,500,000 (Previous Year 215,500,000) Equity Shares of ₹10 each | 2,155,000 | 2,155,000 |
| Less: Calls unpaid | - | - |
| Add: Equity Shares forfeited (Amount originally paid up) | - | - |
| Less: Par Value of Equity Shares bought back | - | - |
| Less: Preliminary Expenses | - | - |
| Expenses including commission or brokerage on | - | - |
| Underwriting or subscription of shares | - | - |
| TOTAL | 2,155,000 | 2,155,000 |

Schedule - 5A: Share Capital - Pattern of Shareholding

| Particulars | As on 31 st March 2019 | | As on 31 st March 2018 | |
|---|-----------------------------------|--------------|-----------------------------------|--------------|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Promoters | | | | |
| Indian: State Bank of India (Holding Company) | 150,850,000 | 70.00% | 159,470,000 | 74% |
| Foreign: IAG International Pty Ltd. | 56,030,000 | 26.00% | 56,030,000 | 26% |
| Others | | | | |
| Indian: PI Opportunities Fund-I | 5,060,000 | 2.35% | - | 0% |
| Foreign: Axis New Opportunities AIF-I | 3,560,000 | 1.65% | - | 0% |
| TOTAL | 215,500,000 | 100% | 215,500,000 | 100% |

Schedule - 6: Reserves and Surplus

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|--|-----------------------------------|-----------------------------------|
| 1. Capital Reserve | - | - |
| 2. Capital Redemption Reserve | - | - |
| 3. Share Premium | 13,326,000 | 13,326,000 |
| 4. General Reserves | - | - |
| Less: Debit balance in Profit and Loss Account | - | - |
| Less: Amount utilised for buy-back | - | - |
| 5. Catastrophe Reserve | - | - |
| 6. Other Reserves | - | - |
| 7. Balance of Profit in Profit & Loss Account | 2,757,776 | - |
| TOTAL | 16,083,776 | 13,326,000 |

Schedule - 7: Borrowings

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|---------------------------|-----------------------------------|-----------------------------------|
| 1. Debentures/Bonds | - | - |
| 2. Banks | - | - |
| 3. Financial Institutions | - | - |
| 4. Others | - | - |
| TOTAL | - | - |

Schedules Annexed to and forming part of Balance Sheet as on 31st March 2019

Schedule - 8: Investments - Shareholders

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|---|-----------------------------------|-----------------------------------|
| LONG TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | 3,787,703 | 3,626,915 |
| 2. Other Approved Securities | 1,453,043 | 1,453,734 |
| 3. Other Investments | - | - |
| (a) Shares | - | - |
| i) Equity | 1,791,770 | 1,105,186 |
| ii) Preference | - | - |
| (b) Mutual Funds | - | - |
| (c) Debentures/Bonds | 1,005,725 | 900,690 |
| (d) Investment Property-Real Estate | - | - |
| (e) Other Securities | - | - |
| i) Fixed Deposits | - | - |
| ii) ETF - Exchange Traded Funds | - | 10,194 |
| iii) AIF - Alternative Investment Funds | 73,633 | - |
| 4. Investments in Infrastructure and Housing | 5,409,047 | 4,059,496 |
| Sub-Total | 13,520,921 | 11,156,215 |
| SHORT TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | - | - |
| 2. Other Approved Securities | - | - |
| 3. Other Investments | - | - |
| (a) Shares | - | - |
| i) Equity | - | - |
| ii) Preference | - | - |
| (b) Mutual Funds | - | - |
| (c) Debentures/Bonds | 100,000 | 350,000 |
| (d) Other Securities | - | - |
| i) Fixed Deposits | 10,000 | - |
| ii) Certificate of Deposits | - | - |
| iii) Commercial Papers | - | 149,288 |
| 4. Investments in Infrastructure and Housing | 586,790 | 199,942 |
| Sub-Total | 696,790 | 699,230 |
| TOTAL | 14,217,711 | 11,855,445 |

1. As per IRDAI Notification No. IRDAI/F&I/CIR/INV/093/04/2015 dated 30th April 2015, the requirements in relation to Section 7 of Insurance Act, 1938 has been dispensed with.

2. Aggregate book value of Investments (other than listed equity, mutual funds and derivative instruments) is ₹12,141,611.82 thousand (previous year ₹10,538,318 thousand)

3. Aggregate market value of Investments (other than listed equity, mutual funds and derivative instruments) is ₹12,009,914.80 thousand (previous year ₹10,380,661 thousand)



Schedules Annexed to and forming part of Balance Sheet as on 31st March 2019

Schedule - 8A: Investments - Policyholders

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|---|-----------------------------------|-----------------------------------|
| LONG TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | 14,028,621 | 12,282,003 |
| 2. Other Approved Securities | 6,225,617 | 5,485,948 |
| 3. Other Investments | | |
| (a) Shares | | |
| i) Equity | - | - |
| ii) Preference | - | - |
| (b) Mutual Funds | - | - |
| (c) Debentures/Bonds | 5,747,758 | 6,805,105 |
| Less: Provision for doubtful debts Investments | - | - |
| (d) Investment Property-Real Estate | - | - |
| (e) Other Securities | - | - |
| i) Fixed Deposits | - | 31,100 |
| ii) ETF - Exchange Traded Funds | - | - |
| iii) AIF - Alternative Investment Funds | - | - |
| 4. Investments in Infrastructure and Housing | 13,045,422 | 7,441,496 |
| Less: Provision for doubtful debts Investments | (27,436) | - |
| Sub-Total | 39,019,982 | 32,045,652 |
| SHORT TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | 149,548 | - |
| 2. Other Approved Securities | 341,645 | - |
| 3. Other Investments | | |
| (a) Shares | | |
| i) Equity | - | - |
| ii) Preference | - | - |
| (b) Mutual Funds | 2,580,646 | 2,183,133 |
| (c) Debentures/Bonds | 3,848,934 | 1,221,246 |
| Less: Provision for doubtful debts Investments | (193,059) | - |
| (d) Other Securities | - | - |
| i) Fixed Deposits | 31,100 | 1,185,100 |
| ii) Certificate of Deposits | 246,324 | - |
| iii) Commercial Papers | 395,771 | 674,592 |
| 4. Investments in Infrastructure and Housing | 2,982,186 | 3,756,750 |
| Less: Provision for doubtful debts Investments | (55,104) | - |
| Sub-Total | 10,327,991 | 9,020,821 |
| TOTAL | 49,347,973 | 41,066,473 |

1. As per IRDAI Notification No. IRDAI/F&I/CIR/INV/093/04/2015 dated 30th April 2015, the requirements in relation to Section 7 of Insurance Act, 1938 has been dispensed with.

2. Aggregate book value of Investments (other than listed equity, mutual funds and derivative instruments) is ₹46,767,327 thousand (previous year ₹38,883,339 thousand)

3. Aggregate market value of Investments (other than listed equity, mutual funds and derivative instruments) is ₹47,246,274 thousand (previous year ₹39,019,564 thousand)

Schedules Annexed to and forming part of Balance Sheet as on 31st March 2019

Schedule - 9: Loans

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|---|-----------------------------------|-----------------------------------|
| 1. SECURITY-WISE CLASSIFICATION | | |
| Secured | | |
| (a) On mortgage of property | | |
| (aa) In India | - | - |
| (bb) Outside India | - | - |
| (b) On Shares, Bonds, Govt. Securities | - | - |
| (c) Others | - | - |
| Unsecured | - | - |
| TOTAL | - | - |
| 2. BORROWER-WISE CLASSIFICATION | | |
| (a) Central and State Governments | - | - |
| (b) Banks and Financial Institutions | - | - |
| (c) Subsidiaries | - | - |
| (d) Industrial Undertakings | - | - |
| (e) Others | - | - |
| TOTAL | - | - |
| 3. PERFORMANCE-WISE CLASSIFICATION | | |
| (a) Loans classified as standard | - | - |
| (aa) In India | - | - |
| (bb) Outside India | - | - |
| (b) Non-performing loans less provisions | - | - |
| (aa) In India | - | - |
| (bb) Outside India | - | - |
| TOTAL | - | - |
| 4. MATURITY-WISE CLASSIFICATION | | |
| (a) Short Term | - | - |
| (b) Long Term | - | - |
| TOTAL | - | - |



Schedules Annexed to and forming part of the Balance Sheet as on 31st March 2019

Schedule - 10: Net Fixed Assets

₹ in '000

| Particulars | Cost/Gross Block | | | | Depreciation | | | Net Block | |
|----------------------------------|------------------|---------------------------------|---|-----------------------------------|------------------|--|-----------------------|-----------------------------------|-----------------------------------|
| | Opening | Additions during the year ended | Deductions/ Adjustments during the period ended | As on 31 st March 2019 | Up to Last | For the year ended 31 st March 2019 | On Sales/ Adjustments | As on 31 st March 2019 | As on 31 st March 2018 |
| Goodwill | - | - | - | - | - | - | - | - | - |
| Intangibles (Software) | 1,747,652 | 338,135 | - | 2,085,787 | 1,553,676 | 237,403 | - | 294,708 | 193,976 |
| Land-Freehold | - | - | - | - | - | - | - | - | - |
| Leasehold Improvements | 424,340 | 95,468 | 36,332 | 483,476 | 371,935 | 44,128 | 36,332 | 103,745 | 52,405 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Furniture & Fittings | 104,940 | 23,173 | 16,649 | 111,464 | 99,919 | 16,058 | 16,649 | 12,136 | 5,021 |
| Information Technology Equipment | 776,134 | 380,930 | 203 | 1,156,861 | 698,200 | 109,760 | 193 | 349,094 | 77,934 |
| Vehicles | 2,177 | - | - | 2,177 | 663 | 435 | - | 1,079 | 1,514 |
| Office Equipment | 172,717 | 50,748 | 23,327 | 200,138 | 161,382 | 20,950 | 23,328 | 41,134 | 11,335 |
| Others | - | - | - | - | - | - | - | - | - |
| TOTAL | 3,227,960 | 888,454 | 76,511 | 4,039,903 | 2,885,775 | 428,734 | 76,502 | 3,238,007 | 342,185 |
| Work in progress | 219,909 | 103,975 | 216,028 | 107,856 | - | - | - | 107,856 | 219,909 |
| Grand Total | 3,447,869 | 992,429 | 292,539 | 4,147,759 | 2,885,775 | 428,734 | 76,502 | 3,238,007 | 562,094 |
| Previous Year | 3,027,240 | 426,695 | 6,066 | 3,447,869 | 2,653,826 | 235,145 | 3,196 | 562,094 | |

Schedules Annexed to and forming part of Balance Sheet as on 31st March 2019

Schedule - 11: Cash and Bank Balances

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|---|-----------------------------------|-----------------------------------|
| 1. Cash (including cheques, drafts and stamps) | 144,399 | 82,499 |
| 2. Bank Balances | | |
| a) Deposit Accounts | | |
| (aa) Short-term (due within 12 months) | - | - |
| (bb) Others | - | - |
| (b) Current Accounts | 1,686,652 | 307,722 |
| (c) Others | - | - |
| 3. Money at Call and Short Notice | - | - |
| (a) With Banks | - | - |
| (b) With other Institutions | - | - |
| 4. Others | - | - |
| TOTAL | 1,831,051 | 390,221 |
| Balances with non-scheduled banks included in 2 and 3 above | | |
| Cash and Bank Balances | | |
| In India | 1,831,051 | 390,221 |
| Outside India | - | - |
| TOTAL | 1,831,051 | 390,221 |

Schedule - 12: Advances and Other Assets

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|--|-----------------------------------|-----------------------------------|
| ADVANCES | | |
| 1. Reserve deposits with ceding companies | - | - |
| 2. Application money for investments | - | - |
| 3. Prepayments | 143,361 | 108,388 |
| 4. Advances to Directors/Officers | - | - |
| 5. Advance tax paid and taxes deducted at source (Net of provision for taxation) | 365,464 | 1,073 |
| 6. Security Deposits | 78,748 | 81,037 |
| 7. Others | | |
| (a) Advances to Vendors and other parties | 28,311 | 28,499 |
| (b) Statutory Deposit towards filing Appeal | 16,066 | 10,528 |
| (c) Advances to Employees | 538 | 735 |
| (d) Advances to IRDA (Certifications Fees) | 220 | 220 |
| TOTAL (A) | 632,708 | 230,480 |
| OTHER ASSETS | | |
| 1. Income accrued on investments | 1,569,087 | 1,300,630 |
| 2. Outstanding Premiums | 4,416,353 | 2,804,026 |
| 3. Agents' Balances | 2,239 | 1,033 |
| 4. Foreign Agencies Balances | - | - |
| 5. Due from other entities carrying on insurance business (including reinsurers) | 259,448 | 38,370 |
| 6. Due from subsidiaries/holding | - | - |
| 7. Deposit with Reserve Bank of India [Pursuant to Section 7 of Insurance Act, 1938] | - | - |
| 8. Others | | |
| (a) Income Accrued on Deposits with Bank | 7,083 | 4,181 |
| (b) Asset held for unclaimed amount of policyholders | 60,000 | 60,000 |
| Add: Investment income accrued on unclaimed amount | 5,384 | 1,504 |
| (c) GST including Service tax | 28,670 | 574,368 |
| (d) Contracts For Sale of Securities | 62,340 | - |
| (e) Amount receivable on redemption of Debenture | 349,903 | - |
| Less: Provision for doubtful debts receivable | (349,903) | - |
| (f) Others | 83 | 104 |
| TOTAL (B) | 6,410,687 | 4,784,216 |
| TOTAL (A+B) | 7,043,395 | 5,014,696 |



Schedules Annexed to and forming part of Balance Sheet as on 31st March 2019

Schedule - 13: Current Liabilities

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|---|-----------------------------------|-----------------------------------|
| 1. Agents' Balances | 235,440 | 218,154 |
| 2. Balances due to other insurance companies | 6,400,715 | 5,145,349 |
| 3. Deposits held on re-insurance ceded | - | - |
| 4. Premiums received in advance | 471,505 | 63,207 |
| 5. Unallocated Premium | 4,535,629 | 1,903,890 |
| 6. Sundry Creditors | 1,531,292 | 1,466,774 |
| 7. Due to subsidiaries/holding company | 149,016 | 186,860 |
| 8. Claims Outstanding | 24,476,341 | 19,501,565 |
| 9. Due to Officers/Directors | - | - |
| 10. Statutory Dues | 26,148 | 51,670 |
| 11. GST - Liability | 358,586 | - |
| 12. Unclaimed amount of policy holders | 49,030 | 35,789 |
| Add: Investment income accruing on unclaimed amount | 4,805 | 3,093 |
| 13. Others | | |
| (a) Contracts For Purchase of Securities | 20,821 | 221,011 |
| (b) Security Deposit From Others | 50 | 50 |
| TOTAL | 38,259,378 | 28,797,412 |

Schedule - 14: Provisions

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|--|-----------------------------------|-----------------------------------|
| 1. Reserve for Unexpired Risk | 17,204,132 | 15,505,860 |
| 2. For taxation (less advance tax paid and taxes deducted at source) | - | - |
| 3. For proposed dividends | - | - |
| 4. For dividend distribution tax | - | - |
| 5. For Deferred Tax Liabilities | - | - |
| 6. Employee Benefits | - | - |
| 7. For Gratuity | 48,484 | 23,646 |
| 8. For Leave Entitlement | 55,297 | 59,623 |
| 9. Others | - | - |
| TOTAL | 17,307,913 | 15,589,129 |

Schedule - 15: Miscellaneous Expenditure

(to the extent not written off or adjusted)

₹ in '000

| Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|---|-----------------------------------|-----------------------------------|
| 1. Discount Allowed in issue of shares/debentures | - | - |
| 2. Others | - | - |
| TOTAL | - | - |

Schedules Annexed to and forming part of the Revenue Account(s) and Profit and Loss Account for the financial year ended 31st March, 2019 and to the Balance Sheet as on 31st March, 2019

Schedule – 16: Significant Accounting Policies and Notes to Financial Statements

1. Background

SBI General Insurance Company Limited ('the Company') was incorporated on February 24, 2009 as a public limited company under the Indian Companies Act, 1956 ('the Act') and is currently a joint venture between State Bank of India (SBI) and IAG International Pty Limited, a subsidiary of Insurance Australia Group Limited respectively. The majority shareholder (SBI- State Bank Of India) divested 4% of its stake to strategic investors during September 2018. These investors – PI Opportunities Fund - I and Axis New Opportunities AIF - I, have bought stakes of 2.35% and 1.65% respectively from SBI. Accordingly, SBI's present holding stands at 70%, down 4%, from 74% prior to this transaction. The Company is registered with Insurance Regulatory and Development Authority of India ('IRDAI') with certificate of registration No. 144 dated 15th December 2009 and is in the business of General Insurance in India.

The Certificate of Registration granted by the Insurance Regulatory and Development Authority of India ("IRDAI") to enable the Company to transact General Insurance business continues to stand valid.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) followed in India under the historical cost convention and accrual basis of accounting. The financial statements are prepared in accordance with the statutory requirements of the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015, Insurance Regulatory and Development Authority of India (IRDAI) Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('The Regulations') and guidelines/directions prescribed by the IRDAI in this behalf, the Companies Act, 2013 to the extent applicable and duly comply with the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (to the extent applicable to General Insurance Companies) and current practices prevailing in the general insurance industry. The financial statements are presented in Indian Rupees rounded off to the nearest thousand. Accounting policies applied are followed consistently unless otherwise stated.

2.2 Use of Estimates

The preparation of financial statements in conformity with the GAAP requires Management to make estimates and assumptions that affect the reported amounts 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 preparation of the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods. Actual results may differ from these estimates and assumptions

2.3 Revenue Recognition

(i) Premium

Premium including reinsurance accepted (net of Goods & Service Tax) is recorded in the books at the commencement of risk. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of instalment. Premium (net of Goods & Service Tax) including reinstatement premium on direct business and reinsurance accepted, is recognised as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. Any subsequent revision to premium is recognised over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

(ii) Income earned on Investments:

Interest income will be recognised on accrual basis. Dividend income is recognised when the right to receive the dividend is established.

Investment income (net of expenses) as above, including Profit/loss on sale of securities, is directly identifiable to the investment book which stands bifurcated under shareholders and policyholders in Schedule 8 and 8A. Accordingly, investment income is recognised under Revenue account(s) and Profit and Loss account as applicable.

Within the Revenue Account(s), the investment income shall be further allocated among the lines of business in



the proportion of the average policyholders funds. (Policyholders fund comprising of net reserves for unexpired risks, IBNR, IBNER and outstanding claims)

(iii) Premium/discount on purchase of investments

Premium or discount on acquisition, as the case may be, in respect of fixed income securities and non-convertible preference shares is amortised/accreted on constant yield basis over the period of maturity/holding.

(iv) Gain/loss on sale/redemption of investments

Gain or loss on sale/redemption of investments is recognised on the trade date/redemption date. The Gain/Loss is the difference between the sale/redemption consideration net of transaction cost and the cost of securities arrived at on weighted average cost basis. In respect of listed equity shares and mutual fund units, the gain/loss also includes the accumulated changes in the fair value/market value previously recognised through the fair value change account for the specific investments sold/redeemed during the year.

(v) Commission on Reinsurance Ceded

Commission received on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognised as income in the year of final determination of the profits as intimated by the Reinsurer and combined with commission on reinsurance ceded.

2.4 Reinsurance ceded

In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk. Non-proportional reinsurance cost is recognised when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognised in the period in which they occur.

2.5 Reinsurance Inward

Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

2.6 Acquisition Costs

Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts viz., commission. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk).

2.7 Premium Received in Advance

Premium Received in Advance which represents premium received prior to the commencement of the risk is shown separately under the head "Current Liabilities" in the financial statements and is recorded as income on the date of commencement of risk.

2.8 Reserve for Unexpired Risk

Reserve for Unexpired risk is that part of the net premium written (i.e., premium net of reinsurance ceded) that is attributable to, and to be allocated to succeeding accounting periods on contract period basis or risk period basis, whichever is appropriate. Such reserves are calculated on a pro-rata basis under 1/365 basis, subject to minimum reserve requirements under Section 64 V(1) (ii)(b) of the Insurance Act, 1938 at the portfolio level.

2.9 Premium Deficiency

If the ultimate amount of expected net claim costs (as calculated and certified by the Actuary), related expenses and maintenance costs (related to claims handling) in respect of unexpired risks at the end of the accounting period exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk, the same is recognised as premium deficiency.

Premium deficiency is calculated on annual basis and at the company level.

2.10 a. Claims Incurred

Claim is recognised as and when a loss occurrence is reported.

Claim is recognised by creation of provision for the amount of claim payable as estimated by the Management based on available information and past experience, on receipt of claim notification. Such provision is reviewed/modified as appropriate on the basis of additional information as and when available.

Amounts received/receivable from the re-insurers/co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of the claim.

Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the Management.

Claims paid (net of recoveries including value of salvage retained by the insured and interest, if any, paid on the claims) is charged to the respective Revenue Accounts when approved for payment. Where salvage is taken over by the Company, the recoveries from sale of salvage are recognised at the time of such sale.

b. IBNR and IBNER (Claims Incurred But Not Reported and Claims Incurred But Not Enough Reported)

Provision in respect of claim liabilities that have been incurred before the end of the accounting Year but are:

1. Not yet reported or claimed (IBNR) or
2. Not enough reported, i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER)

The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Institute of Actuaries of India Actuarial Practice Standards and Guidance Notes and IRDAI regulations and guidelines.

2.11 Operating Expenses related to the Insurance Business

Operating expenses related to the insurance business is allocated to specific business segments in the following manner:

- a) Expenses which are directly identifiable to the specific business segments are allocated to the respective business segments on actuals;
- b) Expenses which are not directly identifiable to any specific business segment are apportioned in the proportion of net written premium accounted during the relevant year.

The method of apportionment is based on the nature of the expenses and their logical correlation with various business segments, wherever possible.

2.12 Property, Plant and Equipment:

Tangible assets are carried at cost less accumulated depreciation/amortisation.

Cost includes acquisition price and all attributable cost of bringing the asset to its working condition such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

Depreciation/Amortisation on tangible assets is provided on straight line method as per the basis of their estimated useful life determined by the Management as under, not longer than those prescribed under Schedule II of the Companies Act, 2013

| Asset Class | Estimated Useful Life (in years) | Depreciation Rate (in %) | Useful life as per limits prescribed in Schedule II of the Companies Act, 2013 (in years) |
|--|---|--------------------------|---|
| Items costing upto ₹20,000 each | Depreciated fully in the year in which put to use | | |
| Information Technology Equipment – Servers & Network | 3 years | 33.33% | 6 years |
| Information Technology Equipment – Others | 3 years | 33.33% | 3 years |
| Vehicles | 5 years | 20.00% | 8 years |
| Office Equipment | 4 years | 25.00% | 5 years |
| Electrical Fittings | 4 years | 25.00% | 5 years |
| Furniture and Fixtures | 5 years | 20.00% | 10 years |
| Leasehold improvements | 5 years or primary lease period which is shorter | | 5 years or primary lease period which is shorter |



In respect of assets purchased/disposed off during a financial year, depreciation is provided on a pro rata basis from/ upto the date in which the asset is put to use/disposed off respectively.

Intangible Assets:

The estimated useful life of intangibles and amortisation period are reviewed at the end of each financial year and accordingly revised to reflect the correct pattern.

| Asset Class | Estimated Useful Life (in years) | Depreciation Rate (in %) |
|---------------------------------|----------------------------------|--------------------------|
| Computer Software* (Intangible) | 3 years | 33.33% |

*Other than Embedded software or software which comes pre-installed along with the hardware, which is depreciated on the same rate as the Information Technology Equipment.

Capital Work-in-progress (CWIP) includes assets not ready for the intended use and are carried at cost comprising direct cost and related incidental expenses.

2.13 Impairment of assets

Property, Plant and Equipment 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 recognised is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset.

2.14 Investments

Investments are accounted for in accordance with the extant regulatory guidelines. Investments are recorded on trade date.

Classification

All debt securities are considered as 'held to maturity'.

Investments maturing within 12 months from the balance sheet date and investments made with the specific intention to dispose off within 12 months from the balance sheet date are classified as short-term investments. Investments other than short term investments are classified as long-term investments.

Acquisition cost

Brokerage, commission and other transaction cost paid in connection with acquisition of investments are included in cost.

Broken period interest paid/received on debt instruments is excluded from cost/sale consideration.

Cost is determined on the weighted average cost method.

Valuation of Investments

i) A) Debt Securities

Each security under "Held to Maturity" category is carried at its amortised cost. Any premium/discount on acquisition is amortised/accreted over the remaining maturity period of the security on constant yield basis. Such amortisation/accretion of premium/discount is deducted from/added to interest income.

B) Debt Diminution Policy

If interest and/or instalment in respect of a debt security is not received within 90 days from the date on which such interest/instalment was due, the said debt security is considered as NPA. The interest on such impaired securities is not recognised on accrual basis but recognised as income only on realisation. Estimated loss in the value of the security on account of such impairment is recognised as expense in the Revenue Account(s) or Profit & Loss Account, as the case may be.

In case of existing security, on downgrade in credit ratings of Investee company post acquisition, a provision for diminution in financials is provided on holdings as per the criteria mentioned in the table below.

| Type of Exposure | Credit Rating Threshold for Approved Investments as per IRDAI | Credit Rating Threshold as per Investment Policy | Provision for Diminution on Credit Rating Downgraded to D (Junk) | | |
|--|---|--|--|---|--|
| | | | One Time on downgrade | Treatment Post Initial Provisioning | Treatment for Interest Accruals/Premium/Discount |
| Short Term rated securities (primarily unsecured exposure) | A1 | A1+ | 25% | 10% in every subsequent month subject to 100% on maturity | Stop fresh Accretion of Discount |
| Long Term rated securities (Secured/ Unsecured exposure) | AA | AA | 25% | 5% in every subsequent month subject to 100% on maturity | 1. Stop fresh Interest accruals/Accretion/ Amortisation 2. Reverse accrued Interest receivable till date. |

Reclassification of Securities, Treatment for Receipt of Dues & related reversal of provision for Diminution in Debt Securities:

A security under diminution is to be reclassified as performing on a rating upgrade from all the rating agencies which have rated the security, and the cumulative provision for diminution on principal provided in books of accounts would be reversed.

I. Securities which have matured:- If any Interest/Principal in arrears is received in part, an equivalent amount of provision is to be reversed.

II. Securities which have NOT matured:- Regular Interest accruals and Amortisation would restart if all the existing interest in arrears are repaid in full and on occurring of any of the below events:

- The interest dues are honoured timely on the next coupon date.
- The security has been reclassified as performing on account of an rating upgrade.

Till that time, the interest on the security is to be accounted for in books on Cash Basis only.

Any reversal of diminution in value of investments/Interest earlier charged to Revenue/Profit and Loss Account is to be recognised in Revenue/Profit and Loss Account.

The realised gain or loss on the securities shall be the difference between the sale consideration net of brokerage and taxes and the amortised cost in the books of the Company as on the date of sale determined on weighted average cost basis.

ii) A) Equities (Listed & Actively Traded)

Listed and actively traded securities shall be valued at the last quoted closing prices on the National Stock Exchange of India Limited, which is the primary exchange, as of the Balance Sheet date. In case, the shares are not listed/not traded on NSE the valuation shall be done at the last quoted closing price on the Bombay Stock Exchange, which is the secondary exchange for valuation purpose. Unrealised gains or losses shall be credited/debited to the fair value change account.

B) Equity Diminution Policy

Once a scrip is tested for impairment, the difference between current market price and cost shall be treated as diminution. A diminution in the value of investments shall be recognised as an expense in Revenue/Profit and Loss Account to the extent of the difference between the re-measured fair value of the Investment and its Cost as reduced by any previous diminution in value of investments is recognised as expenses in Revenue/Profit and Loss Account. Any reversal of diminution in value of investments earlier recognised in Revenue/Profit and Loss Account shall be recognised in Revenue/Profit and Loss Account.

The SBIG Equity Diminution Policy incorporates 3 tests for determining impairment. i.e. determining if the loss is other than temporary in nature:

- Average market price (daily closing price on the NSE) of last 12 months is lower than the cost of the scrip by the annually computed threshold (\$)
or
- Average market price (daily closing price on the NSE) of last 24 months is lower than the cost, or
- Qualitative parameters which signify permanent loss in value including significant financial distress of the issuer,



bankruptcy, significant downgrade of the credit rating, large frauds, disappearance of active market

(\$)

The 3-year average of 52-week India NSE volatility Index shall serve as benchmark for determining the annual threshold level for significant loss for that year. This threshold limit for significant loss, as mentioned in criteria 1 above shall be reviewed annually in the last quarter of each financial year. In general, the rounding up of the 3-year average to higher semi-decimal would be taken as a good benchmark to be used for determining the threshold limit.

iii) Mutual Fund Units

Mutual fund units are valued at their Net Asset Value ('NAV') as on the balance sheet date. Unrealised gains or losses are credited/debited to the fair value change account.

Fair Value Change Account

Unrealised gains or losses held in the Fair Value Change Account will not be available for distribution as dividend. On realisation, such gains or losses are recognised as revenue. Further, the Fair value change is disclosed separately for Policyholders and Shareholders in the Financial Statements.

Transfer of Securities to Policy Holders fund

Where securities are transferred to the policy holders Account; this shall be at market price or amortised cost price, whichever is lower.

Investments of Policy Holders and Shareholders

The Company has prepared Schedule 8 and Schedule 8A for Investments indicating bifurcation between Shareholders and Policyholders, respectively.

2.15 Foreign Currency Transactions

Transactions denominated in foreign currencies, if any, are recorded at the exchange rate prevailing on the date of the transaction. Assets and Liabilities in foreign currency, if any, as at the balance sheet date are converted at the exchange rates prevailing at that date and the exchange rate difference either on settlement or on translation is recognised in the Revenue account(s) or Profit and Loss account, as applicable.

2.16 Employee Benefits

i) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short-term employee benefits, such as non-accumulating compensated absences etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the year when the employee renders the service.

ii) Post Employment Benefits:

a) Defined Contribution Plan

All eligible employees are entitled to receive benefits under the Provident Fund Scheme and such other fund. The employees and the Company contribute monthly at a determined rate. These contributions are remitted to respective Provident Fund Authorities and are recognised as an expense in the year to which they relate.

b) Defined Benefit Plan

The Company provides gratuity to all eligible employees, actuarial valuation of the same is done at the end of the year. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service as per applicable law. Vesting occurs upon completion of five years of service. The gratuity benefits shall be internally funded by the Company.

The cost of providing defined benefits shall be determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/losses arising from change in assumptions shall be immediately recognised in the Revenue account(s) or Profit & Loss account, as the case may be and are not deferred.

c) Other Long Term Employee benefits

All eligible employees of the Company are eligible for accumulated compensated absences. The costs of such long term employee benefits shall be internally funded by the Company.

The cost of providing other long term benefits shall be determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. Past service cost shall be immediately recognised in the Revenue account(s) or Profit & Loss account, as the case may be and shall not be deferred.

2.17 Operating Leases

The Company's significant leasing arrangements include lease agreements for office and residential premises. Lease rentals for assets taken on operating lease are recognised as an expense in the Revenue account(s) over the lease term on straight line basis.

2.18 Earnings per Share

The Company reports basic and diluted earnings per share in accordance with AS 20 - 'Earnings Per Share'. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding at the end of the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares are to be exercised or converted. Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

2.19 Provision for Taxation

Income Tax expense is the aggregate amount of current tax, deferred tax. Current year taxes are determined in accordance with the provisions of Accounting Standard 22 and tax laws prevailing in India. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted prior to the balance sheet date. Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis, and carry forward losses. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future profits.

In accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India and in accordance with the provisions of the Income Tax Act, 1961, Minimum Alternate Act ('MAT') credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax in future by way of a credit to the Profit and Loss account and shown as MAT credit entitlement.

2.20 Provisions and Contingent liabilities

In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", the Company recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

No provision is recognised for

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- ii. any present obligation that arises from past events but is not recognised because
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities under notes to accounts. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.

2.21 Goods & Services Tax (GST)

Goods and Services Tax collected shall be recorded as a liability to Government Authorities on collection. Tax paid for eligible input services, to the extent admissible, shall be adjusted against such liability and the net liability shall be remitted to the appropriate tax authority as stipulated. Unutilised credits of Goods and Services Tax paid shall be carried forward as "Other Assets" to subsequent period(s). Goods and Services Tax paid on services which are not



eligible input services and therefore not admissible as credits for Goods and service Tax collected and payable, shall be recognised as an expense in the period in which it is incurred.

2.22 Share Issue Expenses

The share issue expenses shall be written off to the Profit and Loss account in the same financial year in which they are incurred.

2.23 Cash and Cash equivalents:

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.24 Receipts and Payments Account:

Receipts and Payments Account is prepared and reported using the Direct method, in conformity with para 2.2 of the Master circular on Preparation of Financial Statements of General insurance Business dated October 5, 2012 issued by the IRDAI.

2.25 Employee Stock Option Plan ('ESOP'):

The Company will follow the intrinsic method for computing the compensation cost, for options granted under the Plan. The difference if any, between the fair value of the share and the grant price, being the compensation cost is amortised over the vesting period of the options

2.26 Provision for bad & doubtful debts & write off:

Any receivable/recoverable overdue for over 3 years shall be provided as bad & doubtful debts and accordingly adjusted.

3 Notes to Financial Statements

3.1 Contingent Liabilities

- a. Contingent liabilities not provided for in respect of claims against the Company not acknowledged as debts

(₹ in '000)

| | Particulars | As on 31 st March 2019 | As on 31 st March 2018 |
|----|--|-----------------------------------|-----------------------------------|
| a) | Partly paid up investments | Nil | Nil |
| b) | Underwriting commitments outstanding | Nil | Nil |
| c) | Claims other than those under policies, not acknowledged as debts | Nil | Nil |
| d) | Guarantees given by or on behalf of the Company | Nil | Nil |
| e) | Statutory demands/liabilities in dispute, not provided for, in respect of Income Tax | Nil | Nil |
| f) | Reinsurance obligations to the extent not provided for in accounts | Nil | Nil |
| g) | Others <i>Expenses not recognised, to the extent disputed</i> | 8,592 | 33,934 |

Note - The Show cause notices issued by Tax Authorities have not been considered as obligations by the Company.

- b. The Company has impact of pending litigations on its financial statements of ₹21,408 thousand. (Previous Year: ₹19,254 thousand)

3.2 Capital Commitments

- a. Commitments made and outstanding for Loans is ₹ Nil (Previous Year: ₹ Nil).
 b. Commitments made and outstanding for Investments is ₹78,000 thousand (Previous Year: ₹Nil).
 c. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹77,738 thousand (Previous Year: ₹85,935 thousand).

3.3 Encumbrances on Assets

The assets of the Company are free from all encumbrances except for Fixed Deposit of ₹10,000 thousand placed with NSCCL towards Margin requirements on Equity Purchases.

3.4 Investments

- a. Following are the contracts outstanding in relation to purchases where deliveries are pending and sales where payments are outstanding/overdue at the end of the year.

(₹ in '000)

| Asset Type | Nature Of Transaction | 31 st March 2019 | 31 st March 2018 |
|------------------|-----------------------|-----------------------------|-----------------------------|
| Equity | Sales | 62,340 | 0 |
| Govt. Securities | Sales | 0 | 0 |
| Govt. Securities | Purchases | 0 | 210,764 |
| Equity | Purchases | 20,821 | 14,913 |

- b. The Company has no investments in immovable property, derivative instruments.
- c. Investments made are in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016.
- d. The Company has an exposure to IL&FS group securities of book value worth ₹850,993 thousand out of which securities amounting to ₹149,786 thousand has been earmarked as NPA as per the Company's Debt Diminution policy.

Further as per the said Policy, income recognition on the entire IL&FS group securities have been discontinued from the date of downgrade of its Credit rating to Default and a provision for diminution on Principal has been provided as per the table given below.

(₹ in '000)

| Position as on 31 st March 2019 for IL&FS Group Securities | | | |
|---|----------------|----------------|----------------|
| Classification of Assets | Book Value | Provisioning | Net Position |
| Non-Performing | 149,786 | 127,339 | 22,448 |
| Performing | 701,207 | 498,163 | 203,042 |
| Total | 850,993 | 625,502 | 225,490 |

Out of the above, ₹349,903 thousand worth book value of securities have matured and classified under Current Assets. The entire provision on securities has been recognised under Revenue account(s) and allocated in proportion of average policyholders' fund.

- e. Investments that are earmarked, are allocated separately to policy holders or share holders, as applicable.
- f. Historical Cost of Investments which has been valued on a fair value basis:
 Mutual Funds: ₹2,577,400 thousand (Previous Year: ₹2,179,300 thousand)
 Equity Shares: ₹2,040,941 thousand (Previous Year: ₹1,386,085 thousand)
 Exchange Traded Fund: ₹NIL (Previous Year: ₹9,820 thousand)
 Alternative Investment Fund: ₹72,423 thousand (Previous Year: ₹NIL)

As per the policy, Mutual fund units are valued at their Net Asset Value ('NAV') as on the balance sheet date. However, in the event of the balance sheet date being a holiday/non-business day, the NAV for valuation of the fund is considered as published for the last working day.

- g. The aggregate market value and cost of investments held as of the Balance Sheet date are as follows:

(₹ in '000)

| Particulars | As on March 31, 2019 | As on March 31, 2018 |
|--|----------------------|----------------------|
| Aggregate Market Value of Investments other than Listed Equity, AIF and Mutual Funds | 59,256,188 | 49,400,225 |
| Aggregate Amortised Cost of Investments other than Listed Equity, AIF and Mutual Funds | 58,908,939 | 49,421,657 |

- h. Investments under Section 7 of the Insurance Act, 1938:
 As per IRDAI Notification No. IRDAI/F&I/CIR/INV/093/04/2015 dated 30th April 2015, the requirements in relation to Section 7 of Insurance Act, 1938 has been dispensed with.
- i. The Company is holding NCD's worth ₹632,935 thousand as on March 31, 2019, of M/s. TATA Sons Private Limited, which were purchased between 2014 and 2016 when it was a Public Limited Company. Maturity period for the same varies from 3 to 33 months for different securities as on Balance Sheet date. As per Section 27 (A) (4)



of Insurance Act 1938, and IRDAI (Investment) Regulation, 2016 state as “An Insurer shall not out of his controlled fund or assets as referred to in sub-section (2) of Section 27 invest or keep invested in shares or debentures of any private limited company”. The Company has sought approval from the IRDAI to continue to hold these Debentures till maturity.

3.5 Loan

The Company has not given any loans during the financial year and in the previous year.

3.6 Premium

- All premiums net of reinsurance are written and received in India.
- Premium income recognised on “Varying Risk Pattern” is ₹Nil (Previous year: ₹Nil)

3.7 Sector wise details of the policies issued/outstanding are given below:

| Sector | For the year ended March 31, 2019 | | For the year ended March 31, 2018 | |
|--------------|-----------------------------------|----------|-----------------------------------|----------|
| | GDP (₹ in '000) | % of GDP | GDP (₹ in '000) | % of GDP |
| Rural Sector | 15,230,094 | 32.36% | 13,042,900 | 36.80% |
| Urban Sector | 31,835,374 | 67.64% | 22,399,103 | 63.20% |
| Total | 47,065,468 | 100.00% | 35,442,003 | 100.00% |

| Sector | For the year ended March 31, 2019 | | For the year ended March 31, 2018 | |
|---------------|-----------------------------------|--------------|-----------------------------------|--------------|
| | GDP (₹ in '000) | No. of Lives | GDP (₹ in '000) | No. of Lives |
| Social Sector | 15,664,900 | 6,296,965 | 9,055,484 | 7,232,293 |

3.8 Contribution to Pool

Terrorism Pool:

In accordance with the requirement of the IRDAI, the Company is a participant in and has received the Terrorism Pool retrocession of premium in the current financial year. Accordingly as per the statement received from the Pool managers, the Company has recognised the pool retrocession up to 31st December 2018, the accounts for which were received till end of the financial year.

Nuclear Pool:

In view of the passage of the Civil Liability for Nuclear Damage Act, 2010, GIC Re as Indian Reinsurer initiated the formation of the India Nuclear Insurance Pool (INIP) along with other domestic non-life insurance companies by pooling the capacity to provide insurance covers for nuclear risks. INIP is an unregistered reinsurance arrangement among its members i.e. capacity providers without any legal entity. GIC Re and 11 other non-life insurance companies are Founder Members with their collective capacity of ₹15,000,000 thousand. The leader for the policy issued to Nuclear Power Corporation of India (NPCI) is New India Assurance, in which member companies have a co-insurance risk sharing. GIC Re is also appointed as the Pool Manager of the INIP. The business underwritten by the INIP will be retroceded to all the Member companies including GIC Re in proportion of their capacity collated. Out of the total capacity of ₹15,000,000 thousand of the INIP, the capacity provided by the Company is ₹150,000 thousand. The Company has booked its share of retrocession from the INIP based on statements received from the INIP Administrator.

3.9 Contribution to Solatium Fund

In accordance with the requirement of the IRDAI circular dated March 18, 2003 and based on the recommendation made by the General Insurance Council vide letter dated July 26, 2010, the Company has provided 0.1% of all the Third Party premiums (excluding reinsurance premiums accepted on motor third party for commercial vehicles) towards contribution to the Solatium Fund.

3.10 Environment Relief Fund

An amount of ₹222 thousand is outstanding as on 31st March 2019 (Previous year: ₹92 thousand) towards Environment Relief Fund (ERF) under the Public Liability Compulsory Insurance Act, 1991.

3.11 Reinsurance Regulations

As per the Insurance Regulatory and Development Authority (General Insurance – Reinsurance) Regulations, 2016, surplus over and above the domestic reinsurance arrangements class-wise can be placed by the (re)insurer independently with any of the reinsurers complying with sub-regulation 3 (11) (e) subject to the following limits of the total reinsurance premium ceded outside India being placed with any one reinsurer:

| Rating of Reinsurers (as per Standard & Poor and applicable to other equivalent international rating agencies) | Limit of cession allowed under Regulation 3(11) (e) |
|--|---|
| BBB & BBB+ of Standard & Poor | 10% |
| Greater than BBB+ and up to & including A+ of Standard & Poor | 15% |
| Greater than A+ up to & including AAA of Standard & Poor | 20% |

In terms of these Reinsurance Regulations, the Company has submitted details for the financial year 2018-19 to the IRDAI, in respect of its reinsurance arrangements, within the timelines prescribed by the IRDAI.

3.12 Extent of risks retained and reinsured is set out below (excluding risk and catastrophe excess of loss reinsurances, Terrorism Premium Inward and Decline Pool)

| Particulars | Basis | For the Year ended March 31, 2019 | | | | |
|----------------------|-------------------|-----------------------------------|--------------------------|----------------------|----------------|---------------|
| | | Gross Premium (₹ in '000) | Retention (₹ in '000) | Ceded (₹ in '000) | Retention % | Ceded % |
| Fire | Total sum insured | 9,478,434 | 2,842,521 | 6,635,913 | 29.99% | 70.01% |
| Marine – Cargo | Value at risk | 200,539 | 177,776 | 22,763 | 88.65% | 11.35% |
| Marine – Hull | Value at risk | - | - | - | 0.00% | 0.00% |
| Miscellaneous | | | | | | |
| Engineering | Total sum insured | 324,529 | 142,650 | 181,878 | 43.96% | 56.04% |
| Motor | Total sum insured | 9,160,974 | 8,702,926 | 458,048 | 95.00% | 5.00% |
| Workmen Compensation | Value at risk | 21,188 | 10,994 | 10,194 | 51.89% | 48.11% |
| Public Liability | Value at risk | 129,286 | 41,525 | 87,762 | 32.12% | 67.88% |
| Personal Accident | Value at risk | 6,092,044 | 5,795,407 | 296,637 | 95.13% | 4.87% |
| Health | Value at risk | 5,143,069 | 4,847,505 | 295,563 | 94.25% | 5.75% |
| Weather/Crop | Value at risk | 15,099,894 | 2,986,914 | 12,112,980 | 19.78% | 80.22% |
| Others | Value at risk | 1,419,124 | 1,148,173 | 270,951 | 80.91% | 19.09% |
| Aviation | Value at risk | - | - | - | 0.00% | 0.00% |
| Inward Fire | Total sum insured | 52,106 | 3,270 | 48,836 | 6.28% | 93.72% |
| Total | | 47,121,186 | 26,699,662 | 20,421,524 | 56.66% | 43.34% |

| Particulars | Basis | For the Year ended March 31, 2018 | | | | |
|----------------------|-------------------|-----------------------------------|--------------------------|----------------------|----------------|---------------|
| | | Gross Premium (₹ in '000) | Retention (₹ in '000) | Ceded (₹ in '000) | Retention % | Ceded % |
| Fire* | Total sum insured | 7,936,517 | (2,333,582) | 10,270,099 | (29.40)% | 129.40% |
| Marine – Cargo | Value at risk | 172,041 | 161,630 | 10,412 | 93.95% | 6.05% |
| Marine – Hull | Value at risk | - | - | - | - | - |
| Miscellaneous | | | | | | |
| Engineering | Total sum insured | 248,959 | 112,131 | 136,828 | 45.04% | 54.96% |
| Motor | Total sum insured | 9,781,707 | 9,292,623 | 489,084 | 95.00% | 5.00% |
| Workmen Compensation | Value at risk | 18,879 | 10,136 | 8,743 | 53.69% | 46.31% |
| Public Liability | Value at risk | 92,619 | 24,801 | 67,818 | 26.78% | 73.22% |
| Personal Accident | Value at risk | 4,661,469 | 4,405,049 | 256,419 | 94.50% | 5.50% |
| Health | Value at risk | 4,734,385 | 4,497,665 | 236,719 | 95.00% | 5.00% |
| Weather/Crop | Value at risk | 7,002,978 | 1,256,248 | 5,746,730 | 17.94% | 82.06% |
| Others | Value at risk | 828,517 | 646,870 | 181,647 | 78.07% | 21.93% |
| Aviation | Value at risk | - | - | - | - | - |
| Inward Fire | Total sum insured | - | - | - | - | - |
| Total | | 35,478,071 | 18,073,572 | 17,404,499 | 50.94% | 49.06% |

*Includes cedings of FY 2015-16 & prior years.



The Company has ceded premium of ₹1,164,357 thousand (Previous Year: ₹853,428 thousand) towards Excess of Loss Cover.

3.13 The Company ceded around 70% of its LTH (Long Term Home) business generated during FY10-11 to FY15-16, in FY17-18. This was a one-time ceding, prompted by a prudent Management decision to reduce risk exposure. The ceding, cumulative in nature, led to a one-time reinsurance commission receipt, specific to FY17-18 only.

3.14 Premium Deficiency

The Appointed Actuary determined that a premium deficiency is not required to be provided for the year ended 31st March 2019 as per Schedule II of the Assets, Liabilities, and Solvency Margin of General Insurance Business Regulations, 2016. This is because the sum of expected claim costs, related expenses and maintenance costs in respect of unexpired risks does not exceed the related unearned premiums at the insurer level.

The expected claims cost with respect to unearned premiums has been based on the financial year 2019-20 Board approved business forecasts and robustness of the assumptions was tested by sensitivity testing.

The impact of Motor TP Pool was excluded as is allowed by the IRDAI Circular IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013.

3.15 Claims

Claims are recognised as and when a loss occurrence is reported.

Claims paid (net of recoveries including value of salvage retained by the insured and includes interest, if any, paid on the claims and all expenses directly incurred in relation to their assessment) are charged to the respective revenue account when approved for payment. Where salvage is taken over by the Company, the recoveries from sale of salvage are recognised at the time of such sale.

Estimated liability for outstanding claims at the year end are based on survey reports, information provided by clients, overdue invoices notified by Policyholders in respect of credit claims, advices of leaders for coinsurance claims and other sources up to the date of finalisation, past experience and other applicable laws. The estimates are continually reviewed and provisions made accordingly. However, the final liability may be in excess of, or less than, the amount provided, for which any adjustments will be reflected in the periods in which they become known. Estimated liability for outstanding claims include:

- in respect of direct business, claim intimations received up to the year end
- In respect of reinsurance and co insurance where the Company is not leader, as per the terms of the reinsurance and coinsurance arrangements and advices received as of different dates of subsequent year upto the date of finalisation of accounts.
- In respect of motor third party claims where court summons have been served on the Company without adequate policy particulars to establish liability of the Company, provision is made as per appropriate actuarial estimates, for all such claims reported during the year and outstanding for more than one year.

Interest on motor accidental claims tribunal (MACT) claims is provided based on the prevailing trends in the motor third party claim awards.

- All claims, net of reinsurance, are incurred and paid in India except for Marine insurance where consignments are exported from India and Overseas Travel insurance.

(₹ In '000)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---------------|-----------------------------------|-----------------------------------|
| In India | 12,223,169 | 8,246,634 |
| Outside India | 7,766 | 4,953 |

- Ageing of claims payable (excluding IMTPIP and DR Pool figures) is set out as under:

(₹ In '000)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|----------------------|-----------------------------------|-----------------------------------|
| More than six months | 9,772,747 | 8,197,529 |
| Others | 6,615,261 | 4,048,536 |

- c. There are no insurance contracts where the claim payment period exceeds four years. Consequently actuarial assumption for determination of liability thereof is not applicable.

3.16 Basis used by Actuary for determining provision required for IBNR/IBNER

The IBNR (including IBNER) incorporated in the financial statements is certified by the Appointed Actuary and is calculated based on actuarial principles in accordance with the Institute of Actuaries of India Actuarial Practice Standards and Guidance Notes and IRDAI regulations and guidelines. It takes account of exposure and claim patterns by major Line of Business. A combination of projection and assumption selection methods was used including the Bornhuetter-Ferguson, Chainladder, Ultimate Loss Ratio and claim size severity. Methods were the same as last year with the exception of GMC Health which has been changed from a Bornhuetter-Ferguson to a Ultimate Loss Ratio method. The provision contains an allowance for future indirect and direct claims handling expenses relating to claims already incurred and for a risk margin of an average of 6% over the central estimate to increase the probability of adequacy to be greater than 50%.

3.17 Provision for Free look period is ₹Nil (Previous Year – ₹NIL), as certified by the Appointed Actuary.

3.18 Basis of Allocation of Investment Income

- Investment income (net of expenses) as above, including Profit/Loss on sale of securities, is directly identifiable to the investment book which stands bifurcated under shareholders' and policyholders' in Schedule 8 and 8A. Accordingly, investment income is recognised under Revenue Account(s) and profit and loss account as applicable. Within the Revenue Account(s), the investment income shall be further allocated among the lines of business in the proportion of the average policyholders funds. (Policyholders fund comprising of net reserves for unexpired risks, IBNR, IBNER and outstanding claims)
- Previous year Investment income and related expenses were allocated on the basis of average Policyholders' funds and average shareholder's funds.
- The consequent impact of changes in basis of allocation of Investment Income on Revenue accounts and Profit & Loss account in FY2017-18 is as under:

(₹ In '000)

| | Fire | Marine | Misc | P&L | Total |
|---------------------|--------|--------|---------|-----------|-------|
| Differential Impact | 42,265 | 1,009 | 150,947 | (194,221) | - |

3.19 Basis of Allocation of Operating Expenses

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

- Expenses that are directly identifiable to a business class are allocated on actual;
- Other Expenses, that are not directly identifiable, are broadly allocated on net written premium in each business class; and
- Depreciation is allocated on net written premium in each business class.

3.20 The IRDAI vide its notification IRDAI/Reg/12/124/2016 dated 27th April 2016 laid down revised regulations pertaining to expenses of Management of insurers transacting general or health insurance business. The Company has framed an expenses allocation/apportionment policy across various lines of businesses as per the regulatory directives. The same has been approved by the Board. Post allocation/apportionment of expenses of Management across stipulated lines of business an amount of ₹Nil (Previous Year ₹621,380 thousand) has been transferred from policyholders' account (Revenue Account(s)) to Shareholders' account (P&L Account).

3.21 Foreign Exchange Gain/Loss

- Foreign exchange loss (net) incurred during the year is ₹220 thousand (Previous year: ₹517 thousand).
- The year end foreign currency exposure is ₹85,097 thousand (Previous year: ₹20,568 thousand).
- Expenses in foreign exchange are ₹806,809 thousand (Previous year: ₹792,220 thousand).

3.22 Managerial Remuneration

Remuneration to the MD & CEO for the current year was ₹5,770 thousand (Previous Year was ₹5,300 thousand) The MD & CEO has been deputed from the parent organisation.



3.23 Employee Benefits

Defined Benefits Plans

The following table sets out the status of the gratuity plan as required under AS 15 'Accounting for retirement benefits in the financial statements of employers (Revised 2005)';

(₹ In '000)

| | Gratuity | As on March 31, 2019 | As on March 31, 2018 |
|----------|--|----------------------|----------------------|
| 1 | Assumptions | | |
| | Discount Rate | 7.62% | 7.37% |
| | Expected rate of return on assets | 7.37% | 7.37% |
| | Increase in Compensation cost | 9.00% | 11.00% |
| | Average Future Working Life (in Years) | 33.2 | 33.4 |
| 2 | Change in Defined Benefit Obligations | | |
| | Opening Defined Benefits Obligation | 120,315 | 94,721 |
| | Current service cost | 28,320 | 28,023 |
| | Interest cost on benefit obligation | 8,106 | 5,693 |
| | Actuarial losses (gains) | 13,962 | 12,629 |
| | Benefits paid | (20,699) | (20,751) |
| | Closing Defined Benefits | 150,034 | 120,315 |
| 3 | Change in Fair Value of Plan Assets | | |
| | Fair Value of Plan Assets at the beginning of the period | 96,669 | 71,751 |
| | Contributions during the period | 19,693 | 40,336 |
| | Expected Return on Plan Assets for the period | 7,089 | 6,010 |
| | Benefits Paid during the period | (20,669) | (20,751) |
| | Actuarial Gain/(Loss) on Plan Assets | (1,231) | (677) |
| | Fair Value of Plan Assets at the end of the period | 101,549 | 96,669 |
| 4 | Amount Recognised in Balance Sheet | | |
| | Present Value of Obligations | 150,034 | 120,315 |
| | Fair Value of Plan Assets | 101,549 | 96,669 |
| | Asset/(Liability) Recognised in Balance Sheet | (48,484) | (23,647) |
| 5 | Net Cost Recognised in the Expense Account | | |
| | Current service cost | 28,320 | 28,023 |
| | Interest cost on benefit obligation | 8,106 | 5,693 |
| | Expected return on plan assets | (7,089) | (6,010) |
| | Net actuarial (gain)/loss recognised in the year | 15,194 | 13,306 |
| | Actuarial Determined charge for the year (A) | 44,531 | 41,012 |
| | Shortfall/(Excess) (B) | - | - |
| | Net benefit expense (A+B) | 44,531 | 41,012 |

Experience adjustments of five years is given below:

(₹ In '000)

| Particulars | March 31, 2019 | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Defined Benefit Obligation | 150,034 | 120,316 | 94,722 | 69,432 | 39,960 |
| Plan assets | 101,549 | 96,670 | 71,753 | 51,754 | 35,813 |
| Surplus/(Deficit) | (48,484) | (23,646) | (22,969) | (17,678) | (4,148) |
| Exp. Adj on Plan Liabilities | 13,041 | 17,566 | 1,031 | 14,789 | 8,021 |
| Exp. Adj on Plan Assets | 1,231 | 677 | (6,306) | - | 8,172 |

The gratuity fund is managed by a life insurance company.

The contribution expected to be made by the Company during the financial year 2019-20, amounts to ₹32,761 thousand. (Previous year ₹33,352 thousand).

Accrued Leave

The Company has a scheme for accrual of leave for employees, the liability for which is determined on the basis of Actuarial Valuation carried out at the year end. Accordingly, an amount of ₹55,297 thousand is outstanding as on 31st March 2019. (Previous year ₹59,623 thousand)

3.24 During the year, the Company introduced an Employee Stock Option Scheme. The scheme provides that eligible employees are granted options to acquire equity shares of the Company that vest in graded manner. The vested options may be exercised within a specified period.

Under ESOP, during the year 4,741,900 options were granted at an exercise price of ₹559 per option. The options will vest over a period of four years from the date of grant as given below and are exercisable over a period of four years from the respective dates of vesting. Hence no options have vested/exercised during the year.

| Vesting (%) | Vesting Period |
|-------------|----------------------------|
| 10% | 1 year after date of grant |
| 20% | 2 year after date of grant |
| 30% | 3 year after date of grant |
| 40% | 4 year after date of grant |

Method used for accounting:

The Company has adopted intrinsic value method of accounting for compensation cost, for the options granted. Since the intrinsic value of the shares is equal to exercise price, value of options is Nil and accordingly, no compensation cost is recognised in the books.

3.25 Segmental Break up of Balance Sheet and Profit & Loss Account as on March 31, 2019.

The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. Investment Income and Operating Expenses have been allocated as mentioned in Note no. 3.18 and 3.19. Segmental Assets & Liabilities have been identified to the extent possible.

(₹ In '000)

| Particulars | As on March 31, 2019 | | | |
|---|----------------------|-----------|---------------|--------------|
| | Fire | Marine | Miscellaneous | Total |
| Claims Outstanding including IBNR/IBNER | 1,090,784 | 167,081 | 23,218,512 | 24,476,342 |
| | (887,260) | (118,061) | (18,496,244) | (19,501,565) |
| Reserve for Unexpired Risk | 5,481,191 | 62,068 | 11,660,874 | 17,204,133 |
| | (4,402,731) | (54,458) | (11,048,671) | (15,505,860) |

(Previous year figures are given in brackets)

Segmental Revenue Account(s) have been set out in a separate statement in **Annexure 'A'** to this schedule.

There are no reportable geographical segments since the Company provides services to customers in the Indian market only and does not distinguish any reportable regions within India.

3.26 Related Party Disclosures

Related party disclosures have been set out in a separate statement **Annexure 'B'** to this schedule. The related parties, as defined in AS 18 'Related party Disclosures', in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons and taken on record by the Board.

3.27 Assets taken on Lease

The Company's significant leasing arrangements include agreements for office and residential premises. As per AS 19 'Accounting for leases', the future minimum lease payments relating to these leases are as under:

(₹ In '000)

| Particulars | As on March 31, 2019 | As on March 31, 2018 |
|---|----------------------|----------------------|
| Payable not later than 1 year | 243,618 | 255,307 |
| Payable later than one year but not later than five years | 561,587 | 683,787 |
| Payable later than five years | 210,390 | 222,984 |



The amount charged to Revenue account(s) for lease is ₹275,656 thousand (Previous Year: ₹271,948 thousand). There are no transactions in the nature of sub-leases.

3.28 Earnings Per Share (“EPS”)

EPS calculations are as per AS 20 ‘Earnings Per Share’, the following table reconciles the numerator and denominator used to calculate basic and diluted EPS:

| Particulars | As on March 31, 2019 | As on March 31, 2018 |
|--|----------------------|----------------------|
| Profit/(Loss) after Tax [A] (₹ in thousands) | 3,339,920 | 3,956,948 |
| Weighted average number of equity shares (par value of ₹10 each) [B] | 215,500,000 | 215,500,000 |
| Add: Effect of dilutive issues of options | 259,830 | NIL |
| Diluted Weighted average number of equity shares (par value of ₹10 each) [C] | 215,759,830 | 215,500,000 |
| Basic earning per share [A/B] | 15.50 | 18.36 |
| Diluted earning per share [A/C] | 15.48 | 18.36 |

3.29 Taxation

The Company has accounted for net deferred tax assets, as a matter of prudence in accordance with AS 22 “Accounting for Taxes on Income”.

- a) Break-up of deferred tax assets and liabilities into major components of the respective balance as on 31st March, 2019 are as under:

(₹ In ‘000)

| Particulars | As on March 31, 2019 | As on March 31, 2018 |
|-----------------------------------|----------------------|----------------------|
| Deferred Tax Assets | | |
| Unexpired Risk Reserve | 16,337 | 283,024 |
| WDV of Assets | 118,992 | 82,799 |
| Leave Encashment | 19,323 | - |
| Provision for Investment | 264,392 | - |
| Expenses Inadmissible S 40(a)(ia) | 3,121 | - |
| Total | 422,166 | 365,822 |
| Deferred Tax Liabilities | | |
| Depreciation | - | - |
| Total | | |
| Net Deferred Tax Asset | 422,166 | 365,822 |

- b) Income tax provision includes an amount of ₹378,544 (Thousands) on account of MAT credit entitled and utilised during the year.

3.30 Outsourced Services

Outsourced Services include payments made for various outsourced services amounting to ₹280,262 thousand (Previous Year: ₹50,457 thousand).

3.31 Dues Payable to Micro & Small Enterprises

The Company has the process of identification of suppliers registered under the “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006” by obtaining confirmation from suppliers. Based on the information available with the Company, there are no dues payable to the suppliers as defined under the ‘Micro, small and Medium Enterprises Development Act, 2006 as on March 31, 2019.

3.32 Accounting Ratios

The Statement on accounting ratios is included in **Annexure ‘C’**.

3.33 Penalty for Non-Compliance/Violation

| Sr. No. | Authority | Non-Compliance/ Violation | ₹ in '000 | | |
|---------|--|------------------------------|-----------------|--------------|----------------------------|
| | | | Penalty Awarded | Penalty Paid | Penalty Waived/ Reduced |
| 1 | Insurance Regulatory and Development Authority | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 2 | Service Tax Authorities/GST Authorities | Nil (Non-Compliance) | Nil (696) | Nil (696) | Nil (Nil) |
| 3 | Income Tax Authorities | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 4 | Any other Tax Authorities | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 5 | Enforcement Directorate/ Adjudicating Authority/Tribunal or any Authority under FEMA | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 6 | Registrar of Companies/NCLT/ CLB/Department of Corporate Affairs or any Authority under Companies Act, 2013 | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 7 | Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 8 | Securities and Exchange Board of India | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 9 | Competition Commission of India | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |
| 10 | Any other Central/State/Local Government/Statutory Authority | Nil (Nil) | Nil (Nil) | Nil (Nil) | Nil (Nil) |

(Previous year figures are given in brackets)

3.34 Unclaimed Amount of Policy Holders

The liability of the Company towards the policyholders, pertaining to amounts lying unclaimed, stands at ₹53,835 thousand (Previous Year: ₹38,882 thousand) as on the date of the balance sheet, duly reported under Schedule 13, the details of which, along with an itemised ageing, is given in the table below.

As per the extant accounting and disclosure norms of unclaimed amount of policyholders, laid down by the Authority, in the master circular dated 25th July 2017, the Company has segregated the earmarked funds and income accrued thereon, from the assets under management (AUM) and shown the same as a discreet heading under Schedule 12 (Current Assets and Advances), the corpus of which stands at ₹65,384 thousand (Previous Year: ₹61,504 thousand) as on the date of the Balance sheet.



The age-wise Analysis of the Unclaimed Amount of the Policyholders is as under:

(₹ In '000)

| Particulars | Total Amount | Age-Wise Analysis (in months) | | | | | | |
|---|--------------|-------------------------------|---------|---------|---------|---------|---------|---------|
| | | 1-6 | 7-12 | 13-18 | 19-24 | 25-30 | 31-36 | > 36 |
| Claims Settled but not paid to the policyholders/insured's due to any reasons except under litigation from the insured/policyholders | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Sum due to the insured/policyholders on maturity or otherwise | - | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Any excess collection of the premium/ tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law as may be directed by the Authority but not refunded so far | 21,018 | 5,934 | 3,381 | 2,960 | 1,841 | 1,243 | 1,416 | 4,242 |
| | (14,866) | (5,702) | (2,387) | (1,055) | (1,150) | (1,017) | (1,184) | (2,371) |
| Cheques issued but not encashed by the policyholder/insured* | 32,817 | 11,806 | 1,355 | 2,355 | 2,745 | 1,409 | 863 | 12,284 |
| | (24,016) | (3,751) | (5,174) | (2,240) | (1,091) | (925) | (1,342) | (9,493) |

(Previous year figures are given in brackets.)

Movement in unclaimed amount of policy holders' due:

(₹ In '000)

| Particulars | Current Financial year | Previous Financial Year |
|--|------------------------|-------------------------|
| Opening Balance | 38,882 | 25,921 |
| Add: Amount transferred to Unclaimed Fund | 22,666 | 16,682 |
| Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale) | 1,571 | 17 |
| Add: Investment Income on Unclaimed Fund | 2,086 | 1,650 |
| Less: Amount of claims paid during the year | 11,370 | 5,387 |
| Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier) | - | - |
| Closing Balance of Unclaimed Amount Fund | 53,835 | 38,882 |

3.35 The summary of financial statements is provided in **Annexure D**

3.36 An arbitration claim, running with HCL Ltd, the main IT vendor of the Company since inception, over liquidated damages pertaining to a delayed delivery in system implementation, was awarded in favour of the Company. This led to a one time settlement receipt of ₹55,600 thousand. A part of this settlement involved a capital expenditure of ₹90,986 thousand, towards IT facilities, which was depreciated fully during the year.

3.37 For the year ended March 31, 2019, an interim dividend of ₹1/share has been declared as distributable to equity shareholders (March 31, 2018: "Nil"). The dividend, approved by the Board of Directors will be paid during FY19-20. An amount of ₹44,297 thousand towards dividend distribution tax has however been disbursed during FY18-19. As per the Companies (Accounting Standards) Rules, 2016, the above mentioned proposed dividend is not recorded as a liability as on March 31, 2019.

3.38 Corporate Social Responsibility (CSR)

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 01, 2014. As per the provision of the said section, the Company has incurred expenditure towards CSR activities ₹30,140 thousand during the year ended March 31, 2019 (Previous year ₹NIL)

3.39 Pursuant to Insurance Regulatory and Development Authority of India circular no. IRDA/F&A/GDL/CG/100/05/2016 dated 18th May, 2016 on Corporate Governance Guidelines, Details of additional work to Statutory auditor, other than statutory audit are disclosed below –

(₹ In '000)

| Name of the Statutory Audit Firm | Services rendered | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|----------------------------------|--------------------|-----------------------------------|-----------------------------------|
| SARC & Associates | Certification work | 485 | 885 |
| J. Singh & Associates | Certification work | 165 | 910 |

3.40 Previous year figures have been re-grouped and re-classified wherever necessary to confirm to current year presentation. Previous year figure have been given in brackets.

| Sr No | Schedule to Balance Sheet | Reclassified from | Reclassified to | Amount (₹000) | Remarks |
|-------|---|---|---------------------|---------------|--|
| 1 | Schedule 12 – Advances and Other Assets | Due from other entities carrying on insurance business (including reinsurers) | Outstanding Premium | 2,804,026 | Crop subsidy receivable from Central and State Governments reclassified for better presentation. |

Signature to the Notes to Accounts

As per our audit report of even date attached

For Chaturvedi & Shah LLP
Chartered Accountants
(FRN 101720W/W100355)

For SARC & Associates
Chartered Accountants
(FRN 006085N)

CA. Vitesh D. Gandhi
Partner
(M.No. 110248)

CA. Rajendra S. Bagade
Partner
(M.No. 104026)

For and on behalf of the Board of Directors

Rajnish Kumar
Director
(DIN No: 05328267)

Dinesh Kumar Khara
Director
(DIN No: 06737041)

Pushan Mahapatra
Managing Director & CEO
(DIN No: 07307428)

Rikhil K. Shah
Chief Financial Officer
(M. No. 112490)

Mahendra K. Tripathi
Company Secretary
(M. No. A21090)

Place: Mumbai
Date: April 23, 2019



Annexure A

SEGMENTAL REPORTING FOR THE YEAR ENDED 31st March 2019

Segmental Break up of Profit and Loss Account

(₹ In '000)

| Particulars | Schedule | Fire | Marine Cargo | Marine Hull | Motor (OD) | Motor (TP) | Decline | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Weather & Crop Insurance | Others | Total |
|---|----------|------------------|-----------------|-------------|------------------|------------------|----------|------------------------|------------------|---------------|-----------|-------------------|------------------|--------------------------|----------------|-------------------|
| 1. Premiums earned (Net) | 1 | 1,536,182 | 120,600 | - | 6,138,683 | 3,157,688 | - | 10,858 | 40,115 | 81,166 | - | 4,853,357 | 4,933,304 | 2,353,290 | 658,595 | 23,883,837 |
| 2.(a) Profit/Loss on sale/redemption of Investments | | 43,140 | 1,461 | - | 34,631 | 98,654 | - | 167 | 407 | 1,131 | 1 | 47,647 | 29,003 | 16,452 | 6,205 | 278,900 |
| 2.(b) Diminution in the value of Investment (Debt) | | (96,751) | (3,276) | - | (77,669) | (221,258) | - | (375) | (913) | (2,537) | (3) | (106,860) | (65,046) | (36,898) | (13,916) | (625,502) |
| 3. Others | | | | | | | | | | | | | | | | |
| (a) Interest Income-Terrorism Pool/Nuclear Pool | | 12,885 | | | | | | | 1,220 | | | | | | | 14,105 |
| (b) Interest Income on Unclaimed Policyholder | | 600 | 20 | | 482 | 1,373 | - | 2 | 6 | 16 | 0 | 663 | 404 | 229 | 86 | 3,880 |
| (c) Miscellaneous Income | | | | | 362 | | | | | | | | 446 | | 7,564 | 8,373 |
| 4. Interest, Dividend & Rent - Gross | | 482,316 | 16,332 | - | 387,190 | 1,102,994 | - | 1,868 | 4,553 | 12,645 | 13 | 532,707 | 324,263 | 183,941 | 69,374 | 3,118,197 |
| TOTAL SEGMENTAL REVENUE (A) | | 1,978,372 | 135,137 | - | 6,483,679 | 4,139,451 | - | 12,521 | 45,388 | 92,421 | 11 | 5,327,514 | 5,222,373 | 2,517,014 | 727,909 | 26,661,788 |
| 1. Claims Incurred (Net) | 2 | 1,136,924 | 137,693 | - | 4,662,232 | 3,428,971 | - | 5,659 | 16,658 | 52,079 | 3 | 2,420,700 | 2,671,428 | 2,503,905 | 169,462 | 17,205,712 |
| 2. Commission | 3 | (1,630,081) | 23,051 | - | 1,098,832 | 28,201 | - | (2,089) | (10,797) | (17,955) | - | 597,436 | 527,474 | (842,605) | 142,029 | (86,503) |
| 3. Operating Expenses related to Insurance Business | 4 | 562,638 | 27,306 | - | 1,188,898 | 641,612 | - | 2,309 | 12,466 | 25,956 | - | 1,235,302 | 1,046,969 | 920,406 | 278,516 | 5,942,378 |
| 4. Premium Deficiency Reserve | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL SEGMENTAL EXPENSES (B) | | 69,481 | 188,050 | - | 6,949,962 | 4,098,784 | - | 5,879 | 18,328 | 60,079 | 3 | 4,253,438 | 4,245,870 | 2,581,707 | 590,007 | 23,061,587 |
| Segmental Profit/ (Loss) [C= (A-B)] | | 1,908,891 | (52,913) | - | (466,284) | 40,667 | - | 6,641 | 27,060 | 32,342 | 8 | 1,074,076 | 976,502 | (64,693) | 137,902 | 3,620,201 |

SEGMENTAL REPORTING FOR THE YEAR ENDED 31st March 2018

Segmental Break up of Profit and Loss Account

(₹ In '000)

| Particulars | Schedule | Fire | Marine Cargo | Marine Hull | Motor (OD) | Motor (TP) | Decline | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Weather & Crop Insurance | Others | Total |
|---|----------|--------------------|-----------------|-------------|------------------|------------------|----------|------------------------|------------------|---------------|------------|-------------------|------------------|--------------------------|----------------|-------------------|
| 1. Premiums earned (Net) | 1 | 1,383,447 | 107,857 | - | 4,878,112 | 2,502,769 | - | 7,981 | 28,509 | 68,737 | - | 4,075,012 | 3,987,089 | 935,182 | 444,029 | 18,418,726 |
| 2.(a) Profit/Loss on sale/redemption of Investments | | 53,493 | 1,277 | - | 31,123 | 84,833 | - | 153 | 270 | 775 | 1 | 39,741 | 23,691 | 6,981 | 3,481 | 245,821 |
| 2.(b) Diminution in the value of Investment (Debt) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Others | | | | | | | | | | | | | | | | |
| (a) Interest Income-Terrorism Pool/Nuclear Pool | | 7,579 | - | - | - | - | - | - | 506 | - | - | - | - | - | - | 8,085 |
| (b) Interest Income on Unclaimed Policyholder | | 669 | 16 | - | 389 | 1,061 | - | 2 | 3 | 10 | 0 | 497 | 296 | 87 | 44 | 3,075 |
| (c) Miscellaneous Income | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Interest, Dividend & Rent – Gross | | 559,809 | 13,368 | - | 325,701 | 887,778 | - | 1,602 | 2,822 | 8,113 | 12 | 415,892 | 247,932 | 73,058 | 36,434 | 2,572,522 |
| TOTAL SEGMENTAL REVENUE (A) | | 2,004,997 | 122,518 | - | 5,235,326 | 3,476,441 | - | 9,738 | 32,110 | 77,635 | 14 | 4,531,143 | 4,259,009 | 1,015,309 | 483,988 | 21,248,229 |
| 1. Claims Incurred (Net) | 2 | 583,664 | 88,794 | - | 3,427,915 | 3,344,141 | - | 431 | 4,913 | 30,602 | (6) | 2,600,186 | 1,667,371 | 1,265,145 | 151,313 | 13,164,468 |
| 2. Commission | 3 | (2,531,505) | 19,126 | - | 735,679 | 11,224 | - | (1,200) | (8,132) | (32,790) | - | 443,140 | 591,710 | (697,495) | 62,644 | (1,407,599) |
| 3. Operating Expenses related to Insurance Business | 4 | 641,661 | 25,738 | - | 1,673,737 | 894,497 | - | 2,906 | 9,999 | 27,597 | - | 938,327 | 1,026,019 | 290,526 | 187,472 | 5,718,479 |
| 4. Premium Deficiency Reserve | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL SEGMENTAL EXPENSES (B) | | (1,306,180) | 133,658 | - | 5,837,330 | 4,249,861 | - | 2,137 | 6,780 | 25,409 | (6) | 3,981,654 | 3,285,100 | 858,177 | 401,429 | 17,475,348 |
| Segmental Profit/(Loss) [C= (A-B)] | | 3,311,178 | (11,139) | - | (602,005) | (773,420) | - | 7,601 | 25,330 | 52,226 | 20 | 549,489 | 973,909 | 157,133 | 82,559 | 3,772,882 |



Annexure B

RELATED PARTY DISCLOSURE UNDER AS 18 TO ICAI

(₹ in '000)

| S. No. | Nature of Relationship with the Company | Name of the Related Party | Categories | Description of Transactions/ Categories | For the period ended 31 st Mar 2019 | For the period ended 31 st Mar 2018 |
|---|---|-----------------------------|------------|--|--|--|
| 1 | Holding Company | State Bank of India | Income | Premium Received | 36,437 | 38,470 |
| | | | | Interest Income on Term Deposits | - | 8,476 |
| | | | Expense | Commission expense | 2,263,293 | 1,990,838 |
| | | | | Bank Charges | 9,193 | 8,636 |
| | | | | Claims Expense | 2,267 | 1,940 |
| | | | | SBI Officers Deputation Cost | 24,559 | 36,822 |
| | | | | Other Expenses | 16,380 | 5,996 |
| | | | | Expenses Reimbursement | (791) | 1,865 |
| | | | | Premises Rent | 2,765 | 2,517 |
| | | | Asset | Term Deposits Redeemed/Matured | - | 265,899 |
| | | | | Current Accounts | 1,538,911 | 263,031 |
| | | | | Rent recovery | - | 15 |
| | | | | Security Deposit | 153 | 153 |
| | | | | Advance Given | 960 | - |
| | | | Liability | Commission Payable | 108,986 | 153,933 |
| | | | | Claims Payable | 27 | 209 |
| | | | | Bank Charges | 973 | - |
| SBI Officers Deputation Cost | 14,330 | 22,136 | | | | |
| Expenses Reimbursement | 737 | 1,227 | | | | |
| Other Expenses Payable | 24,833 | 9,730 | | | | |
| 2 | Group Company of Shareholder | Insurance Australia Limited | Expense | Technical Services | 3,383 | 4,087 |
| | | | Liability | Technical Services Payable | 842 | 1,618 |
| | | IAG Re | Income | Commission Income | 52,943 | 36,708 |
| | | | | Claims Recovery | 212,117 | 144,386 |
| | | | Expense | Reinsurance Ceded (incl. Non Proportional) | 202,285 | 339,897 |
| | | | Asset | Net of Reinsurance Receivable, Commission & Claims | 59,269 | - |
| | | | Liability | Reinsurance Payable net of Commission & Claims | - | 77,483 |
| | | | 3 | Fellow Subsidiaries | SBI DFHI Ltd. | Income |
| Expense | Claims Expense | - | | | | 183 |
| Asset | Investment Purchased | 1,984,684 | | | | 469,110 |
| SBI Global Factors Ltd. | Income | Premium Received | | | (4) | 10 |
| | Expense | Premises Rent | | | - | (508) |
| SBICAP Securities Ltd | Income | Premium Received | | | 882 | 10,769 |
| | | Expense | | | Brokerage Expense | 325 |
| | Liability | Claims Expense | | | - | 1,132 |
| | | Commission expense | | | 1,239 | 774 |
| | | Brokerage Payable | | | 1 | - |
| | | Claims Payable | | | - | 100 |
| SBI Capital Markets Ltd. | Income | Premium Received | | | (1,754) | 353 |
| | Asset | Investment Purchased | | | 1,262,959 | - |
| | Expense | Claims Expense | | | 8 | 73 |
| SBI Mutual Fund | Asset | Investment Purchased | | | 35,998,100 | 8,266,820 |
| | | Investment Redeemed | | | 34,683,545 | 8,226,383 |
| | | MF Holding | | | 1,993,000 | 509,820 |
| SBI SG Global Securities Services Pvt Ltd | Income | Premium Received | | | 98 | 4,379 |
| | Expense | Claims Expense | | | - | 1,023 |

| S. No. | Nature of Relationship with the Company | Name of the Related Party | Categories | Description of Transactions/ Categories | For the period ended 31 st Mar 2019 | For the period ended 31 st Mar 2018 |
|---------------------------------|---|---|------------------------|---|--|--|
| 3 | Fellow Subsidiaries | SBI Cards and Payment Services Pvt Ltd | Income | Premium Received | 425 | 2,580 |
| | | | Asset | Prepaid Expenses | 116 | 43 |
| | | | Expense | Card Payments | 4,645 | 3,927 |
| | | | | Commission expense | 49 | - |
| | | Liability | Commission payable | 31 | - | |
| | | SBI Funds Management Pvt. Ltd. | Income | Premium Received | 2,212 | 5,005 |
| | | SBI Life Insurance Company Limited | Income | Premium Received | 70 | 4,661 |
| | | | | Dividend Income | 75 | - |
| | | | Expense | Premium Paid | 4,230 | 4,362 |
| | | | | Premises Rent | 93,585 | 95,194 |
| | | | | Expenses Reimbursement | 20,593 | 22,839 |
| | | | | Claims Expense | - | 972 |
| | | | Asset | Premium Deposit/Prepaid Expenses | 1,388 | 1,783 |
| | | | | Investment Purchased | 49,559 | - |
| | | Equity Holdings | | 26,162 | - | |
| | | Liability | Expenses Reimbursement | 1,250 | 1,618 | |
| | | Saurashtra Gramin Bank | Income | Premium received | 4,523 | 2,663 |
| | | | Expense | Commission expense | 2,887 | 1,915 |
| | | | | Other Expenses | 1,745 | 4,966 |
| | | | Liability | Other Expenses Payable | 6,711 | 4,966 |
| | | Commission payable | | 306 | 395 | |
| | | Mizoram Rural Bank | Income | Premium received | 739 | 2,273 |
| | | | Expense | Commission expense | 1,687 | 1,466 |
| | | | Liability | Commission payable | 503 | 784 |
| | | Meghalaya Rural Bank | Income | Premium received | 109 | 9 |
| | | | Expense | Commission expense | 431 | 189 |
| | | | Liability | Commission payable | 510 | 32 |
| | | SBI CAP Ventures Ltd | Income | Premium received | 6 | - |
| | | SBICAP Trustee Company Ltd | Income | Premium received | 2 | - |
| | | SBI Payment Services Pvt. Ltd. | Income | Premium Received | 187 | - |
| | | | Expense | Claims Expense | - | 11 |
| | | SBI Pension Funds Pvt Ltd | Income | Premium Received | 13 | 21 |
| | | C - Edge Technologies Ltd | Income | Premium Received | - | 90 |
| | | | Expense | Claims Expense | - | 2,835 |
| | | | | IT Support charges | 3,562 | 13,125 |
| | | | Liability | Claims Payable | - | 1,820 |
| | | IT Support charges Payable | | 2,875 | 10,061 | |
| | | GE Capital and Business Process Management Services Pvt Ltd | Income | Premium Received | - | 735 |
| | | Ellaquai Dehati Bank | Income | Premium Received | 216 | - |
| | | Madhyanchal Gramin Bank | Income | Premium Received | 39 | 1,024 |
| | | | Expense | Commission expense | 592 | 750 |
| | | | | Claims Expense | 6 | - |
| | | | Liability | Commission payable | 546 | 305 |
| | | Claims Payable | | - | 23 | |
| | | Nagaland Rural Bank | Income | Premium Received | 463 | 399 |
| | | Vananchal Gramin Bank | Income | Premium Received | 490 | - |
| | | | Expense | Commission expense | 1,751 | 765 |
| Liability | Commission payable | | 2,056 | 534 | | |
| Langpi Dehangi Rural Bank | Expense | Commission expense | 635 | 266 | | |
| | Liability | Commission payable | 680 | 120 | | |
| Rajasthan Marudhara Gramin Bank | Income | Premium Received | 35 | 28 | | |
| | Expense | Commission expense | 10,065 | 5,116 | | |
| | | Other Expenses | 1,344 | - | | |
| | Liability | Commission payable | 1,340 | 1,649 | | |
| | | Other Expenses Payable | 1,344 | - | | |



(₹ in '000)

| S. No. | Nature of Relationship with the Company | Name of the Related Party | Categories | Description of Transactions/ Categories | For the period ended 31 st Mar 2019 | For the period ended 31 st Mar 2018 | |
|--------------------|---|------------------------------------|--------------------------------|---|--|--|-------|
| 3 | Fellow Subsidiaries | Purvanchal Bank | Expense | Commission expense | 13,650 | 8,720 | |
| | | | | Claims Expense | 7 | 96 | |
| | | | | Other Expenses | 6,126 | - | |
| | | | Liability | Commission payable | 3,257 | 111 | |
| | | | | Other Expenses Payable | 3,936 | - | |
| | | | | Income | Premium Received | - | 364 |
| | | | Telangana Grameena Bank | Income | Premium Received | 36 | 41 |
| | | | | | Expense | Commission expense | 3,366 |
| | | | | Liability | Other Expenses | (8) | 28 |
| | | Claims Expense | | | - | 22 | |
| | | Other Expenses Payable | | | 16 | - | |
| | | Arunachal Pradesh Rural Bank | Income | Premium Received | 230 | 25 | |
| | | | Expense | Commission expense | 171 | 147 | |
| | | | Liability | Commission payable | 199 | 50 | |
| | | Ellaquai Dehati Bank | Expense | Commission expense | 1,545 | 1,539 | |
| | | | Liability | Commission payable | 1,301 | 618 | |
| | | Andhra Pradesh Grameena Vikas Bank | Income | Premium Received | 15 | 250 | |
| | | | Expense | Commission expense | 15,027 | 10,873 | |
| | | | | Claims Expense | - | 424 | |
| | | | | Other Expenses | 554 | - | |
| | | Liability | Commission payable | 10,969 | 5,015 | | |
| | | | Chhattisgarh Rajya Gramin Bank | Income | Premium Received | 14,769 | 93 |
| | | | | Expense | Commission expense | 7,689 | 4,184 |
| | | Claims Expense | | | 6 | - | |
| | | Liability | Commission payable | 534 | 1,207 | | |
| | | | Kaveri Grameena Bank | Income | Premium Received | 7,712 | 1,047 |
| | | | | Expense | Commission expense | 5,465 | 2,305 |
| | | Claims Expense | | | 902 | 406 | |
| | | Other Expenses | | | 1,785 | - | |
| | | Liability | Commission payable | 1,024 | 974 | | |
| | | | Other Expenses Payable | 1,785 | - | | |
| Utkal Grameen Bank | Income | Premium Received | 11 | 4 | | | |
| | Expense | Commission expense | 2,168 | 1,252 | | | |
| | | Other Expenses | - | 0 | | | |
| Liability | Commission payable | 728 | 168 | | | | |
| | Uttarakhand Gramin Bank | Income | Premium Received | 1,405 | 1,026 | | |
| | | Expense | Commission expense | 641 | 476 | | |
| Claims Expense | | | - | 33 | | | |
| Other Expenses | | | - | 10 | | | |
| Liability | Other Expenses Payable | 10 | - | | | | |
| | Commission payable | 1,302 | 462 | | | | |
| Malwa Gramin bank | Income | Premium Received | 553 | 19 | | | |
| | Expense | Commission expense | 638 | 144 | | | |
| | Liability | Commission payable | 104 | 114 | | | |
| SBI Foundation | Income | Premium Received | 154 | - | | | |
| | Expense | Other Expenses | 6,500 | - | | | |
| 4 | Managing Director & CEO | Shri Pushan Mahapatra | Income | Premium Received | 4 | 4 | |
| | | | Expense | SBI Officers Deputation Cost | 5,770 | 5,300 | |
| | | | Liability | SBI Officers Deputation Cost | 1,353 | 1,234 | |

Annexure "C"

RATIOS FOR NON-LIFE COMPANIES

| Sr. No. | Performance Ratio | Basis | Ratios as at March 31, 2019 | | | | Ratios as at March 31, 2018 | | | |
|---------|--|--|-----------------------------|---------|---------------|--------|-----------------------------|---------|---------------|--------|
| | | | Fire | Marine | Miscellaneous | Total | Fire | Marine | Miscellaneous | Total |
| 1 | Gross Premium growth rate | Gross premium for current year/Gross premium for previous year | 19.91% | 16.56% | 36.62% | 32.80% | 9.93% | -5.97% | 46.56% | 36.08% |
| 2 | Gross Premium to Net Worth ratio | Gross premium/Networth | NA | NA | NA | 2.58 | NA | NA | NA | 2.37 |
| 3 | Growth rate of Net Worth | Shareholders' funds as at current Balance Sheet date/Shareholders' funds as at previous Balance Sheet date | NA | NA | NA | 22.05% | NA | NA | NA | 36.02% |
| 4 | Net Retention ratio | Net premium/Gross premium | 27.34% | 63.93% | 61.05% | 54.23% | -31.62% | 69.15% | 71.83% | 48.60% |
| 5 | Net Commission ratio | Commission net of reinsurance/Net premium | -62.34% | 17.98% | 6.66% | -0.34% | 100.42% | 16.08% | 5.62% | -8.15% |
| 6 | Expenses of Management to Gross Direct Premium ratio | Expenses of Management/Gross Direct Premium | 18.09% | 26.96% | 21.39% | 20.75% | 20.12% | 27.50% | 25.93% | 24.64% |
| 7 | Expense of Management to Net Written Premium | Expense of Management to Net Written Premium | 65.58% | 42.16% | 35.01% | 38.17% | -63.09% | 39.77% | 36.07% | 50.57% |
| 8 | Net incurred Claims to Net Earned Premium | Net incurred Claims to Net Earned Premium | 74.01% | 114.17% | 71.67% | 72.04% | 42.19% | 82.33% | 73.80% | 71.47% |
| 9 | Combined ratio | Claims Paid plus Commission Paid plus Expenses of Management/Gross premium | 33.18% | 153.45% | 101.77% | 94.93% | 117.15% | 120.03% | 105.09% | 96.43% |
| 10 | Technical Reserves to Net Premium ratio | Reserve for unexpired risks + reserve for outstanding claims/Net premium | 2.51 | 1.79 | 1.53 | 1.63 | -2.10 | 1.45 | 1.50 | 2.03 |
| 11 | Underwriting balance ratio | Underwriting profit/Net premium | 0.95 | -0.56 | -0.03 | 0.03 | 1.94 | -0.24 | -0.10 | 0.05 |
| 12 | Operating profit ratio | Underwriting profit + Investment income of policy holders' funds/Net premium | 124.26% | -43.87% | 7.94% | 15.16% | 239.34% | -10.33% | 2.79% | 20.48% |
| 13 | Liquid Assets to Liabilities ratio | Cash and Bank balances/Current liabilities | NA | NA | NA | 0.31 | NA | NA | NA | 0.29 |
| 14 | Net Earnings ratio | Net profit after tax/Net premium | NA | NA | NA | 13.06% | NA | NA | NA | 22.91% |
| 15 | Return on Net worth | Net profit after tax/Networth | NA | NA | NA | 18.31% | NA | NA | NA | 26.48% |
| 16 | Solvency Margin | Risk reinsured (Premium on Reinsurance ceded)/Gross premium | NA | NA | NA | 2.34 | NA | NA | NA | 2.54 |
| 17 | NPA | | NA | NA | NA | NA | NA | NA | NA | NA |



Annexure D

Summary of Financial Statements

(₹ In '000)

| Sl. No | Particulars | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 | For the year ended 31 st March 2017 | For the year ended 31 st March 2016 | For the year ended 31 st March 2015 |
|--------|--|---|---|---|---|---|
| | OPERATING RESULTS | | | | | |
| 1 | Gross Premium Written | 47,172,663 | 35,532,138 | 25,951,753 | 20,425,965 | 16,069,010 |
| 2 | Net Premium Income # | 25,582,109 | 17,269,987 | 16,300,071 | 15,977,024 | 12,559,016 |
| 3 | Income from Investment (Net)## | 2,789,578 | 2,829,503 | 2,612,622 | 1,964,551 | 1,424,911 |
| 4 | Others | 8,373 | - | - | - | - |
| 5 | Total Income | 28,380,060 | 20,099,490 | 18,912,692 | 17,941,575 | 13,983,927 |
| 6 | Commissions(Net) (including brokerage) | (86,503) | (1,407,599) | 211,296 | 955,924 | 717,517 |
| 7 | Operating Expense | 5,942,378 | 5,718,479 | 4,989,156 | 4,934,753 | 3,697,585 |
| 8 | a) Claims | 17,205,712 | 13,164,468 | 11,075,225 | 10,012,695 | 7,817,290 |
| | b) Increase in Unexpired Risk Reserve and other Outgoes | 1,698,272 | (1,148,740) | 1,535,827 | 3,908,112 | 3,445,799 |
| | c) Premium Deficiency | - | - | - | - | - |
| 9 | Operating Profit/(Loss) | 3,620,201 | 3,772,882 | 1,101,187 | (1,869,909) | (1,694,264) |
| | NON-OPERATING RESULT | | | | | |
| 10 | Total Income under Shareholders' Account | 1,077,735 | 451,010 | 425,376 | 670,240 | 640,987 |
| 11 | Profit/(Loss) before tax | 4,697,935 | 4,223,892 | 1,526,564 | (1,200,984) | (1,053,277) |
| 12 | Provision for Tax | 1,358,015 | 266,945 | - | - | - |
| 13 | Profit/(Loss) after Tax | 3,339,920 | 3,956,946 | 1,526,564 | (1,200,984) | (1,053,277) |
| | MISCELLANEOUS | | | | | |
| 14 | Policyholders' Account | | | | | |
| | Total Funds | 48,412,521 | 39,277,475 | 33,658,498 | NA [^] | NA [^] |
| | Total Investments | 49,347,973 | 41,066,473 | 35,159,304 | NA [^] | NA [^] |
| | Yield on Investments | 6.41% | 8.21% | 8.97% | NA [^] | NA [^] |
| 15 | Shareholders' Account** | | | | | |
| | Total Funds | 18,238,774 | 14,943,152 | 10,986,207 | 7,209,641 | 8,410,627 |
| | Total Investments | 14,217,711 | 11,855,445 | 8,461,812 | 33,006,063 | 26,677,456 |
| | Yield on Investments* | 7.15% | 8.08% | 9.05% | 8.86% | 9.49% |
| 16 | Paid up Equity Capital | 2,155,000 | 2,155,000 | 2,155,000 | 2,030,000 | 2,030,000 |
| 17 | Net Worth** | 18,238,774 | 14,943,152 | 10,986,207 | 7,209,641 | 8,410,627 |
| 18 | Total Assets | 73,349,882 | 58,888,928 | 47,468,143 | 36,233,590 | 29,525,761 |
| 19 | Yield on Total Investments* | 6.60% | 8.18% | 8.99% | 8.86% | 9.49% |
| 20 | Earnings per share (₹) | 15.50 | 18.36 | 7.21 | (5.92) | (5.39) |
| 21 | Book Value per Share (₹) | 84.63 | 69.34 | 50.98 | 35.32 | 41.44 |
| 22 | Total Dividend | - | - | - | - | - |
| 23 | Dividend per Share (₹) | - | - | - | - | - |
| 24 | Solvency Margin (times) (Requirement of 1.5 times) | 2.34 | 2.54 | 2.19 | 1.81 | 2.80 |

Notes

Net of reinsurance

Net of losses

* Yield on investment includes return on Fixed Deposits

** Net worth/Shareholders funds = (Share Capital + Reserve & Surplus) - Debit balance in Profit & Loss Account

^ NA - Not available

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

(₹ In '000)

| Particulars | For the year ended 31 st March 2019 | For the year ended 31 st March 2018 |
|---|--|--|
| Cash flows from operating activities | | |
| Premium received from policyholders including advance receipt | 50,173,588 | 36,364,000 |
| Other receipts | 32,082 | 15,007 |
| Payment to the re-insurers, net of commission and claims | (10,766,620) | (10,123,923) |
| Payment to co-insurers, net of claims recovery | 455,689 | (100,180) |
| Payment of claims | (20,063,757) | (10,742,368) |
| Payment of commission and brokerage | (3,855,974) | (2,866,802) |
| Payments of other operating expenses | (5,347,194) | (5,410,427) |
| Preliminary and pre-operative expenses | - | - |
| Deposits, advances and staff loans | (352,767) | (13,958) |
| Income taxes paid (Net) | (1,778,686) | (632,768) |
| Service tax/GST (Net) | 759,818 | (736,927) |
| Director sitting fees | (2,695) | (2,680) |
| Retirement benefits | (72,576) | (67,210) |
| Cash flow before extraordinary items | 9,180,908 | 5,681,764 |
| Cash flow from extraordinary items | - | - |
| Net cash flow from operating activities | 9,180,908 | 5,681,764 |
| Cash flows from investing activities | | |
| Purchase of Fixed Assets | (782,996) | (436,466) |
| Proceeds from Sale of Fixed assets | 1,897 | 380 |
| Purchase of Investments | (24,727,495) | (17,676,216) |
| Loans Disbursed | - | - |
| Sale of Investments | 11,707,148 | 10,946,642 |
| Repayments received | - | - |
| Rent/Interest/Dividend received on Investment | 3,744,078 | 3,596,289 |
| Investment in moneymarket and liquid fund instruments | 1,587,466 | (1,218,065) |
| Expenses related to Investments | (3,468) | (4,747) |
| Investments in Fixed deposits (Net) | (10,000) | 979,098 |
| Net cash flow from investing activities | (8,483,370) | (3,813,085) |
| Cash flows from financing activities | | |
| Proceed from issuance of share capital (net of share issue expenses) | - | - |
| Proceeds from borrowing | - | - |
| Repayments from borrowings | - | - |
| Interest/Dividend paid (including Dividend Distribution Tax) | (44,297) | - |
| Net cash flow from financing activities | (44,297) | - |
| Effect of foreign exchange rates on cash and cash equivalents, net | - | - |
| Net increase in cash and cash equivalents | 653,241 | 1,868,679 |
| Cash and cash equivalent at beginning of the year | 3,758,455 | 1,889,776 |
| Cash and cash equivalent at end of the year | 4,411,696 | 3,758,455 |
| Book overdraft at the end of the year | - | - |
| Net increase in cash and cash equivalents | 653,241 | 1,868,679 |
| Refer Schedule 11 for components of cash and cash equivalents | | |
| 1) Cash and cash equivalents include cash on hand, balances with other banks in current account and fixed deposits with maturity upto 3 months, and liquid mutual funds | | |
| 2) Receipts and Payments account has been prepared under the "Direct Method" in accordance with AS-3 "Cash flow statements". | | |

Signatures to the Receipts and Payments Account

As per our report of even date attached

For and on behalf of the Board of Directors

For Chaturvedi & Shah LLP For SARC & Associates
Chartered Accountants Chartered Accountants
(FRN: 101720W/W100355) (FRN: 006085N)

Rajnish Kumar
Director
(DIN No: 05328267)

Dinesh Kumar Khara
Director
(DIN No: 06737041)

Pushan Mahapatra
Managing Director & CEO
(DIN No: 07307428)

CA. Vitesh D. Gandhi
Partner
(M.No: 110248)

CA. Rajendra S. Bagade
Partner
(M.No: 104026)

Rikhil K. Shah
Chief Financial Officer
(M. No: 112490)

Mahendra K. Tripathi
Company Secretary
(M. No: A21090)

Place: Mumbai
Date: April 23, 2019

Awards

26 Awards
8 Years

2019

- 'INSURANCE ALERTSS – Best General Insurance Company – Rural Presence', at CMO Confluence & Corporate Awards, 2019
- 'Best Risk Management Strategy of the Year' in General Insurance category at the Emerging Asia Insurance Awards 2019, presented by Indian Chamber of Commerce
- Pushan Mahapatra, recognized as the 'CEO Of The Year' at 4th Annual Insurance India Summit Awards 2019
- 'Gold Award' in the category 'Non Life Insurance Company of the Year 2018' at Outlook Money Awards
- 'General Insurance Company of the Year' at India Insurance Summit and Awards 2019
- 'Best Digital Innovation Award' for Customer Retention Analytics organised by Express Computers, 2019
- 'Best Use of Content Marketing in Communication Strategy' at Corporate Communication and PR Summit 2019, organised by Kamikaze
- 'CRO of the year' in the 2nd Edition CRO Leadership Summit and Awards 2019
- 'Silver Award' for Emailer Campaign at Association of Business Communicators of India (ABC) Awards 2019

2018

- 'Bronze' for the best e-zine at the 12th Global Communication Conclave organised by Public Relation Council of India
- 'Best Content' in Email Marketing Campaign for E-Newsletters at India Content Leadership Awards by InksPELL Media
- 'Best ET BFSI Brands Award 2018' by Economic Times
- 'Best General Insurance Company' and 'Best Growth in General Insurance' at the Emerging Asia Insurance Awards 2018 organized by Indian Chamber of Commerce at Bangkok

2017

- 'Bancassurance Leader' by Fintelekt Insurance Awards 2017
- 'Great Place To Work' by Great Place to Work@Institute, India in 2017
- 'Silver' for best e-zine at 57th ABCI Awards

2016

- 'Best ET BFSI Awards 2016' award by Economic Times
- 'Best General Insurance Company' at India Insurance Awards by Fintelekt
- 'Under-served Market Penetration' by Indian Insurance Awards

- 'Commercial Lines Growth Leadership' by India Insurance Awards

2015

- 'Marketing Initiative of the Year' at the India Insurance Awards 2015
- '50 Most Influential Digital Media Professionals' at the Mobile & Digital Marketing Summit 2015, hosted by World Marketing Congress & CMO Asia

2014

- 'Runner-up' for data quality, Asia Pacific Award by International Association for Information and Data Quality (IAIDQ), Australia

2013

- 'Technology Maturity Award' by India Insurance Awards organised by Fintelekt

2012

- 'Rising Star' Insurer at India Insurance Awards organized by Fintelekt
- '3rd Annual Data Quality Asia Pacific' award by the International Association for Information and Data Quality (IAIDQ)





SBI General Insurance Company Limited

Corporate & Registered Office:

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Junction of Western Express Highway & Andheri- Kurla Road,
Andheri (East) Mumbai 400 069

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